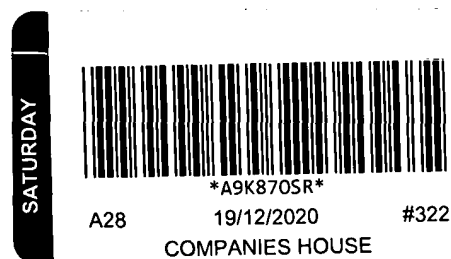


COMPANY REGISTRATION NUMBER: 06531134

Brookfield Property (Holdings) Ltd
Financial Statements
For the year ended
31 March 2020



VOGAN ACCOUNTANCY LIMITED
Chartered accountants & statutory auditor
2 Chancery Lane
Wakefield
West Yorkshire
WF1 2SS

Brookfield Property (Holdings) Ltd

Financial Statements

Year ended 31 March 2020

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Brookfield Property (Holdings) Ltd

Officers and Professional Advisers

The board of directors

Aziz Patel
Saira Patel
Ayub Patel
Shahenaz Patel
Mehboob Patel
Rashida Patel
Salim Patel
Sabiha Patel

Registered office

Suite 7
Victoria Mills Business Park
Mill Street East
Dewsbury
West Yorkshire
WF12 9AQ

Auditor

Vogan Accountancy Limited
Chartered accountants & statutory auditor
2 Chancery Lane
Wakefield
West Yorkshire
WF1 2SS

Brookfield Property (Holdings) Ltd

Strategic Report

Year ended 31 March 2020

Principal Activities & Business review

The principal activity of the group continued to be that of a retailer of fuel and other household goods with convenience stores including Subway outlets, bakeries and valeting.

The group operates a portfolio of sites in the north, as part of its growth strategy it seeks to offer quality products with excellent service at all of its sites. To achieve this the company has partnered up with major brands such as BP, Shell, Nisa and Co op for the convenience stores.

During the financial year the business has progressed in accordance with the expectations of the directors. The group's gross margins increased from 9.78% to 10.60% due in the main to higher fuel profit margins. The total revenues in the year were £32,970,243 (2019:£33,069,949) and the profit before tax was £832,832 (2019:£469,126). The group maintained its fuel volumes and shop sales. The profit before tax includes £100,000 received from local authorities as part of the government's scheme to support retail businesses during the Covid-19 pandemic.

The directors recognise that margins continue to be sensitive to global oil prices and currency changes, however as part of its growth strategy the group has continued to maintain its financial position by concentrating on providing high standards of forecourt offerings and services. The results for the year are set out on page 10.

Key performance indicators (KPI's)

	2020	2019
Gross profit	£3,516,213	£3,236,049
EBITDA	£1,443,846	£1,005,238

The group continues to search for suitable investment opportunities and locations to develop as part of its growth strategy.

Principle risk and uncertainty

Commercial risk

The directors recognise that the financial performance is dependent on the national and regional economic conditions affecting the group. The group profitability is affected by the global oil prices and currency fluctuations as well as the highly competitive petrol retail market it operates in. The senior managers continued to monitor the macro as well as the micro conditions and well as the group's competitive position.

Through the production of monthly management information the directors constantly monitor various KPI's and use these to help manage the business.

Financial Risk

The group seeks to operate within its agreed facilities with the bank. The group is exposed to interest rate risk on its borrowings with the bank. The bank is currently satisfied with the group's financial performance and the directors do not think there is a risk of facilities being withdrawn.

Supply Chain Risk

The group's operations depend on its ability to obtain goods and services from suppliers. The group has implemented policies which ensure that key suppliers are kept up to date with the group's development plans. Where appropriate the group has exclusivity agreements in place to protect future supplies of prime products.

