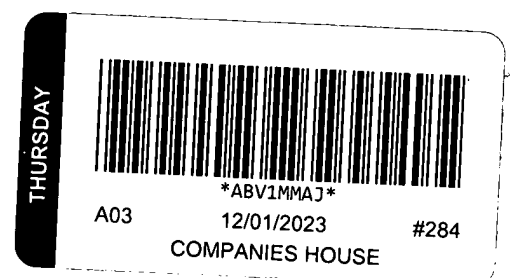


**REGISTERED NUMBER: 10079965 (England and Wales)**

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 30 April 2022  
for  
North West Portfolio (No.3) Limited



North West Portfolio (No.3) Limited

Contents of the Financial Statements  
for the Year Ended 30 April 2022

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North West Portfolio (No.3) Limited

Company Information  
for the Year Ended 30 April 2022

**DIRECTORS:**

P E Jones OBE  
M E Jones  
A E Jones  
P J Hubball

**SECRETARY:**

V Maharaj

**REGISTERED OFFICE:**

Emerson House  
Heyes Lane  
Alderley Edge  
Cheshire  
SK9 7LF

**REGISTERED NUMBER:**

10079965 (England and Wales)

**AUDITOR:**

BDO LLP, Statutory Auditor  
3 Hardman Street  
Spinningfields  
Manchester - UK  
M3 3AT

## North West Portfolio (No.3) Limited

### Strategic Report for the Year Ended 30 April 2022

The Director's present their Strategic Report for the year ended 30 April 2022.

#### **BUSINESS MODEL**

The principal activity of the company in the year under review was that of property investment and development.

The company is a wholly owned subsidiary of Emerson Developments (Holdings) Limited, the ultimate parent company of the Emerson Group. The Emerson Group is a family owned and run property investment and development business which manages and controls all group companies on a unified basis, trading under the Orbit Developments, Emerson Management Services and Jones Homes' brands.

#### **STRATEGY, OBJECTIVES & PRINCIPAL RISKS**

The strategic objectives of the company, in support of those of the group as a whole are to:

- continue to maintain and increase occupancy whilst pro-actively managing the company's property portfolio to drive sustainable profitability and shareholder return;
- selectively pursue strategic property investment and other development opportunities that meet the company's criteria for return and risk;
- expand the company's full service provision to customers with a property management or facilities management requirement.

As with any property company that is substantially debt financed the directors consider one of the key financial risks to be the ability of the company to meet the covenant requirements of its borrowing facilities, and to successfully refinance borrowing facilities at their maturity date. The directors regularly review compliance with the covenants and have maintained a track record of meeting all such requirements. During the year and at the year end, the company operated within the parameters set by its banking covenants. The Directors acknowledge the increased economic risk arising from the conflict in the Ukraine and current inflationary pressures and continue to remain focused on forecasting the timing of rental income to enable the positive management of receipts and the company's liquidity. The directors expect to continue to meet all covenants for the foreseeable future.

The primary operating risks for the company centre around the macro level factors of the markets in which it operates, in particular the level of customer demand, pricing, discounts and lease terms, and UK interest rate fluctuations. The directors consider that the mix of properties and their experience and flexibility in pro-actively managing its portfolio to be key strengths of the business.

Exposure to interest rate risk is managed by securing loans at low borrowing margins and attractive fixed rates.

Financial Reporting Standard 102 requires property revaluation movements to be reported through profit and loss and could create major fluctuations in reported profit. Due to the size of the company's property portfolio, modest changes to property values could seriously distort the trading result and risks misleading stakeholders and their understanding of the underlying trading performance. This risk can only be mitigated through expanded explanation in the narrative of the accounts.

To ensure effective control and management of the principal business risks the directors regularly review the key performance indicators of the company, which include occupancy levels, tenant payment performance, rental levels, interest cover and property values.

