

REGISTERED NUMBER: 10079965 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 April 2023
for
North West Portfolio (No.3) Limited

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North West Portfolio (No.3) Limited

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for the Year Ended 30 April 2023

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North West Portfolio (No.3) Limited

Company Information
for the Year Ended 30 April 2023

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 2023

The Director's present their Strategic Report for the year ended 30 April 2023.

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; and
- 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 Board remain conscious of the economic impact of the ongoing conflict in the Ukraine, persistent high levels of inflation and the recent outbreak of hostilities in the Middle East and continue to actively manage rental and other income streams 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.

REVIEW OF THE YEAR

During the financial year ended 30 April 2023 the remaining 17 (2022: 12) apartments were sold at Ashley House, Altrincham generating sales of £3,576,000 (2022: £2,328,000).

Total turnover accordingly finished the year at £7,758,543 (2022: £5,672,528).

Occupancy at the end of the financial year was marginally improved to 79% (2022: 78%).

After a deficit on revaluation of investment property of £1,202,595 (2022: deficit £465,278), the reported profit before taxation was £2,391,986 (2022: £1,366,153). Excluding revaluation movements, profit before taxation was £3,594,581 (2022: £1,831,431).

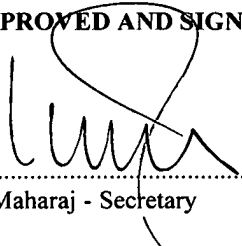
As at 30 April 2023 the value of investment properties decreased to £47,188,264 (2022: £48,196,216).

FUTURE OUTLOOK

The property market is expected to remain challenging over the next 12 months as businesses and consumers continue to adapt to the impact of inflationary pressures and higher borrowing costs.

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 continuing inflationary pressure and potential 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

31
Date: December 2023

North West Portfolio (No.3) Limited

Report of the Directors
for the Year Ended 30 April 2023

The directors present their report with the financial statements of the company for the year ended 30 April 2023.

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2023 (2022: £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.

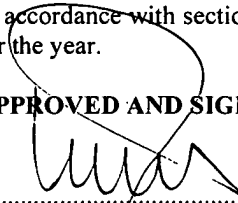
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

31
Date: December 2023

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 2023 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 2023 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 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 and financial statements, 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:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance and legal counsel;
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be (United Kingdom generally Accepted Accounting Practice), the Companies Act 2006, relevant tax legislation, Health and Safety and the Bribery Act 2010.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be fire safety legislation, environmental legislation, health and safety legislation and data protection requirements.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit.

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

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override and revenue recognition with regard to cut off.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias in particular for the carrying value of commercial investment properties; and
- Testing a sample of revenue transactions within a specified cut off window to determine if they have been recorded in the correct period.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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. 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: 03 January 2024

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 2023

	Notes	2023 £	2022 £
TURNOVER	3	7,758,543	5,672,528
Cost of sales		<u>(2,527,747)</u>	<u>(1,782,374)</u>
GROSS PROFIT		5,230,796	3,890,154
Operating expenses		<u>(905,664)</u>	<u>(1,232,571)</u>
		4,325,132	2,657,583
Deficit on revaluation of investment property		<u>(1,202,595)</u>	<u>(465,278)</u>
OPERATING PROFIT	5	3,122,537	2,192,305
Interest receivable		48,458	182
Interest payable	6	<u>(779,009)</u>	<u>(826,334)</u>
PROFIT BEFORE TAXATION		2,391,986	1,366,153
Tax on profit	7	<u>(482,578)</u>	<u>(342,377)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,909,408</u></u>	<u><u>1,023,776</u></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 2023

	Notes	2023 £	2022 £
PROFIT FOR THE YEAR		1,909,408	1,023,776
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,909,408</u>	<u>1,023,776</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 2023

	Notes	2023	2022
		£	£
FIXED ASSETS			
Tangible assets	8	1,061	2,218
Investment property	9	47,188,264	48,196,216
		<u>47,189,325</u>	<u>48,198,434</u>
CURRENT ASSETS			
Stocks	10	-	2,379,777
Debtors	11	3,715,359	4,329,153
Cash at bank		8,399,660	3,824,045
		<u>12,115,019</u>	<u>10,532,975</u>
CREDITORS			
Amounts falling due within one year	12	34,732,696	34,955,515
NET CURRENT LIABILITIES		<u>(22,617,677)</u>	<u>(24,422,540)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		24,571,648	23,775,894
CREDITORS			
Amounts falling due after more than one year	13	(16,296,846)	(17,417,481)
PROVISIONS FOR LIABILITIES	17	(368,137)	(361,156)
NET ASSETS		<u><u>7,906,665</u></u>	<u><u>5,997,257</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	2	2
Retained earnings		7,906,663	5,997,255
SHAREHOLDERS' FUNDS		<u><u>7,906,665</u></u>	<u><u>5,997,257</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 December 2023 and were signed on its behalf by:


.....
P E Jones OBE - Director

North West Portfolio (No.3) Limited

Statement of Changes in Equity
for the Year Ended 30 April 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2021	2	4,973,479	4,973,481
Changes in equity			
Profit for the year	-	1,023,776	1,023,776
Total comprehensive income	-	1,023,776	1,023,776
Balance at 30 April 2022	2	5,997,255	5,997,257
Changes in equity			
Profit for the year	-	1,909,408	1,909,408
Total comprehensive income	-	1,909,408	1,909,408
Balance at 30 April 2023	2	7,906,663	7,906,665

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 2023

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 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 2023

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 2023 nor for the year ended 30 April 2022.

During the year the Directors neither received nor were due to receive any emoluments from the company (2022: £nil).