Brookfield Property (Holdings) Ltd

Strategic Report *(continued)*

Year ended 31 March 2020

This report was approved by the board of directors on 11 December 2020 and signed on behalf of the board by:



Aziz Patel
Director

Registered office:
Suite 7
Victoria Mills Business Park
Mill Street East
Dewsbury
West Yorkshire
WF12 9AQ

Brookfield Property (Holdings) Ltd

Directors' Report

Year ended 31 March 2020

The directors present their report and the financial statements of the group for the year ended 31 March 2020.

Directors

The directors who served the company during the year were as follows:

Aziz Patel
Saira Patel
Ayub Patel
Shahenaz Patel
Mehboob Patel
Rashida Patel
Salim Patel
Sabiha Patel

Dividends

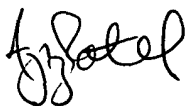
Particulars of recommended dividends are detailed in note 12 to the financial statements.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 11 December 2020 and signed on behalf of the board by:



Aziz Patel
Director

Registered office:
Suite 7
Victoria Mills Business Park
Mill Street East
Dewsbury
West Yorkshire
WF12 9AQ

Brookfield Property (Holdings) Ltd

Directors' Responsibilities Statement

Year ended 31 March 2020

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Brookfield Property (Holdings) Ltd

Independent Auditor's Report to the Members of Brookfield Property (Holdings) Ltd

Year ended 31 March 2020

Opinion

We have audited the financial statements of Brookfield Property (Holdings) Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Brookfield Property (Holdings) Ltd

Independent Auditor's Report to the Members of Brookfield Property (Holdings) Ltd *(continued)*

Year ended 31 March 2020

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Brookfield Property (Holdings) Ltd

Independent Auditor's Report to the Members of Brookfield Property (Holdings) Ltd *(continued)*

Year ended 31 March 2020

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Brookfield Property (Holdings) Ltd

Independent Auditor's Report to the Members of Brookfield Property (Holdings) Ltd *(continued)*

Year ended 31 March 2020

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Vogan (Senior Statutory Auditor)

For and on behalf of
Vogan Accountancy Limited
Chartered accountants & statutory auditor
2 Chancery Lane
Wakefield
West Yorkshire
WF1 2SS

11 December 2020

Brookfield Property (Holdings) Ltd
Consolidated Statement of Comprehensive Income
Year ended 31 March 2020

	Note	2020 £	2019 £
Turnover	4	32,970,243	33,069,949
Cost of sales		29,454,030	29,833,900
Gross profit		3,516,213	3,236,049
Administrative expenses		2,967,871	2,877,411
Other operating income	5	454,509	242,947
Operating profit	6	1,002,851	601,585
Other interest receivable and similar income	9	15	—
Interest payable and similar expenses	10	170,034	132,459
Profit before taxation		832,832	469,126
Tax on profit	11	208,719	192,118
Profit for the financial year and total comprehensive income		<u>624,113</u>	<u>277,008</u>

All the activities of the group are from continuing operations.

The notes on pages 16 to 26 form part of these financial statements.

Brookfield Property (Holdings) Ltd
Consolidated Statement of Financial Position
31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	12,934,437	10,227,829
Current assets			
Stocks	15	690,726	713,261
Debtors	16	690,660	870,161
Cash at bank and in hand		1,673,424	1,641,958
		<u>3,054,810</u>	<u>3,225,380</u>
Creditors: amounts falling due within one year	17	<u>2,447,914</u>	<u>2,111,740</u>
Net current assets		606,896	1,113,640
Total assets less current liabilities		13,541,333	11,341,469
Creditors: amounts falling due after more than one year	18	6,542,898	4,948,992
Provisions	19	96,574	98,729
Net assets		<u>6,901,861</u>	<u>6,293,748</u>
Capital and reserves			
Called up share capital	23	4,000	4,000
Share premium account	24	4,443,002	4,443,002
Profit and loss account	24	2,454,859	1,846,746
Shareholders funds		<u>6,901,861</u>	<u>6,293,748</u>

These financial statements were approved by the board of directors and authorised for issue on 11 December 2020, and are signed on behalf of the board by:



Aziz Patel
Director

Company registration number: 06531134

The notes on pages 16 to 26 form part of these financial statements.

