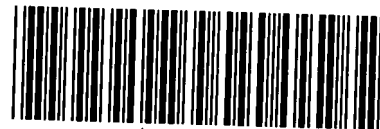


Company Registration No. 07984861 (England and Wales)

**SOHO ESTATES PORTFOLIO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

WEDNESDAY



\*AB9MKIDZ\*

A12

03/08/2022

#59

COMPANIES HOUSE

# SOHO ESTATES PORTFOLIO LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	J James F James M Egglenton R Wood P Thompson
<b>Secretary</b>	R Wood
<b>Company number</b>	07984861
<b>Registered office</b>	Level 8 Ilona Rose House Manette Street London W1D 4AL
<b>Auditor</b>	KPMG LLP St Nicholas House 31 Park Row Nottingham NG1 6FQ

---

# **SOHO ESTATES PORTFOLIO LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report to the members of Soho Estates Portfolio Limited	3 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 19

---

# SOHO ESTATES PORTFOLIO LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

---

The directors present their annual report and financial statements for the year ended 31 March 2022.

#### Principal activities

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

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J James  
F James  
M Egglenton  
R Wood  
P Thompson

#### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend. (2021: £nil)

#### Going Concern

The Directors have prepared the financial statements on the going concern basis, as they do not intend to liquidate the Company or to cease its operations. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least 12 months from the date of approval of the financial statements. To support this, the Directors have prepared cash flow forecasts over that period which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

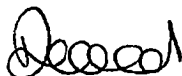
#### Auditor

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.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



R Wood  
Director

29 July 2022

# **SOHO ESTATES PORTFOLIO LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2022***

---

The directors are responsible for preparing the annual 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 applicable law and Section 1A of FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

# SOHO ESTATES PORTFOLIO LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF SOHO ESTATES PORTFOLIO LIMITED

---

#### Opinion

We have audited the financial statements of Soho Estates Portfolio Limited ("the Company") for the year ended 31 March 2022, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Going Concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

#### Fraud and breaches of laws and regulations - ability to detect

*Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

# SOHO ESTATES PORTFOLIO LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF SOHO ESTATES PORTFOLIO LIMITED

---

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are limited incentives, rationalisations and opportunities to fraudulently and materially adjust revenue recognition.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unexpected account combinations.

#### *Identifying and responding to risks of material misstatement related to compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

*We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.*

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, and employment law, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

#### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

# SOHO ESTATES PORTFOLIO LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF SOHO ESTATES PORTFOLIO LIMITED

---

#### Directors' Report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; 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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

#### Responsibilities of directors

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).



# **SOHO ESTATES PORTFOLIO LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBER OF SOHO ESTATES PORTFOLIO LIMITED**

---

#### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Anthony Hambleton (Senior Statutory Auditor)  
for and on behalf of KPMG LLP**

29 July 2022

**Chartered Accountants  
Statutory Auditor**

St Nicholas House  
31 Park Row  
Nottingham  
NG1 6FQ

# SOHO ESTATES PORTFOLIO LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
Turnover	2	1,684	560
Cost of sales		(826)	(20)
<b>Gross profit</b>		<b>858</b>	<b>540</b>
Other income		300	-
Administrative expenses		(3)	(6)
Movement in bad debt provision		306	(468)
Fair value movement on investment property	3	80,610	(93)
<b>Profit/(loss) before taxation</b>		<b>82,071</b>	<b>(27)</b>
Tax on profit/(loss)	4	(21,996)	18
<b>Profit/(loss) for the financial year</b>		<b>60,075</b>	<b>(9)</b>

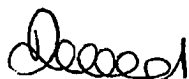
# SOHO ESTATES PORTFOLIO LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Tangible assets		2	-
Investment properties	6	356,965	254,969
		<u>356,967</u>	<u>254,969</u>
<b>Current assets</b>			
Debtors	7	3,558	1,170
Cash at bank and in hand		104	335
		<u>3,662</u>	<u>1,505</u>
<b>Creditors: amounts falling due within one year</b>	8	(236,325)	(214,241)
<b>Net current liabilities</b>		<u>(232,663)</u>	<u>(212,736)</u>
<b>Total assets less current liabilities</b>		<u>124,304</u>	<u>42,233</u>
<b>Provisions for liabilities</b>			
Deferred tax liability	9	27,832	5,836
		<u>(27,832)</u>	<u>(5,836)</u>
<b>Net assets</b>		<u>96,472</u>	<u>36,397</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Revaluation reserve		92,166	33,552
Profit and loss reserves		4,306	2,845
<b>Total equity</b>		<u>96,472</u>	<u>36,397</u>