North West Portfolio (No.3) Limited

Strategic Report  
for the Year Ended 30 April 2022

**REVIEW OF THE YEAR**

Despite the loss of income from 2 Kelvin Close, Birchwood which was vacated at lease end last year, progress on lettings at Kingsgate House, Stockport and income from the acquisition of Central Retail Park, Bolton and Units 2 & 4 Cinnamon Park, Warrington contributed to a modest increase in rental income in the year. A further 12 (2021: 8) apartments were sold at Ashley House, Altrincham generating sales of £2,328,000 (2021: £1,779,000). Total turnover accordingly finished the year at £5,672,528 (2021: £4,924,419).

Occupancy at the end of the financial year improved to 78% (2021: 64%).

After a deficit on revaluation of investment property of £465,278 (2021: deficit £3,185,969), the reported profit before taxation was £1,366,153 (2021 loss: £1,079,845). Excluding revaluation movements, profit before taxation was £1,831,431 (2021: £2,106,124).

As at 30 April 2022 the value of investment properties increased to £48,196,216 (2021: £35,138,590) reflecting additions in year of £13,522,904 net of the deficit on revaluation.

**FUTURE OUTLOOK**

The property market is expected to remain challenging over the next 12 months as businesses and consumers begin to adapt to the impact of inflationary pressures, higher borrowing costs and supply chain disruption caused by the conflict in the Ukraine and the Covid-19 pandemic.

Despite the current difficulties, it is anticipated that UK commercial property, which generally performs well in inflationary periods, will remain well placed to provide strong resilience to current inflationary pressure and the impact of further interest rate rises. The Company remains focused on proactively managing its property assets and ready to quickly respond to changing market conditions.

**APPROVED AND SIGNED ON BEHALF OF THE BOARD BY:**



V Maharaj - Secretary

Date: 20 DECEMBER 2022.

North West Portfolio (No.3) Limited

Report of the Directors  
for the Year Ended 30 April 2022

The directors present their report with the financial statements of the company for the year ended 30 April 2022.

**DIVIDENDS**

No dividends will be distributed for the year ended 30 April 2022 (2021: £nil).

**DIRECTORS**

The directors who served year in the year were as follows:

P E Jones OBE (Chairman)  
M E Jones  
A E Jones  
P J Hubball

**FUTURE DEVELOPMENTS**

Information on likely future developments has been included in the strategic report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the strategic report, 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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 accounting 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, to disclose with reasonable accuracy at any time the financial position of the company and to 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.

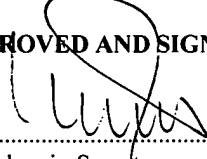
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

In so far as each of the directors is aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**AUDITOR**

In accordance with section 487 of the Companies Act 2006, BDO LLP, Registered Auditor, has been appointed as auditor for the year.

**APPROVED AND SIGNED ON BEHALF OF THE BOARD BY:**

  
.....  
V Maharaj - Secretary

Date:

20 DECEMBER 2022.

Independent Auditor's Report to the Members of  
North West Portfolio (No.3) Limited

**Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2022 and of its profit 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.

We have audited the financial statements of North West Portfolio (No.3) Limited ("the Company") for the year ended 30 April 2022 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

**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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence**

We are independent of the Company and the Parent 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.

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

**Other Companies Act 2006 reporting**

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of  
North West Portfolio (No.3) Limited

In the 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 Strategic Report or the Report of the Directors.

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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

**Auditors' responsibilities for the audit of the financial statements**

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding and accumulated knowledge of the Company and the sector in which it operates we considered the risks of acts by the Company which were contrary to applicable laws and regulations, including fraud, and whether such actions or non-compliance might have a material effect on the financial statements. These included but are not limited to those that relate to the form and content of the financial statements, such as Company accounting policies, Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006, relevant taxation legislation, Health and Safety and the Bribery Act 2010.