Brookfield Property (Holdings) Ltd

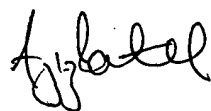
Statement of Financial Position

31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	12,666,746	9,959,264
Investments	14	100	100
		<u>12,666,846</u>	<u>9,959,364</u>
Current assets			
Debtors	16	445,930	378,083
Cash at bank and in hand		262,135	24,748
		<u>708,065</u>	<u>402,831</u>
Creditors: amounts falling due within one year	17	<u>1,294,663</u>	<u>588,094</u>
Net current liabilities		<u>586,598</u>	<u>185,263</u>
Total assets less current liabilities		<u>12,080,248</u>	<u>9,774,101</u>
Creditors: amounts falling due after more than one year	18	6,542,898	4,948,992
Provisions	19	<u>47,807</u>	<u>50,247</u>
Net assets		<u>5,489,543</u>	<u>4,774,862</u>
Capital and reserves			
Called up share capital	23	4,000	4,000
Share premium account	24	4,443,002	4,443,002
Profit and loss account	24	<u>1,042,541</u>	<u>327,860</u>
Shareholders funds		<u>5,489,543</u>	<u>4,774,862</u>

The profit for the financial year of the parent company was £730,681 (2019: £61,523 loss).

These financial statements were approved by the board of directors and authorised for issue on 11 December 2020, and are signed on behalf of the board by:



Aziz Patel
Director

Company registration number: 06531134

The notes on pages 16 to 26 form part of these financial statements.

Brookfield Property (Holdings) Ltd
Consolidated Statement of Changes in Equity
Year ended 31 March 2020

		Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 April 2018		4,000	4,443,002	1,585,738	6,032,740
Profit for the year		—	—	277,008	277,008
Total comprehensive income for the year		—	—	277,008	277,008
Dividends paid and payable	12	—	—	(16,000)	(16,000)
Total investments by and distributions to owners		—	—	(16,000)	(16,000)
At 31 March 2019		4,000	4,443,002	1,846,746	6,293,748
Profit for the year		—	—	624,113	624,113
Total comprehensive income for the year		—	—	624,113	624,113
Dividends paid and payable	12	—	—	(16,000)	(16,000)
Total investments by and distributions to owners		—	—	(16,000)	(16,000)
At 31 March 2020		<u>4,000</u>	<u>4,443,002</u>	<u>2,454,859</u>	<u>6,901,861</u>

The notes on pages 16 to 26 form part of these financial statements.

Brookfield Property (Holdings) Ltd
Company Statement of Changes in Equity
Year ended 31 March 2020

		Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 April 2018		4,000	4,443,002	405,383	4,852,385
Loss for the year		—	—	(61,523)	(61,523)
Total comprehensive income for the year		—	—	(61,523)	(61,523)
Dividends paid and payable	12	—	—	(16,000)	(16,000)
Total investments by and distributions to owners		—	—	(16,000)	(16,000)
At 31 March 2019		4,000	4,443,002	327,860	4,774,862
Profit for the year		—	—	730,681	730,681
Total comprehensive income for the year		—	—	730,681	730,681
Dividends paid and payable	12	—	—	(16,000)	(16,000)
Total investments by and distributions to owners		—	—	(16,000)	(16,000)
At 31 March 2020		<u>4,000</u>	<u>4,443,002</u>	<u>1,042,541</u>	<u>5,489,543</u>

The notes on pages 16 to 26 form part of these financial statements.