The financial statements were approved by the board of directors and authorised for issue on 29 July 2022 and are signed on its behalf by:



R Wood  
Director

Company Registration No. 07984861

# SOHO ESTATES PORTFOLIO LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Revaluation reserve	Profit and loss reserves	Total
	£'000	£'000	£'000
Balance at 1 April 2020	33,627	2,779	36,406
<b>Year ended 31 March 2021:</b>			
Loss and total comprehensive income for the year	-	(9)	(9)
Movement on deferred tax on revaluation reserve	18	(18)	-
Transfer to revaluation reserve	(93)	93	-
<b>Balance at 31 March 2021</b>	<b>33,552</b>	<b>2,845</b>	<b>36,397</b>
<b>Year ended 31 March 2022:</b>			
Profit and total comprehensive income for the year	-	60,075	60,075
Movement on deferred tax on revaluation reserve	(21,996)	21,996	-
Transfer to revaluation reserve	80,610	(80,610)	-
<b>Balance at 31 March 2022</b>	<b>92,166</b>	<b>4,306</b>	<b>96,472</b>

# SOHO ESTATES PORTFOLIO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

---

### 1 Accounting policies

#### Company information

Soho Estates Portfolio Limited is a private company limited by shares incorporated in England and Wales. The registered office is Level 8, Ilona Rose House, Manette Street, London, W1D 4AL.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements are prepared on the historical cost basis except that investment property is stated at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Soho Estates Limited. These consolidated financial statements are available from its registered office, Level 8, Ilona Rose House, Manette Street, London, W1D 4AL.

# SOHO ESTATES PORTFOLIO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 1 Accounting policies

(Continued)

##### 1.2 Going concern

Notwithstanding net current liabilities of £236,325,000 as at 31 March 2022, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts in order to assess going concern which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due during the going concern assessment period.

Those forecasts are dependent on the company's ultimate parent company, Soho Estates Holdings Limited, not seeking repayment of the amounts currently due to the group, which at 31 March 2022 amounted to £231,324,000. Soho Estates Holdings Limited has indicated that it does not intend to seek repayment of these amounts during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

##### 1.3 Turnover

Turnover represents the amount of property income receivable in the period. Rental income received in advance are treated as deferred income until the period to which it relates is completed. Lease incentives are recognised over the duration of the lease term.

##### 1.4 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives. Leased assets are depreciate over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Fixtures and fittings	Straight line over 3 to 10 years
Computers	Straight line over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

##### 1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Investment property continues to be held at cost until available for use. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

# SOHO ESTATES PORTFOLIO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

---

### 1 Accounting policies

(Continued)

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# SOHO ESTATES PORTFOLIO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 1 Accounting policies

(Continued)

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### *Basic financial liabilities*

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.



# SOHO ESTATES PORTFOLIO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 4 Taxation

	2022 £'000	2021 £'000
<b>Deferred tax</b>		
Origination and reversal of timing differences	20,153	(18)
Increase in tax rates	1,843	-
<b>Total deferred tax</b>	<b>21,996</b>	<b>(18)</b>
<b>Total tax charge/(credit)</b>	<b>21,996</b>	<b>(18)</b>

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £'000	2021 £'000
Profit/(loss) before taxation	82,071	(27)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	15,593	(5)
Disallowable expenses	36	2
Capital allowances in excess of depreciation	-	(10)
Group relief	169	(5)
Revaluation of properties	-	18
Effect of tax rate changes	1,843	-
Difference between current and deferred tax rates	4,989	-
Other	(634)	(18)
<b>Taxation charge/(credit) for the year</b>	<b>21,996</b>	<b>(18)</b>

	2022 £'000	2021 £'000
Deferred tax arising on:		
Revaluation of property	21,996	(18)
	<b>21,996</b>	<b>(18)</b>

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax liability at 31 March 2022 has been calculated based on these rates, reflecting the expected timing of reversal of the related timing differences (2021: 19%).