Independent Auditor's Report to the Members of  
North West Portfolio (No.3) Limited

We determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and revenue cut off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of investment properties and the impairment of stock and rent receivables;
- Identifying and testing journal entries, in particular any manual journal entries posted to either revenue or cash outside of our expectations, those including specific keywords and user activity;
- Testing a sample of rental income received throughout the year, and a further sample within a specified cut off window, through to lease agreement and bank receipt to determine if they have been recorded in the correct period;
- Discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Discussions among the engagement team, how and where non-compliance with laws and regulations and fraud might occur in the financial statements and any potential indicators of fraud;
- Review of minutes of Board meetings throughout the period; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

**Use of our report**

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

DocuSigned by:

*Gary Harding*

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Gary Harding (Senior Statutory Auditor)  
for and on behalf of BDO LLP, Statutory Auditor  
Manchester - UK  
Date: 20 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with  
registered number OC305127).

North West Portfolio (No.3) Limited

Income Statement  
for the Year Ended 30 April 2022

	Notes	2022 £	2021 £
<b>TURNOVER</b>	3	5,672,528	4,924,419
Cost of sales		(1,782,374)	(1,221,343)
<b>GROSS PROFIT</b>		3,890,154	3,703,076
Operating expenses		(1,232,571)	(729,865)
		2,657,583	2,973,211
Deficit on revaluation of investment property		(465,278)	(3,185,969)
<b>OPERATING PROFIT/(LOSS)</b>	5	2,192,305	(212,758)
Interest receivable		182	148
Interest payable	6	(826,334)	(867,235)
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		1,366,153	(1,079,845)
Tax on profit/(loss)	7	(342,377)	179,405
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>1,023,776</u>	<u>(900,440)</u>

The notes on pages 12 to 20 form part of these financial statements

North West Portfolio (No.3) Limited

Statement of Comprehensive  
Income  
for the Year Ended 30 April 2022

	Notes	2022 £	2021 £
<b>PROFIT/(LOSS) FOR THE YEAR</b>		1,023,776	(900,440)
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>1,023,776</u>	<u>(900,440)</u>

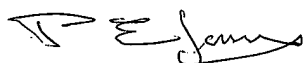
The notes on pages 12 to 20 form part of these financial statements

North West Portfolio (No.3) Limited (Registered number: 10079965)

Balance Sheet  
30 April 2022

	Notes	2022		2021	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		2,218		3,375
Investment property	9		48,196,216		35,138,590
			<hr/>		<hr/>
			48,198,434		35,141,965
<b>CURRENT ASSETS</b>					
Stocks	10	2,379,777		4,039,056	
Debtors	11	4,329,153		3,423,867	
Cash at bank		3,824,045		3,546,832	
		<hr/>		<hr/>	
		10,532,975		11,009,755	
<b>CREDITORS</b>					
Amounts falling due within one year	12	34,955,515		22,320,004	
		<hr/>		<hr/>	
<b>NET CURRENT LIABILITIES</b>			(24,422,540)		(11,310,249)
			<hr/>		<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			23,775,894		23,831,716
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		(17,417,481)		(18,523,116)
<b>PROVISIONS FOR LIABILITIES</b>	17		(361,156)		(335,119)
			<hr/>		<hr/>
<b>NET ASSETS</b>			5,997,257		4,973,481
			<hr/>		<hr/>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		2		2
Retained earnings			5,997,255		4,973,479
			<hr/>		<hr/>
<b>SHAREHOLDERS' FUNDS</b>			5,997,257		4,973,481
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 20 December 2021 and were signed on its behalf by:



.....  
P E Jones OBE - Director

The notes on pages 12 to 20 form part of these financial statements

North West Portfolio (No.3) Limited

Statement of Changes in Equity  
for the Year Ended 30 April 2022

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 May 2020</b>	2	5,873,919	5,873,921
<b>Changes in equity</b>			
Deficit for the year	-	(900,440)	(900,440)
Total comprehensive income	-	(900,440)	(900,440)
<b>Balance at 30 April 2021</b>	2	4,973,479	4,973,481
<b>Changes in equity</b>			
Profit for the year	-	1,023,776	1,023,776
Total comprehensive income	-	1,023,776	1,023,776
<b>Balance at 30 April 2022</b>	2	5,997,255	5,997,257

