

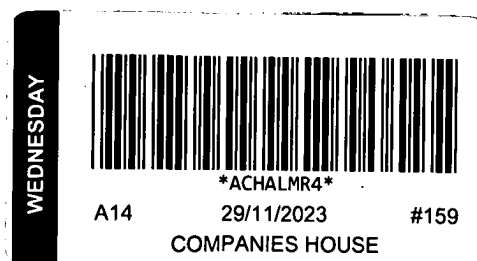
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# **Whittles Properties Manchester Limited**

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**Annual Report and Accounts  
31 March 2023**

**Company registration number 06815134**



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## **The Company and its advisers**

### **Directors**

Peter Hawthorne  
Alan Peelo  
Sian Evans

### **Registered office and business address**

20 Cranbourn Street  
London  
WC2H 7AA

### **Auditors**

Mazars LLP  
30 Old Bailey  
London  
EC4M 7AU

## **Directors' Report**

### **For the year ended 31 March 2023**

The directors present their annual report on the affairs of the Company, together with the financial statements and the auditor's report for the financial year ended 31 March 2023.

### **Principal Activities**

The principal activity of the Company during the year was that of investment property.

### **Results for the year**

The Company received income including rent and service charge of £5,323k in the year (2022: £5,174k). Corresponding service charges and agent fees totalled £2,143k (2022: £1,441k). A property valuation took place during the year and a impairment of £4,950k revaluation was recognised (2022: increase of £420k). The directors do not propose a dividend for the year.

The overall loss for the year was £219k (2022: £1,556k).

### **UK economy**

The Directors continue to review the impact of the economic downturn as a result of the instability following the mini budget in September 2022, rising interest rates, inflation rises, energy price hikes and the increase in geopolitical instability. The ongoing effect of the pandemic remains impactful for our asse in terms of letting activity and the impact on our valuations.

The company has sought to mitigate any potential economic risk. Most tenants are public sector, providing greater rental security. Long-term leases and active credit control processes are in place.

### **Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of going concern basis can be found in the Statement of accounting policies in the financial statements.

### **Financial risk management objectives and policies**

The Company's activities expose it to several financial risks including market risk, credit risk and operational risk.

The Company has established a comprehensive framework for managing these risks which are continually evolving as business activities change in response to market, credit and other developments.

## **Directors' Report (*continued*)**

### **Market risk**

Market risk is primarily attributable to the factors that affect the entire market or class of assets. It is closely associated with the economy and interest rate. Changes in the economy might affect asset valuations, disposable income of customers and the level of rental income negotiated in lease agreements. The Company does not have direct exposure to interest rate fluctuations. The risk is mitigated by engagement of property managers who are experienced in evaluating rental deals in line with the economy.

### **Credit risk**

The credit risk is primarily attributable to trade and other receivables. The amounts presented in the statement of the financial position are net of allowances for doubtful receivables. Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of customers to meet their obligations. However, the company has no significant concentration of credit risk, with exposure spread over many customers.

The Company's parent, London and Continental Railways Limited (LCR) is acting as agent by collecting rent and paying expenses for its investment properties. LCR credit control is managed by property agents on a day to day basis. LCR monitors cash collection and debtor ageing to ensure assets are safe guarded.

Performance bonuses for the agents have been put in place to incentivise them to collect all debts on time. Debts over 90 days are reviewed by management at the end of each period.

The Company structures the level of credit risk by placing a credit limit on the amount of credit risk accepted, which is monitored on a regular basis. Management has additional policies in place to secure trade receivables from its tenants by, in some instances, requiring bank guarantees or financial deposits.

### **Operational risk**

This is the risk of loss arising from inadequate or failed internal process or systems, human error or external events. Operational risk is managed by senior management having responsibility for understanding how operational risk impacts within their business area and for putting in place appropriate controls and other mitigating factors.

## **Directors' Report (*continued*)**

### **Liquidity risk**

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company's parent, LCR manages the liquidity risk on behalf of the Company. The Board of Managers reviews a five-year rolling cash flow forecast for the LCR Group which includes the Company.

