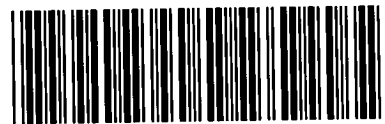


**Soho Estates Portfolio Limited**

**Annual report and financial  
statements**

**Registered number 07984861**

**SATURDAY**



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**05/08/2017**

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**COMPANIES HOUSE**

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## **Directors and advisers**

### **Directors**

Mr J James  
Miss F James  
Mr M Egglenton  
Mrs R Wood  
Mr P Whalan  
Mr P Thompson

### **Secretary**

Mrs R Wood

### **Company number**

07984861

### **Registered office**

58 Wardour Street  
London  
UK  
W1D 4JQ

### **Registered auditor**

KPMG LLP  
St Nicholas House  
31 Park Row  
Nottingham  
NG1 6FQ

## **Directors' report**

The directors present their report and financial statements for the year ended 31 March 2017.

### **Principal activities**

The principal activity of the Company continued to be that of property investment, exclusively in the W1 postal district.

### **Results and dividends**

The profit and loss account for the year is set out on page 5.

The directors recommend the payment of a dividend of £1,911,000 (2016: £nil).

It is proposed that the retained profit is transferred to the Company's reserves.

### **Directors**

The directors who held office during the year and up to the date of this report:

Mr J James  
Miss F James  
Mr M Eggleton  
Mrs R Wood  
Mr P Whalan  
Mr P Thompson

### **Charitable donations**

The company made no political or charitable donations or incurred any political expenditure during the year.

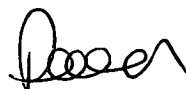
### **Disclosure of information to the auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board



**Mrs R Wood**

*Director*

26 July 2017

## **Statement of directors' responsibilities in respect of the annual report and the financial statements**

The directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 of the company for that period. In preparing these 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## **Independent auditor's report to the members of Soho Estates Portfolio Limited**

We have audited the financial statements of Soho Estates Portfolio Limited for the year ended 31 March 2017 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

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

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

**Anthony Hambleton** (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

St Nicholas House  
Park Row  
Nottingham NG1 6FQ

Dated: 26<sup>th</sup> July 2017

**Profit and loss account and other comprehensive income**  
*for year ended 31 March 2017*

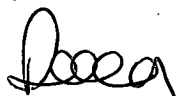
	<i>Note</i>	<b>2017</b> <b>£000</b>	<b>2016</b> <b>£000</b>
<b>Turnover</b>	2	<b>1,162</b>	1,001
Cost of sales		<b>(264)</b>	(445)
<b>Gross profit</b>		<b>898</b>	556
Administrative expenses		<b>(2)</b>	(2)
Other operating income	5	<b>19,297</b>	-
<b>Profit before taxation</b>		<b>20,193</b>	554
Tax on profit	3	<b>(2,856)</b>	572
<b>Profit for the financial year</b>		<b>17,337</b>	1,126
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>17,337</b>	1,126

The profit and loss account and other comprehensive income has been prepared on the basis that all operations are continuing operations.

**Balance sheet**  
*at 31 March 2017*

	<i>Note</i>	2017 £000	2016 £000
<b>Fixed assets</b>			
Investment property	6	125,553	102,150
<b>Current assets</b>			
Debtors	7	299	317
Cash at bank and in hand		-	183
		<u>299</u>	<u>500</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(85,548)</u>	<u>(80,449)</u>
<b>Net current liabilities</b>		<u>(85,249)</u>	<u>(79,949)</u>
<b>Total assets less current liabilities</b>		<u>40,304</u>	<u>22,201</u>
<b>Provisions for liabilities:</b>			
Deferred tax	9	(5,381)	(2,704)
<b>Net assets</b>		<u>34,923</u>	<u>19,497</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Revaluation reserve		34,206	17,586
Profit and loss account		717	1,911
<b>Shareholders' funds</b>		<u>34,923</u>	<u>19,497</u>

These financial statements were approved by the board of directors on 26 July 2017 and were signed on its behalf by:



**Mrs R Wood**  
*Director*

Company registered number: 07984861



## Statement of changes in equity

	Called up share capital £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2015	-	17,015	1,356	18,371
<b>Total comprehensive income for the year</b>				
Profit	-	-	1,126	1,126
Movement on deferred tax on revaluation reserve	-	571	(571)	-
<b>Balance at 31 March 2016</b>	<b>-</b>	<b>17,586</b>	<b>1,911</b>	<b>19,497</b>

	Called up share capital £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2016	-	17,586	1,911	19,497
<b>Total comprehensive income for the year</b>				
Profit	-	-	17,337	17,337
Transfer to revaluation reserve	-	19,297	(19,297)	-
Movement on deferred tax on revaluation reserve	-	(2,677)	2,677	-
	-	16,620	717	17,337
Transactions with owners recorded directly in equity				
Dividends	-	-	(1,911)	(1,911)
Total contributions by and distributions to owners	-	-	(1,911)	(1,911)
<b>Balance at 31 March 2017</b>	<b>-</b>	<b>34,206</b>	<b>717</b>	<b>34,923</b>

## **Notes**

*(forming part of the financial statements)*

### **1 Accounting policies**

Soho Estates Portfolio Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK. The registered number is 07984861 and the registered address is 58 Wardour Street, London, UK, W1D 4JQ.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company’s ultimate parent undertaking, Soho Estates Holdings Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Soho Estates Holdings Limited are available to the public and may be obtained from 58 Wardour Street, London, UK, W1D 4JQ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Soho Estates Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 14.

#### **1.1. Measurement convention**

The financial statements are prepared on the historical cost basis except that investment property is stated at fair value.

#### **1.2. Going concern**

Notwithstanding net current liabilities of £85,249,000 the directors have prepared these financial statements on a going concern basis for the following reasons:

- They have reviewed the profit and cash forecasts for the twelve months from the date of approval of these financial statements. The forecasts show a profit and that a positive cash balance will be maintained.
- Whilst the amounts owed to group undertakings are repayable on demand there is no intention on the part of the group to recall this amount.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.3. Classification of financial instruments issued by the Company**

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### **1.4. Basic financial instruments**

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### **1.5. Investment property**

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

## **Notes (continued)**

### **1 Accounting policies (continued)**

#### **1.6. Impairment**

##### *Financial assets*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **1.7. Turnover**

Turnover represents the amount of property income receivable in the period. Lease incentives are recognised over the duration of the lease term.

#### **1.8. Expenses**

##### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.9. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the property. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### 2 Turnover

Turnover represents the amount of property income receivable in the period, derived wholly in the United Kingdom.

### 3 Taxation

#### Total tax expense recognised in the profit and loss account

	2017		2016
	£000	£000	£000
<i>Current tax</i>			
Current tax on income for the period		179	-
Adjustments in respect of prior periods		-	(1)
		<hr/>	<hr/>
Total current tax		179	(1)
<i>Deferred tax (note 9)</i>			
Origination and reversal of timing differences	2,704		(243)
Change in tax rate	(27)		(328)
	<hr/>		<hr/>
		2,677	(571)
		<hr/>	<hr/>
Total tax expense/(income)		2,856	(572)
		<hr/>	<hr/>

## Notes (continued)

### 3 Taxation (continued)

#### Reconciliation of effective tax rate

	2017 £000	2016 £000
Profit for the year	17,337	1,126
Total tax expense/(income)	2,856	(572)
Profit excluding taxation	20,193	554
Tax using the UK corporation tax rate of 20% (2016: 20%)	4,039	111
Origination and reversal of timing differences	(976)	(243)
Reduction in tax rate on deferred tax balances	(27)	(328)
Group relief	(160)	(89)
Adjustments to tax charge in respect of prior periods	-	(1)
Capital allowances in excess of depreciation	(20)	(22)
Total tax expense/(income) included in profit or loss	2,856	(572)

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 March 2017 has been calculated based on these rates.