The notes on pages 12 to 20 form part of these financial statements

North West Portfolio (No.3) Limited

Notes to the Financial Statements  
for the Year Ended 30 April 2022

1. **GENERAL INFORMATION**

North West Portfolio (No.3) Limited is a limited liability company incorporated in England & Wales. The Registered Office is set out on page 1 to the financial statements and the nature of the company's operations and its principal activities are set out in the Strategic Report.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006 and have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit and loss.

**Going concern**

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report.

The company meets its day to day working capital requirements through available cash resources and committed banking facilities and those of the Group. Based on the company's forecasts and projections, and those of the Group, together with available market information and the directors' knowledge and experience of the company's property portfolio and markets, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have also received confirmation from its parent that the amounts owed to it will not be called for repayment within the 12 months following the signing of these financial statements. During the year and at the year end, the company operated within the parameters set by those banking covenants, to which it was party. In assessing future cash receipts the Directors have taken into account current economic conditions created by the Covid-19 pandemic and conflict in the Ukraine and expect to continue to meet all covenants for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**Financial Reporting Standard 102 - disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

2. **ACCOUNTING POLICIES - continued**

**Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

**Revaluation of investment properties**

The company carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The company uses external professional advisors and the Group Internal Valuation Surveyor, to determine fair value, both of which are RICS registered valuers. The company's investment properties were revalued by the directors at the balance sheet date with reference to the Internal Surveyors valuation, which is in accordance with the company's valuation policies and performed in accordance with the Royal Institute of Chartered Surveyors' Appraisal and Valuation Manual. The valuation of the company's property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental revenues from that particular property. As a result, the valuations the company places on its property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the property market.

**Turnover**

Rents receivable are included on an accruals basis, with annual rentals credited to profit and loss on a straight line basis over the expected term of the lease.

Incentive payments and rent free periods given to new tenants to occupy the company's investment properties are treated as a reduction in revenue and initially recorded as prepayments. These are charged to profit and loss over the term of the lease. Where such prepayments relate to investment properties, the properties are carried at fair value less the amount of the unamortised incentive.

Turnover in respect of the sale of residential apartments is recognised at the value of the consideration received or receivable on legal completion of the sale.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation as modified by the revaluation of certain freehold and long leasehold property. Depreciation is provided at rates calculated to write off the cost of each asset less its residual value on a straight line basis as follows:

- Investment properties	Not depreciated
- Fixtures and fittings	10%-33.33% pa

**Investment properties**

Investment properties comprise properties and interests in land held either to earn rental income or for capital appreciation, or both.

Investment properties are initially measured at cost, including related transaction costs. Borrowing costs associated with direct expenditure on investment properties under development are capitalised. Interest is capitalised as from the commencement of the development work until the date of practical completion or, if earlier, the date that outgoings exceed income.

After initial recognition, investment properties are carried at their fair values based on market value as determined at each reporting date. The difference between the fair value of an investment property at the reporting date and its carrying amount prior to re-measurement is included in the income statement as a valuation surplus or deficit. Profit on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset at the commencement of the accounting period plus capital expenditure in the period.

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2022

**2. ACCOUNTING POLICIES - continued**

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Commercial property which is to be redeveloped into residential apartments has been moved from investment property to stock.

**Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable income for the year and any adjustment in respect of previous years.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

**Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

**Financial instruments**

Basic financial instruments including amounts due to and from group undertakings, with no stated interest rate and receivable or payable within one year, are recorded at transaction price. Such assets and liabilities are subsequently carried at amortised cost using the effective interest rate method. Any losses arising from impairment are recognised in the income statement.