### **Directors**

The directors who served during the year are as follows:

Peter Hawthorne  
Alan Peelo  
Sian Evans

### **Dividend**

The directors did not recommend a final dividend to be paid to ordinary shareholders.

### **Independent auditor**

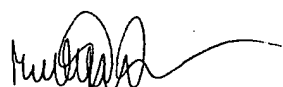
In accordance with section 485 of the Companies Act, Mazars LLP will be reappointed as the Company's Auditors.

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and all steps have been taken to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Small Companies Note**

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



P Hawthorne  
**Director**  
1 August 2023

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable UK 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), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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 Company and of the profit or loss for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemption, if any, of FRS 101 used in the preparation of the financial statements;
- 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.

## **Independent auditor's report to the members of Whittles Properties Manchester Limited**

### **Opinion**

We have audited the financial statements of Whittles Properties Manchester Limited for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, 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 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 company 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant



**Independent auditor's report to the members of Whittles Properties Manchester Limited (continued)**

doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

**Other information**

The other information comprises the information included in the Annual Report and Accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

**Independent auditor's report to the members of Whittles Properties Manchester Limited (continued)**

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and from the requirement to prepare a Strategic Report.

**Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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 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 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

**Independent auditor's report to the members of Whittles Properties Manchester Limited (continued)**

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: health and safety regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

**Independent auditor's report to the members of Whittles Properties Manchester Limited (continued)**

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the completeness assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing; and
- Substantively testing revenue within the year.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Independent auditor's report to the members of Whittles Properties Manchester Limited (continued)**

**Use of the audit 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.

Richard Metcalfe (Senior Statutory Auditor) for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Mazars LLP  
30 Old Bailey  
London  
EC4M 7AU  
1 August 2023

**Statement of Comprehensive Income**

		<b>Year Ended</b>	<b>Year Ended</b>
		<b>31 March</b>	<b>31 March</b>
	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
Revenue	5	5,323	5,174
Operating costs	6	(2,143)	(1,441)
<b>Gross Profit</b>		<b>3,180</b>	<b>3,733</b>
Revaluation of investment property	8	(4,950)	420
<b>Loss/profit before income tax</b>		<b>(1,770)</b>	<b>4,153</b>
Income tax credit/(expense)	7	1,551	(2597)
<b>(Loss)/Profit for the year</b>		<b>(219)</b>	<b>1,556</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(219)</b>	<b>1,556</b>

All items of income are derived from continuing operations.

Company Registration Number: 06815134

**Statement of Financial Position**

		<b>31 March</b>	<b>31 March</b>
	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment property	8	36,500	41,450
		<b>36,500</b>	<b>41,450</b>
<b>Current assets</b>			
Trade and other receivables	9	4,012	190
<b>Total assets</b>		<b>40,512</b>	<b>41,640</b>
<b>EQUITY</b>			
Ordinary shares	12	-	-
Other reserves		623	623
Accumulated profit		27,340	27,559
<b>Total equity</b>		<b>27,963</b>	<b>28,182</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	4,854	4,677
<b>Non-current liabilities</b>			
Deferred tax liabilities	11	7,695	8,781
<b>Total liabilities</b>		<b>12,549</b>	<b>13,458</b>
<b>Total equity and liabilities</b>		<b>40,512</b>	<b>41,640</b>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements were approved by the board of directors on 1 August 2023 and were signed on its behalf by:



**P Hawthorne**  
**Director**

**Statement of Changes in Equity**

	<b>Retained earnings/ accumulated losses £'000</b>	<b>Other reserves £'000</b>	<b>Total equity £'000</b>
<b>Balance as at 1 April 2021</b>	26,003	623	<b>26,626</b>
<b>Total Comprehensive income</b>			
Profit	1,556	-	1,556
<b>Balance as at 1 April 2022</b>	<b>27,559</b>	<b>623</b>	<b>28,182</b>
<b>Total Comprehensive income</b>			
Loss	(219)	-	(219)
<b>Balance as at 31 March 2023</b>	<b>27,340</b>	<b>623</b>	<b>27,963</b>

Retained earnings are the cumulative profit or loss for the Company. Other reserves are a historic dividend considered to be an unrealised gain.