Brookfield Property (Holdings) Ltd

Consolidated Statement of Cash Flows

Year ended 31 March 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	624,113	277,008
<i>Adjustments for:</i>		
Depreciation of tangible assets	444,504	399,693
Government grant income	(100,000)	–
Other interest receivable and similar income	(15)	–
Interest payable and similar expenses	170,034	132,459
(Gains)/loss on disposal of tangible assets	(3,509)	3,960
Tax on profit	208,719	192,118
Accrued expenses	49,825	1,565
<i>Changes in:</i>		
Stocks	22,535	(100,805)
Trade and other debtors	179,501	(233,455)
Trade and other creditors	(426,495)	(141,288)
Cash generated from operations	1,169,212	531,255
Interest paid	(170,034)	(132,459)
Interest received	15	–
Tax paid	(138,016)	(71,116)
Net cash from operating activities	<u>861,177</u>	<u>327,680</u>
Cash flows from investing activities		
Purchase of tangible assets	(3,159,444)	(101,453)
Proceeds from sale of tangible assets	11,841	51,497
Net cash used in investing activities	<u>(3,147,603)</u>	<u>(49,956)</u>
Cash flows from financing activities		
Proceeds from borrowings	2,233,892	(196,121)
Government grant income	100,000	–
Dividends paid	(16,000)	(16,000)
Net cash from/(used in) financing activities	<u>2,317,892</u>	<u>(212,121)</u>
Net increase in cash and cash equivalents	31,466	65,603
Cash and cash equivalents at beginning of year	<u>1,641,958</u>	<u>1,576,355</u>
Cash and cash equivalents at end of year	<u>1,673,424</u>	<u>1,641,958</u>

The notes on pages 16 to 26 form part of these financial statements.

Brookfield Property (Holdings) Ltd

Notes to the Financial Statements

Year ended 31 March 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Suite 7, Victoria Mills Business Park, Mill Street East, Dewsbury, West Yorkshire, WF12 9AQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are prepared in sterling, which is the functional currency of the entity

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Brookfield Property (Holdings) Ltd and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements under FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts. These estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Brookfield Property (Holdings) Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services and services rendered, net of discounts and value added taxes.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value, of each asset evenly over its expected useful life.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	over 50 years
Long leasehold property	-	over 50 years
Plant and machinery	-	15% reducing balance
Fixtures and fittings	-	15% reducing balance

Brookfield Property (Holdings) Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Brookfield Property (Holdings) Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

4. Turnover

Turnover arises from:

	2020 £	2019 £
Sale of goods	<u>32,970,243</u>	<u>33,069,949</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Other operating income

	2020 £	2019 £
Government grant income	100,000	—
Other operating income	<u>354,509</u>	<u>242,947</u>
	<u>454,509</u>	<u>242,947</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2020 £	2019 £
Depreciation of tangible assets	444,504	399,693
(Gains)/loss on disposal of tangible assets	(3,509)	3,960
Impairment of trade debtors	<u>4,565</u>	<u>4,063</u>

7. Auditor's remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>6,900</u>	<u>17,100</u>

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2020 No.	2019 No.
Production staff	91	100
Administrative staff	2	2
Management staff	<u>9</u>	<u>10</u>
	<u>102</u>	<u>112</u>

Brookfield Property (Holdings) Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

8. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020	2019
	£	£
Wages and salaries	1,362,577	1,409,692
Social security costs	81,954	81,064
Other pension costs	18,305	12,947
	<u>1,462,836</u>	<u>1,503,703</u>

9. Other interest receivable and similar income

	2020	2019
	£	£
Interest on cash and cash equivalents	15	—

10. Interest payable and similar expenses

	2020	2019
	£	£
Interest on banks loans and overdrafts	<u>170,034</u>	<u>132,459</u>

11. Tax on profit

Major components of tax expense

	2020	2019
	£	£
Current tax:		
UK current tax expense	210,874	138,016
Deferred tax:		
Origination and reversal of timing differences	(2,155)	54,102
Tax on profit	<u>208,719</u>	<u>192,118</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020	2019
	£	£
Profit on ordinary activities before taxation	<u>832,832</u>	<u>469,126</u>
Profit on ordinary activities by rate of tax	158,238	89,134
Adjustment to tax charge in respect of prior periods	—	63,219
Effect of expenses not deductible for tax purposes	50,481	39,765
Tax on profit	<u>208,719</u>	<u>192,118</u>