**Lease transactions**

The costs of operating leases are charged against profits as they accrue. Assets acquired under finance leases and hire purchase contracts are capitalised and the corresponding liability shown in creditors.

**Reserves**

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

**3. TURNOVER**

Turnover arises wholly in the United Kingdom and principally comprises rental income from investment properties and the sale of residential apartments.

**4. EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 30 April 2022 nor for the year ended 30 April 2021.

During the year the Directors neither received nor were due to receive any emoluments from the company (2021: £nil).



North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2022

**5. OPERATING PROFIT/(LOSS)**

The operating profit is stated after crediting/(charging):

	2022 £	2021 £
Rents receivable	3,344,906	3,145,769
Inventory expensed	(1,681,836)	(1,138,380)
Depreciation	(1,157)	(1,157)
	<u>3,344,906</u>	<u>3,145,769</u>

Auditor's remuneration is borne by the ultimate parent company.

**6. INTEREST PAYABLE**

	2022 £	2021 £
Long term loan interest	798,969	844,870
Amortisation of debt issue costs	27,365	22,365
	<u>826,334</u>	<u>867,235</u>

**7. TAXATION**

**Analysis of the tax charge/(credit)**

The tax charge/(credit) on the profit for the year was as follows:

	2022 £	2021 £
Current tax:		
Corporation tax - current year	332,639	341,497
Corporation tax - prior year	-	(11,692)
Total current tax	<u>332,639</u>	<u>329,805</u>
Deferred tax:		
Deferred tax - current year	(92,664)	(522,055)
Deferred tax - prior year	102,402	12,845
Total deferred tax	<u>9,738</u>	<u>(509,210)</u>
Tax on profit/(loss)	<u>342,377</u>	<u>(179,405)</u>

UK corporation tax has been charged at 19% (2021 - 19%).

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2022

7. **TAXATION - continued**

**Reconciliation of total tax charge/(credit) included in profit and loss**

The tax assessed for the year is higher (2021 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit/(loss) before tax	1,366,153	(1,079,845)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	259,569	(205,171)
Effects of:		
Expenses not deductible for tax purposes	2,595	2,595
Adjustments to tax charge in respect of previous periods	-	1,153
Impact of change in UK tax rate	80,163	-
Tax relief on indexation allowance	50	36,268
Land Remediation relief	-	(14,250)
Total tax charge/(credit)	342,377	(179,405)

The Finance Act 2021 received Royal Assent on 10 June 2021 and provided that the rate of United Kingdom Corporation Tax will increase from 19% to 25% with effect from 1 April 2023. United Kingdom deferred tax balances at 30 April 2022 are expected to reverse after this date and have therefore been re-measured at 25%.

8. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
<b>COST</b>	
At 1 May 2021	
and 30 April 2022	5,785
<b>DEPRECIATION</b>	
At 1 May 2021	2,410
Charge for year	1,157
At 30 April 2022	3,567
<b>NET BOOK VALUE</b>	
At 30 April 2022	2,218
At 30 April 2021	3,375

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2022

**9. INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 1 May 2021	35,138,590
Additions	13,522,904
Revaluations	(465,278)
	<hr/>
At 30 April 2022	48,196,216
	<hr/>
<b>NET BOOK VALUE</b>	
At 30 April 2022	48,196,216
	<hr/>
At 30 April 2021	35,138,590
	<hr/>

Investment properties comprise freehold land and buildings of £48,196,216 (2021: £35,138,590).

The historical cost of investment properties is £48,079,605 (2021: £34,556,701).

Investment properties were valued as at 30 April 2022 by the Group's Valuation Surveyor, who is a member of the Royal Institute of Chartered Surveyors. All valuations were carried out on a "Market Value" basis in accordance with the Practice Statements in the RICS Appraisal and Valuation Standards published by the Royal Institution of Chartered Surveyors.