## **Notes to the Financial Statements**

### **1. Authorisation of financial statements and statement of compliance with FRS 101**

The financial statements of Whittles Properties Manchester Limited for the year ended 31 March 2023 were authorised for issue by the board of directors on 1 August 2023 and the Statement of Financial Position was signed on the board's behalf by P Hawthorne.

The Company is a private company limited by shares incorporated and domiciled in England and Wales.

Its registered office address is 20 Cranbourn Street, London, United Kingdom WC2H 7AA.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company is a wholly owned subsidiary of London & Continental Railways Limited and its financial results are included in the consolidated financial statements of London & Continental Railways Ltd which are available from 20 Cranbourn Street, London, United Kingdom WC2H 7AA. The principal accounting policies are adopted by the Company are set out in note 2.

### **2. Significant Accounting Policies**

#### **a) Basis of preparation**

The Company transitioned from EU-adopted IFRS to FRS 101 for all periods presented. There were no material amendments on the adoption of FRS 101.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2023.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- IAS 7 Cash flow statement
- IAS 8 IFRS issued but not adopted
- IFRS 7 Financial instruments other than for those instruments where these disclosures are still required to comply with the law

## **Notes to the Financial Statements (*continued*)**

### **2. Significant Accounting Policies (*continued*)**

- IFRS 13 Fair value measurement other than for those instruments where these disclosures are still required to comply with the law
- IAS 24 Related party disclosure
- IAS 1 Comparatives information for movement on share capital and investment property

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

#### **b) Financial Instruments**

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instruments. All Company's financial instruments are measured at amortised cost due to nature of the instruments.

##### *Trade receivables and other receivables*

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Provision for impairment is calculated as a percentage of debtors outstanding over a period of 60 days which are deemed to be irrecoverable. The company undertook the review of bad debts as prescribed by IFRS 9, where a provision for impairment is recognised using matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables was assessed. This probability was then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. The method adopted by the company provided results not materially different to results achieved by applying IFRS 9 guidance and therefore the company's policy remained appropriate. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income of the parent company, when there is objective evidence that the asset is impaired.

##### *Trade payables*

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

## **Notes to the Financial Statements (*continued*)**

### **2. Significant Accounting Policies (*continued*)**

#### **c) Revenue recognition**

Rental income from operating leases is recognised on a straight-line basis over the lease term and is included in revenue in the income statement. Rental income is invoiced either monthly or quarterly in advance for all rental income that relates to a future period this is deferred and appears within current liabilities. Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the lease term.

Income arising from expenses recharged to tenants is recognised in the period in which the compensation becomes receivable. Service and insurance charges are recognised in revenue gross, as the Directors consider that the company acts as principal in this respect.

#### **d) IFRS 15: Revenue from contracts with customers**

The majority of the Group's revenue is derived from leases that are outside the scope of IFRS 15.

#### **e) Income tax**

Income tax on the profit or loss for the year comprises current tax and deferred tax.

Current tax is the tax expected to be payable on the taxable profit for the year calculated using tax rates enacted.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the statement of financial position and the amount attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated using the tax rates expected to apply in the year in which the assets will be realised or the liabilities settled.

#### **f) Investment properties**

Investment properties are held at fair value and revalued annually on an open market basis by professional external surveyors.

**Notes to the Financial Statements (*continued*)**

**2. Significant Accounting Policies (*continued*)**

**f) Investment properties (*continued*)**

Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for carrying amounts in the financial statements.

When properties are revalued, the charges are taken to the statement of comprehensive income. No depreciation is provided in respect of investment property.

**g) Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases.

The Company leases out office buildings that it owns. The assets are included in the statement of financial position as investment properties. Rental and service charge income is recognised in accordance with the rental income policy in note 2 (d).

**h) IFRS 16**

The Directors assessed that the adoption of the standard has no impact on the Company's financial statements as the Company does not hold any operating leases as a lessee.