Brookfield Property (Holdings) Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

12. Dividends

	2020 £	2019 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>16,000</u>	<u>16,000</u>

13. Tangible assets

Group	Freehold property £	Long leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost					
At 1 April 2019	9,826,791	1,395	1,883,710	210,379	11,922,275
Additions	3,086,872	–	42,062	30,510	3,159,444
Disposals	–	–	(11,775)	(3,761)	(15,536)
At 31 March 2020	<u>12,913,663</u>	<u>1,395</u>	<u>1,913,997</u>	<u>237,128</u>	<u>15,066,183</u>
Depreciation					
At 1 April 2019	748,080	1,093	875,802	69,471	1,694,446
Charge for the year	262,244	302	156,556	25,402	444,504
Disposals	–	–	(5,513)	(1,691)	(7,204)
At 31 March 2020	<u>1,010,324</u>	<u>1,395</u>	<u>1,026,845</u>	<u>93,182</u>	<u>2,131,746</u>
Carrying amount					
At 31 March 2020	<u>11,903,339</u>	<u>–</u>	<u>887,152</u>	<u>143,946</u>	<u>12,934,437</u>
At 31 March 2019	<u>9,078,711</u>	<u>302</u>	<u>1,007,908</u>	<u>140,908</u>	<u>10,227,829</u>

Brookfield Property (Holdings) Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

13. Tangible assets *(continued)*

Company	Freehold property £	Plant and machinery £	Total £
Cost			
At 1 April 2019	9,826,791	1,695,269	11,522,060
Additions	3,086,872	23,067	3,109,939
Disposals	–	(10,525)	(10,525)
At 31 March 2020	12,913,663	1,707,811	14,621,474
Depreciation			
At 1 April 2019	748,080	814,716	1,562,796
Charge for the year	262,244	134,719	396,963
Disposals	–	(5,031)	(5,031)
At 31 March 2020	1,010,324	944,404	1,954,728
Carrying amount			
At 31 March 2020	11,903,339	763,407	12,666,746
At 31 March 2019	9,078,711	880,553	9,959,264

14. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 April 2019 and 31 March 2020	100
Impairment	
At 1 April 2019 and 31 March 2020	–
Carrying amount	
At 1 April 2019 and 31 March 2020	100
At 31 March 2019	100

Brookfield Property (Holdings) Ltd

Notes to the Financial Statements (continued)

Year ended 31 March 2020

14. Investments (continued)

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

Subsidiary undertakings	Class of share	Percentage of shares held
Brookfield Retail Ltd	Ordinary	100

15. Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Finished goods and goods for resale	<u>690,726</u>	<u>713,261</u>	<u>—</u>	<u>—</u>

16. Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	407,160	695,017	65,095	36,480
Amounts owed by group undertakings	—	—	198,835	200,000
Directors loan account	—	55,300	—	47,940
Other debtors	<u>283,500</u>	<u>119,844</u>	<u>182,000</u>	<u>93,663</u>
	<u>690,660</u>	<u>870,161</u>	<u>445,930</u>	<u>378,083</u>

The directors loan account balances (see also note 27) are interest free and repayable on demand.

17. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	479,048	408,660	479,048	408,660
Trade creditors	849,035	1,372,959	14,239	69,689
Accruals and deferred income	91,687	41,862	59,665	767
Corporation tax	210,874	138,016	71,150	62,527
Social security and other taxes	181,773	126,111	68,973	42,451
Director loan accounts	569,598	—	569,598	4,000
Other creditors	<u>65,899</u>	<u>24,132</u>	<u>31,990</u>	<u>—</u>
	<u>2,447,914</u>	<u>2,111,740</u>	<u>1,294,663</u>	<u>588,094</u>

The bank loans are secured by way of a fixed and floating charge over the company's assets.

The directors loan accounts are unsecured, interest free and repayable on demand.