**10. STOCKS**

	2022 £	2021 £
Work-in-progress	2,379,777	4,039,056
	<hr/>	<hr/>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade debtors	65,879	64,795
Amounts owed by group undertakings	3,435,782	2,614,092
Prepayments and accrued income	827,492	744,980
	<hr/>	<hr/>
	4,329,153	3,423,867
	<hr/>	<hr/>

The amount owed by group undertakings is unsecured, interest free and repayable on demand.

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Bank loans (see note 14)	1,133,000	1,133,000
Trade creditors	20,496	104,052
Amounts owed to group undertakings	32,299,672	18,922,401
Corporation tax payable	332,639	329,806
Social security and other taxes	218,900	76,830
Other creditors	2,000	3,500
Accruals and deferred income	948,808	1,750,415
	<hr/>	<hr/>
	34,955,515	22,320,004
	<hr/>	<hr/>

The amount owed to group undertakings is unsecured, interest free and repayable on demand.

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2022

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022	2021
	£	£
Bank loans (see note 14)	17,594,500	18,727,500
Debt issue costs	(177,019)	(204,384)
	<u>17,417,481</u>	<u>18,523,116</u>

**14. LOANS**

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year or on demand:		
Long term loans	<u>1,133,000</u>	<u>1,133,000</u>
Amounts falling due between one and two years:		
Bank loans 1-2 yrs by instalments	<u>1,148,000</u>	<u>1,133,000</u>
	<u>1,148,000</u>	<u>1,133,000</u>
Amounts falling due between two and five years:		
Bank loans 2-5 yrs by instalments	<u>3,489,000</u>	<u>3,474,000</u>
	<u>3,489,000</u>	<u>3,474,000</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Bank loans more than 5yrs in full	<u>11,503,750</u>	<u>11,503,750</u>
	<u>11,503,750</u>	<u>11,503,750</u>
Repayable by instalments		
Bank loans more than 5 yrs by instalments	<u>1,453,750</u>	<u>2,616,750</u>
	<u>1,453,750</u>	<u>2,616,750</u>

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2022

**15. LEASING AGREEMENTS**

Future minimum lease rentals receivable under non-cancellable operating leases are as follows:

	2022 £	2021 £
Less than 1 year	4,072,679	2,143,775
Between 2 & 5 years	10,807,900	4,789,848
More than 5 years	1,717,475	1,109,848
Total	<u>16,598,054</u>	<u>8,043,471</u>

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	2022 £	2021 £
Bank loans	<u>18,727,500</u>	<u>19,860,500</u>

Bank loans include the financing of specific property developments which are secured by a first legal charge on the land and development at the relevant site. Fixed interest rate loans are at a blended average rate of 4.16%.

**17. PROVISIONS FOR LIABILITIES**

	2022 £	2021 £
Deferred tax	334,011	324,273
Site completion costs	27,145	10,846
	<u>361,156</u>	<u>335,119</u>

	Deferred tax £
Balance at 1 May 2021	324,273
Charge to Income Statement during year	9,738
Balance at 30 April 2022	<u>334,011</u>

Provisions have been recognised in respect of site completion costs. It is expected that most of this expenditure will be incurred during the next two years, and all will be incurred within the next four years.

**Provision for Deferred Tax comprises the following Liability/(Asset):**

	2022 £	2021 £
Capital Allowances	317,238	223,173
Investment property revaluation	16,773	101,100
Total	<u>334,011</u>	<u>324,273</u>

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2022

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2022	2021
Number:	Class:		£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

**19. ULTIMATE PARENT COMPANY**

The company's ultimate parent company and ultimate controlling party is Emerson Developments (Holdings) Limited, a company incorporated in England.

The results of the company are included in the consolidated accounts of Emerson Developments (Holdings) Limited. A copy of these accounts may be obtained from The Registrar of Companies, Companies House, Crown Way.

**20. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 Section 33 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.