**i) Going Concern**

The financial statements are prepared on a going concern basis in accordance with applicable accounting standards. The Directors have carried out a review of the LCR Group business model and in light of this, the Directors believe the company is well placed to manage its business risks successfully and the Directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of the approval of the financial statements for the year ended 31 March 2023. The Board is therefore of the opinion that the going concern basis adopted in the preparation of the financial statements for the year ended 31 March 2023 is appropriate.

**Notes to the Financial Statements (*continued*)****3. Critical Accounting Policies – Estimates and Judgements**

The preparation of the financial statements in conformity with FRS 101 requires management to make judgements, estimates and assumptions that affect the application of the company's accounting policies, and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The key source of estimation and uncertainty is property valuations. The fair value of the investment property is typically determined by an independent real estate valuation expert primarily using comparable recent market transactions on arm's length terms. Note 8 provides further details on the judgements and assumptions made.

Properties have been valued on an individual basis.

**4. Audit Fee**

An audit fee of £2.7k was payable for the year (2022: £2.6k). This was borne by the Company's parent. There were no non-audit services from the auditor.

**5. Revenue**

	<b>Year ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Service charge income	1,508	1,286
Rental income	3,815	3,888
Total	<b>5,323</b>	<b>5,174</b>

The whole of the revenue is attributable to the principal activity of the Company wholly undertaken in the United Kingdom.

**Notes to the Financial Statements (*continued*)****6. Operating Costs**

	<b>Year ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Service charge cost	1,817	1,106
Management fee	326	335
<b>Total</b>	<b>2,143</b>	<b>1,441</b>

**7. Taxation**

Whittles Properties Manchester Limited is assessed in accordance with the Taxes Acts.

The income tax expense based on the profit for the year is as follows:

	<b>Year ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Current tax at 19% (2022: 19%)	(465)	279
Deferred tax at 25% (2022: 19%)	(1,085)	2,318
<b>Total tax expense for the year</b>	<b>(1,550)</b>	<b>2,597</b>

The income tax expense can be reconciled to the profit per the statement of comprehensive income as follows:

	<b>Year ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
(Loss)/profit before income tax	(1,770)	4,153
Tax at the UK corporation tax rate of 19% (2022: 19%)	(336)	789
(Utilisation) of tax losses	(489)	(300)
Prior year adjustment	(465)	-
Change in tax rate	(260)	2,108
<b>Income tax (credit)/expense for the year</b>	<b>(1,550)</b>	<b>2,597</b>

**Notes to the Financial Statements (*continued*)****7. Taxation (*continued*)**

The deferred tax liabilities, which relate entirely to investment property, recognised at the current and prior statement of financial position dates, and the movement during the year are as follows:

	<b>£'000</b>
At 1 April 2022	8,780
Charge to income	<u>(1,085)</u>
At 31 March 2023	<u><b>7,695</b></u>

**8. Investment Property**

	<b>Year ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Opening as at 1 April	41,450	41,030
Additions	-	-
Impairment/revaluation/	<u>(4,950)</u>	420
Closing as at 31 March	<u><b>36,500</b></u>	<u><b>41,450</b></u>

The property was recorded at fair value as advised by independent valuers as at 31 March 2023, historical cost being £20,815,385.

Investment property is valued at each accounting date by the Company's independent valuers, Colliers in accordance with 'The RICS Valuation- Professional Standards (2022)'. Valuations are undertaken on the basis of the market value of each site, taking into account where appropriate the current use and planning conditions.

**Notes to the Financial Statements (*continued*)**

**8. Investment Property (*continued*)**

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

The Company has concluded that the investment properties should be categorised as Level 3 fair value based on the inputs to the valuation technique used.

Transfers between levels are deemed to have occurred on the date of the event or the change in circumstance that caused the transfer. There was no movement or transfer between level 1, level 2, level 3 investments during the year ended 31 March 2023 (2022: none).

**Valuation technique and significant unobservable inputs:**

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.