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2023

5. **OPERATING PROFIT**

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

	2023 £	2022 £
Rents receivable	4,183,535	3,344,906
Inventory expensed	(2,439,119)	(1,681,836)
Depreciation	(1,157)	(1,157)
	<u> </u>	<u> </u>

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

6. **INTEREST PAYABLE**

	2023 £	2022 £
Long term loan interest	751,644	798,969
Amortisation of debt issue costs	27,365	27,365
	<u> </u>	<u> </u>
	<u>779,009</u>	<u>826,334</u>

7. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2023 £	2022 £
Current tax:		
Corporation tax - current year	673,165	332,639
Corporation tax - prior year	(171,899)	-
	<u> </u>	<u> </u>
Total current tax	<u>501,266</u>	<u>332,639</u>
Deferred tax:		
Deferred tax - current year	(266,488)	(92,664)
Deferred tax - prior year	247,800	102,402
	<u> </u>	<u> </u>
Total deferred tax	<u>(18,688)</u>	<u>9,738</u>
	<u> </u>	<u> </u>
Tax on profit	<u>482,578</u>	<u>342,377</u>

UK corporation tax has been charged at 19.49% (2022 - 19%).

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2023

7. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than (2022 - higher than) the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Profit before tax	<u>2,391,986</u>	<u>1,366,153</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.493% (2022 - 19%)	466,270	259,569
Effects of:		
Expenses not deductible for tax purposes	2,663	2,595
Adjustments to tax charge in respect of previous periods	75,901	-
Impact of change in UK tax rate	(58,697)	80,163
Tax relief on indexation allowance	(3,559)	50
Total tax charge	<u>482,578</u>	<u>342,377</u>

The Finance Act 2021 received Royal Assent on 10 June 2021 and provided that the rate of United Kingdom Corporation Tax would increase from 19% to 25% on 1 April 2023. United Kingdom deferred tax balances at 30 April 2022 were therefore re-measured at 25%. This rate has been applied at 30 April 2023.

8. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £
COST	
At 1 May 2022 and 30 April 2023	<u>5,785</u>
DEPRECIATION	
At 1 May 2022	3,567
Charge for year	<u>1,157</u>
At 30 April 2023	<u>4,724</u>
NET BOOK VALUE	
At 30 April 2023	<u>1,061</u>
At 30 April 2022	<u>2,218</u>

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2023

9. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 May 2022	48,196,216
Additions	194,643
Revaluations	(1,202,595)
	<hr/>
At 30 April 2023	47,188,264
	<hr/>
NET BOOK VALUE	
At 30 April 2023	47,188,264
	<hr/>
At 30 April 2022	48,196,216
	<hr/>

Investment properties comprise freehold land and buildings of £47,188,264 (2022: £48,196,216).

The historical cost of investment properties is £48,274,248 (2022: £48,079,605).

Investment properties were valued as at 30 April 2023 by the Group's Valuation Surveyor, who is a member of the Royal Institute of Chartered Surveyors and include certain properties having a market value of £34,940,000 independently valued by Cushman & Wakefield during the year. 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

	2023 £	2022 £
Work-in-progress	-	2,379,777
	<hr/>	<hr/>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	50,069	65,879
Amounts owed by group undertakings	2,721,019	3,435,782
Prepayments and accrued income	944,271	827,492
	<hr/>	<hr/>
	3,715,359	4,329,153
	<hr/>	<hr/>

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

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Bank loans (see note 14)	1,148,000	1,133,000
Trade creditors	26,956	20,496
Amounts owed to group undertakings	32,039,335	32,299,672
Corporation tax payable	501,266	332,639
Social security and other taxes	139,527	218,900
Other creditors	-	2,000
Accruals and deferred income	877,612	948,808
	<hr/>	<hr/>
	34,732,696	34,955,515
	<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 2023

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

	2023 £	2022 £
Bank loans (see note 14)	16,446,500	17,594,500
Debt issue costs	(149,654)	(177,019)
	<u>16,296,846</u>	<u>17,417,481</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year or on demand:		
Long term loans	<u>1,148,000</u>	<u>1,133,000</u>
Amounts falling due between one and two years:		
Bank loans 1-2 yrs by instalments	<u>1,163,000</u>	<u>1,148,000</u>
	<u>1,163,000</u>	<u>1,148,000</u>
Amounts falling due between two and five years:		
Bank loans 2-5 yrs by instalments	<u>3,489,000</u>	<u>3,489,000</u>
	<u>3,489,000</u>	<u>3,489,000</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>290,750</u>	<u>1,453,750</u>
	<u>290,750</u>	<u>1,453,750</u>

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2023

15. **LEASING AGREEMENTS**

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

	2023 £	2022 £
Less than 1 year	4,040,909	4,072,679
Between 2 & 5 years	8,945,731	10,807,900
More than 5 years	2,092,784	1,717,475
Total	<u>15,079,424</u>	<u>16,598,054</u>

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	2023 £	2022 £
Bank loans	<u>17,594,500</u>	<u>18,727,500</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**

	2023 £	2022 £
Deferred tax	315,323	334,011
Site completion costs	52,814	27,145
	<u>368,137</u>	<u>361,156</u>
		Deferred tax £
Balance at 1 May 2022		334,011
Credit to Income Statement during year		<u>(18,688)</u>
Balance at 30 April 2023		<u>315,323</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):

	2023 £	2022 £
Capital Allowances	603,172	317,238
Investment property revaluation	(287,849)	16,773
Total	<u>315,323</u>	<u>334,011</u>

North West Portfolio (No.3) Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2023

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
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.