Brookfield Property (Holdings) Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 March 2020

18. Creditors: amounts falling due after more than one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Bank loans and overdrafts	<u>6,542,898</u>	<u>4,948,992</u>	<u>6,542,898</u>	<u>4,948,992</u>

Included in bank loans is a total of £2,873,529 (2019: £3,215,838) which is repayable after more than 5 years in equal instalments. There are 2 separate loans with interest being charged on the outstanding balances at fixed rates of 1.78% and 2.10% per annum until April 2030 and October 2032.

The bank loans are secured by way of a fixed and floating charge over the company's assets.

19. Provisions

Group	Deferred tax (note 20) £
At 1 April 2019	98,729
Additions	<u>(2,155)</u>
At 31 March 2020	<u>96,574</u>
Company	Deferred tax (note 20) £
At 1 April 2019	50,247
Additions	<u>(2,440)</u>
At 31 March 2020	<u>47,807</u>

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Included in provisions (note 19)	<u>96,574</u>	<u>98,729</u>	<u>47,807</u>	<u>50,247</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Accelerated capital allowances	<u>96,574</u>	<u>98,729</u>	<u>47,807</u>	<u>50,247</u>

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £18,305 (2019: £12,947).

Brookfield Property (Holdings) Ltd

Notes to the Financial Statements (continued)

Year ended 31 March 2020

22. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Recognised in other operating income:				
Government grants recognised directly in income	<u>100,000</u>	<u>—</u>	<u>—</u>	<u>—</u>

23. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>

24. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

25. Analysis of changes in net debt

	At 1 Apr 2019	Cash flows	At 31 Mar 2020
	£	£	£
Cash at bank and in hand	1,641,958	31,466	1,673,424
Debt due within one year	(408,660)	(639,986)	(1,048,646)
Debt due after one year	(4,948,992)	(1,593,906)	(6,542,898)
	<u>(3,715,694)</u>	<u>(2,202,426)</u>	<u>(5,918,120)</u>

26. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Not later than 1 year	638,494	639,409	—	—
Later than 1 year and not later than 5 years	<u>2,223,450</u>	<u>122,777</u>	<u>—</u>	<u>—</u>
	<u>2,861,944</u>	<u>762,186</u>	<u>—</u>	<u>—</u>

27. Contingencies

The company has given a cross guarantee to the lenders in respect of the financial funding facilities of the subsidiary.

Brookfield Property (Holdings) Ltd

Notes to the Financial Statements (continued)

Year ended 31 March 2020

28. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	2020			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Aziz Patel	3,680	(80,610)	(1,763)	(78,693)
Saira Patel	7,990	(80,610)	3,918	(68,702)
Ayub Patel	3,680	(80,610)	(1,763)	(78,693)
Shahenaz Patel	7,990	(80,610)	3,918	(68,702)
Mehboob Patel	7,990	(80,610)	3,918	(68,702)
Rashida Patel	7,990	(80,610)	3,918	(68,702)
Salim Patel	7,990	(80,610)	3,917	(68,703)
Sabiha Patel	7,990	(80,610)	3,918	(68,702)
	<u>55,300</u>	<u>(644,880)</u>	<u>19,981</u>	<u>(569,599)</u>

	2019			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Aziz Patel	–	3,680	–	3,680
Saira Patel	–	9,990	(2,000)	7,990
Ayub Patel	–	3,680	–	3,680
Shahenaz Patel	–	9,990	(2,000)	7,990
Mehboob Patel	–	9,990	(2,000)	7,990
Rashida Patel	–	9,990	(2,000)	7,990
Salim Patel	–	9,990	(2,000)	7,990
Sabiha Patel	–	9,990	(2,000)	7,990
	<u>–</u>	<u>67,300</u>	<u>(12,000)</u>	<u>55,300</u>

29. Related party transactions

Company

During the year the company received rent of £550,000 (2019: £550,000) and management fees of £399,800 (2019: £383,800) for services provided to Brookfield Retail Ltd.

Brookfield Retail Ltd is a wholly owned subsidiary of Brookfield Property (Holdings) Ltd.