**Notes to the Financial Statements (*continued*)****8. Investment Property (*continued*)**

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Redbook valuation in accordance with the 'RICS Valuation- Profession Standards (2022).	Void periods (0 to 24 months) Occupancy rate (0 to 100%) Rent-free periods (0 to 24 months) Initial yield (4 to 13%).	The estimated fair value would increase (decrease) if: Void periods were shorter (longer); The occupancy rates were higher (lower); Rent-free periods were shorter (longer); or The initial yield was lower (higher).

**9. Financial Instruments by Category**

	Trade and other receivables 31 March 2023 £'000	Trade and other receivables 31 March 2022 £'000
<b><u>Assets</u></b>		
Assets held at amortised cost	<b>4,012</b>	<b>190</b>
	<b>2023 £'000</b>	<b>2022 £'000</b>
<u>Amounts falling due within one year:</u>		
Amounts owed by parent undertaking	3,774	-
Trade receivables	117	179
Other debtors	-	-
Prepayments and accrued income	121	11
Total	<b>4,012</b>	<b>190</b>

The fair value of trade and other receivables approximates to the book value.

**Notes to the Financial Statements (*continued*)****9. Financial Instruments by Category (*continued*)**

	Trade and other payables 31 March 2023 £'000	Trade and other payables 31 March 2022 £'000
<b><u>Liabilities</u></b>		
Other financial liabilities at amortised cost	<b>4,854</b>	<b>4,677</b>

**10. Trade and Other Payables**

	Year ended 31 March 2023 £'000	2022 £'000
<u>Amounts falling due within one year:</u>		
Trade payables	-	3,218
Amounts due to group undertakings	-	146
Accrued expenses and deferred income	4,854	1,313
Total	<b>4,854</b>	<b>4,677</b>

**10. Trade and Other Payables (*continued*)**

The fair value of trade and other payables approximates to the book value.

**11. Provision for liabilities**

	Year ended 31 March 2023 £'000	2022 £'000
<u>Amounts falling due within more than one year:</u>		
Deferred tax liability	<b>7,695</b>	<b>8,781</b>

**Notes to the Financial Statements (*continued*)****12. Ordinary Shares**

	<b>Year ended 2023</b>	<b>Year Ended 2022</b>
	<b>£</b>	<b>£</b>
Allotted and issued:		
1 (2022: 1) ordinary share of £1 each	<b>1</b>	<b>1</b>

Ordinary shares carry voting rights, but no right to fixed income.

**13. Parent Undertaking**

The Company is a wholly owned subsidiary of London and Continental Railways Limited (LCR), which produces consolidated financial statements. The financial statements for LCR can be obtained from 20 Cranbourn Street, London, United Kingdom WC2H 7AA. The Company's ultimate parent is the Secretary of State for Transport.

**14. Contingent Assets and Liabilities**

There are no contingent assets or liabilities (year ended 31 March 2022: £nil).

**15. Commitments**

Future lease commitments - Company as lessor

The Company receives rental income on office premises under non-cancellable operating lease agreements.

The future aggregate minimum lease receivables under non-cancellable operating leases are as follows:

**Notes to the Financial Statements (*continued*)****15. Commitments (*continued*)**

	<b>Year ended 31 March</b>	
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Due to be received within 1 year	3,814	3,802
Between 1 and 2 years	3,804	3,812
Between 2 and 5 years	906	4,718
In 5 years or more	-	-
<b>Total</b>	<b>8,525</b>	<b>12,332</b>

**16. Employees**

The Company did not employ any staff directly during the period ended 31 March 2023 (31 March 2022: nil).

**17. Post Statement of Financial Position Event**

There have been no significant post statement of financial position events requiring disclosure.

**18. Related Party Disclosures**

The Company took advantage of the exemption available under IAS 24 not to disclose transactions with the parent company on the basis that is a wholly owned subsidiary of LCR for which group financial statements are publicly available.

**19. Directors' compensation**

The directors of the Companies are employees of the parent company, London and Continental Railways Limited (LCR). They do not receive remuneration directly from Whittles Properties Manchester Limited for their roles. Their remuneration can be found in LCR's financial statements. The Company contributes to their remuneration cost by paying the LCR management fee.