# SOHO ESTATES PORTFOLIO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 2 Turnover

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

The investment properties are let under operating leases. The future minimum lease payments receivable under non-cancellable leases are as follows:

	2022 £'000	2021 £'000
Less than one year	2,433	603
Between one and five years	9,276	979
More than five years	17,030	481
	<u>28,739</u>	<u>2,063</u>

### 3 Fair value movement on investment property

Fair value movement on investment property during the year was an increase of £80,610,000. (2021 : reduction of £93,000)

# SOHO ESTATES PORTFOLIO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

### 5 Employees

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.

### 6 Investment property

	2022 £'000
<b>Fair value</b>	
At 1 April 2021	254,969
Additions	21,386
Revaluations	80,610
	<hr/>
At 31 March 2022	356,965 <hr/>

Investment properties totalling £340,240,000 were independently valued, on a Market Value basis in March 2022 by an external, independent valuer (2021: £nil) having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuation was made in accordance with the RICS Valuation Standards.

The remainder of 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.

The company has entered into certain capital commitments at the year end in relation to investment properties (see note 13).

#### *Sensitivity Analysis*

The directors consider that the key assumption used in determining the valuation of investment property is the rental yield. An increase of 0.5% in the rental yield for all properties within the portfolio would lead to a reduction in the fair value of investment property of £2m.

### 7 Debtors

	2022 £'000	2021 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	9	-
Taxation and social security	671	803
Other debtors	2,770	340
Prepayments and accrued income	108	27
	<hr/>	<hr/>
	3,558	1,170 <hr/>

The Company provided a loan facility of £750,000 with interest rate of 8% per annum as at 31 March 2022. The loan term is 10 years. This amount is presented within Other debtors.

# SOHO ESTATES PORTFOLIO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

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

	2022 £'000	2021 £'000
Trade creditors	3,211	290
Amounts owed to group undertakings	231,324	211,695
Other creditors	375	90
Accruals and deferred income	1,415	2,166
	<u>236,325</u>	<u>214,241</u>

Amounts owed to group companies are repayable on demand and non-interest bearing.

### 9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022 £'000	Liabilities 2021 £'000
Origination and reversal of timing differences	<u>27,832</u>	<u>5,836</u>
<b>Movements in the year:</b>		<b>2022 £'000</b>
Liability at 1 April 2021		5,836
Charge to profit or loss		20,153
Effect of change in tax rate - profit or loss		1,843
Liability at 31 March 2022		<u>27,832</u>

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 Called up share capital

	2022 £'000	2021 £'000
Issued and fully paid		
1 Ordinary share of £1	<u>-</u>	<u>-</u>

# SOHO ESTATES PORTFOLIO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

---

#### 10 Called up share capital

(Continued)

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 or decrease is included in the revaluation reserve.

##### *Dividends*

No dividends were proposed after the year end. (2021: £nil)

#### 11 Related party transactions

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 2022, 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.

#### 12 Judgements and key sources of estimation uncertainty

##### **Critical judgements**

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

##### **Key sources of estimation uncertainty**

The directors consider the only area of significant estimation uncertainty in the financial statements is the valuation of Investment Property. Investment properties totalling £340,240,000 (2021: £nil) were independently valued, on a Market Value basis, in March 2022 by an external independent valuer who has the appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The valuation was performed in accordance with the RICS Valuation Standards. The remainder of the Investment Property portfolio is valued by the directors, based on their knowledge of the portfolio and by using assumptions that are in line with those used by the external independent valuer as part of their valuation.

The key assumption used in the valuations is considered to be the market rental yields in the specific property location, which is determined primarily with reference to comparable transactions, as well as local and national economic factors.

#### 13 Capital commitments

Contractual commitments at the year end were £26,524,000 (2021:£30,601,000).

## **SOHO ESTATES PORTFOLIO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2022**

---

#### **14 Parent company**

The Company is a subsidiary undertaking of Soho Estates Limited, Level 8, Ilona Rose House, Manette Street, London, W1D 4AL. The ultimate parent company is Soho Estates Holdings Limited, Level 8, Ilona Rose House, Manette Street, London, W1D 4AL. The ultimate controlling party is the Paul Raymond family trusts, Level 8, Ilona Rose House, Manette Street, London, W1D 4AL.

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