### 4 Staff numbers and costs

All directors are also directors of other group companies and full details of their remuneration from the group are shown in the financial statements of the companies from which they are remunerated. No recharge is made for these services. The directors do not allocate specific time to the Company and therefore it is not possible to make an accurate apportionment of the services received by the Company. Auditor's remuneration is borne by the parent company.

### 5 Other operating income

	2017 £000	2016 £000
Fair value movement on investment property (note 6)	19,297	-

## Notes (continued)

### 6 Investment property

	£000
Balance at 1 April 2016	102,150
Additions	4,106
Revaluation	19,297
	<hr/>
<b>Balance at 31 March 2017</b>	<b>125,553</b>
	<hr/>
Historical cost net book value	100,341
	<hr/>

No item of investment property in the year was valued by an external, independent valuer (2016: £nil). The directors value the portfolio every year.

The Investment Property portfolio is valued by the Directors of the company using ERV and yields appropriate to the region in which the property is situated. Benchmarking is undertaken to determine appropriate parameters for the yields used. Assets under development are assessed on a stage of completion method.

Any gain or loss arising from a change in fair value is recognised in the profit or loss account - rental income from investment property is accounted for as described in the turnover accounting policy.

### 7 Debtors

	2017 £000	2016 £000
Other debtors	243	207
Prepayments and accrued income	56	110
	<hr/>	<hr/>
	<b>299</b>	<b>317</b>
	<hr/>	<hr/>

### 8 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Bank overdraft	261	-
Trade creditors	344	534
Amounts owed to group undertakings	84,472	79,732
Other creditors	85	121
Corporation tax creditor	179	-
Accruals and deferred income	207	62
	<hr/>	<hr/>
	<b>85,548</b>	<b>80,449</b>
	<hr/>	<hr/>

Amounts owed to group companies are repayable on demand.

## Notes (continued)

### 9 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	<b>Liabilities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Origination and reversal of timing differences	<b>5,381</b>	<b>2,704</b>	<b>5,381</b>	<b>2,704</b>

We anticipate an immaterial amount of deferred tax to unwind in the next twelve months and the majority to remain until which point the asset it attaches to is sold.

### 10 Capital and reserves

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<i>Allotted, called up and fully paid</i>		
1 ordinary share of £1	-	-

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

#### *Revaluation reserve*

Where investment properties have previously been revalued, the net revaluation increase is included in the revaluation reserve.

#### *Dividends*

No dividends were proposed after the year end.

### 11 Capital commitments

#### *Capital commitments*

Contractual commitments at the year-end were £20,000,000 (2016: £nil).

### 12 Related parties

#### *Identity of related parties with which the Company has transacted*

As the Company was a wholly owned subsidiary of Soho Estates Limited, who in turn are a wholly owned subsidiary of Soho Estates Holdings Limited at 31 March 2017, the Company has taken advantage of the exemption contained in FRS102.33.1A and has therefore not disclosed transactions or balances with wholly owned entities which form part of the Group headed by Soho Estates Holdings Limited.

### 13 Ultimate parent company and parent company of larger Company

The Company is a subsidiary undertaking of Soho Estates Limited, 58 Wardour Street, London, UK, W1D 4JQ. The ultimate parent company is Soho Estates Holdings Limited, 58 Wardour Street, London, UK, W1D 4JQ. The ultimate controlling party is the Paul Raymond family trusts, 58 Wardour Street, London, UK, W1D 4JQ.

The largest Company in which the results of the Company are consolidated is that headed by Soho Estates Holdings Limited, incorporated in the UK. The smallest Company in which they are consolidated is that headed by Soho Estates Limited, incorporated in the UK. The consolidated financial statements of these Companies are available to the public and may be obtained from the address shown in note 1.



**Notes** *(continued)*

**14 Accounting estimates and judgements**

*Key sources of estimation uncertainty*

The directors consider the only areas of estimation uncertainty in the financial statements is the valuation of investment property. This is calculated using a director's valuation with reference to market rental yields for the area which reduces the subjectivity around investments.

*Critical accounting judgements in applying the Company's accounting policies*

The directors consider that there are no critical accounting judgements (except for those involving estimates included above).