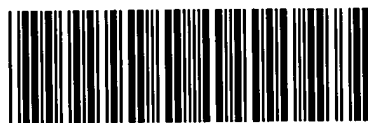


Old Hall Street Properties Limited
(registered number: 02765478)

Annual Report and financial statements
for the year ended 30 June 2022

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Old Hall Street Properties Limited

Report of the directors for the year ended 30 June 2022

The directors present their Annual report and the audited financial statements of the company for the year ended 30 June 2022.

This set of financial statements for the year ended 30 June 2022 has been prepared in accordance with The Reduced Disclosure Framework (FRS 101). This Report of the directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption under section 414B of the Companies Act 2006. The company is classified as small, and accordingly, a strategic report has not been prepared.

Principal activities

The principal activity of the company is the management of a portfolio of leased properties and the sub-lease of those properties to both group and third party tenants.

Business review and key performance indicators

A key performance measure for the business is result before taxation. The loss before taxation was £654,000 (2021: profit £612,000). This has been transferred to reserves. The results of the company are set out in the Statement of comprehensive income on page 9.

A key performance indicator is the net asset position of the company. The value of the net assets at 30 June 2022 was £118,107,000 (2021: £119,308,000). The financial position of the company is set out in the Statement of financial position on page 10.

The directors do not recommend the payment of a dividend (2021: £nil).

Principal risks and uncertainties and financial risk management

The company's principal risks relate to the recoverable value of the company's intra-group debts and the continuing rental of their leasehold properties. The amounts in the Statement of financial position are assessed by the directors for their recoverability and presented net of any allowances.

The management of the business involves focusing on the following major risks:

- The ongoing macro-economic impact of transitional Brexit arrangements, and in particular the effect that this has on the ability of the company and group to continue its activities especially in the development of its housing portfolio, where the supply of materials can be negatively affected;
- The continuing impact of the Covid pandemic. Although office working arrangements are back to normal, and future lockdowns are unlikely, the long term effect is that certain goods and service supply chains remain fragile but energy security is now the much larger risk.
- Current inflationary pressures, particularly in respect of materials and utilities, combined with the potential risk of recession and increases in the Bank of England base rate, has caused nervousness across the property sector.
- The conflict in Ukraine has disrupted some supplies, especially in the supply of gas and other fuels, and has been one of the major causes of inflation.

Although these risks are ongoing, management believe that the risks and uncertainties associated with them will not have a material impact on the company.

Old Hall Street Properties Limited

Report of the directors for the year ended 30 June 2022 (continued)

Sustainability

The directors are mindful of the need and impact of sustainability on the built environment and the companies' assets. Environmental Regulation, risk and impact on both rental values are considerations for the businesses.

The company maintains Energy Performance Certificates for each of its premises and works with the landlords and the tenants to improve energy efficiency.

Going concern

As referred to in the accounting policies, the directors have concluded that although the company is in a net current liability position, it has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

In determining whether the company's accounts can be prepared on a going concern basis, the directors considered the company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and borrowing facilities and the principal risks and uncertainties relating to its business activities.

Throughout the current financial year, the market for commercial investment property generally and distribution properties in particular remained very strong.

The company's holding company, Trenport Property Holdings Limited has provided a letter of support and the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least twelve months from the signing of the accounts. Accordingly, they continue to adopt the going concern basis in the preparation of the Annual report and financial statements.

Directors

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

R J Hall	
D J Farrant	appointed 1 July 2021
G B Dibb	appointed 1 July 2021

Elective resolutions

The company has passed elective resolutions to dispense with the holding of general meetings and for the laying of the annual report and financial statements before the company in general meetings, until such time as the elections are revoked.

Statement to disclose information to the auditor

Each of the persons who are a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

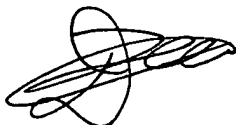
Old Hall Street Properties Limited

Report of the directors for the year ended 30 June 2022 (continued)

Auditor

Deloitte LLP has indicated their willingness to continue in office, pursuant to section 487(2) of the Companies Act 2006.

Approved by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'D J Farrant', written over a circular stamp or seal.

D J Farrant
Director
5 October 2022

Old Hall Street Properties Limited

Statement of directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Old Hall Street Properties Limited

Independent auditor's report to the members of Old Hall Street Properties Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Old Hall Street Properties Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of comprehensive income;
- the Statement of financial position;
- the Statement of changes in equity;
- the Statement of accounting policies; and
- the related notes 1 - 16

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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 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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

**Independent auditor's report to the members of Old Hall Street Properties Limited
(continued)**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered 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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

Old Hall Street Properties Limited

Independent auditor's report to the members of Old Hall Street Properties Limited (continued)

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team, including relevant internal specialists such as tax, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulation in the following areas, and our specific procedures performed to address it are described below:

- **Onerous Lease Provision:** We have challenged the accuracy and completeness of the provision for onerous leases in Old Hall Street via agreement to underlying signed lease agreements. We have independently recalculated the onerous lease provision based on these signed lease agreements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the Report of the directors.

Old Hall Street Properties Limited

**Independent auditor's report to the members of Old Hall Street Properties Limited
(continued)**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 in preparing the Report of the directors and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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.



Rachel Argyle (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Manchester, United Kingdom

5 October 2022

Old Hall Street Properties Limited

Statement of comprehensive income for the year ended 30 June 2022

	<i>Notes</i>	2022 £'000	2021 £'000
Revenue		233	2,584
Cost of sales		-	(1,644)
Gross profit		233	940
Administrative expenses		(1,019)	11
Operating (loss)/profit		(786)	951
Finance income	14	608	365
Finance charge	2, 14	(626)	(704)
Revaluation of land & buildings	5	150	-
(Loss)/profit before tax	3	(654)	612
Taxation	4	(547)	(1,254)
Loss and total comprehensive expense for the financial year		(1,201)	(642)

The loss for the financial year arises from the company's continuing operations.

The accounting policies notes on pages 12 to 23 are an integral part of these financial statements.

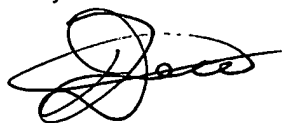
Old Hall Street Properties Limited

Statement of financial position as at 30 June 2022

	Notes	2022 £'000	2021 £'000
Non-current assets			
Tangible assets	5	347	197
Right of use assets	6	1,799	1,838
Trade and other receivables	7	132,777	133,177
		<u>134,923</u>	<u>135,212</u>
Current assets			
Trade and other receivables	8	2,394	3,719
Total assets		<u>137,317</u>	<u>138,931</u>
Current liabilities			
Trade and other creditors	9	(3,895)	(2,682)
Lease liabilities	14	(978)	(1,406)
		<u>(4,873)</u>	<u>(4,088)</u>
Net current liabilities		<u>(2,479)</u>	<u>(369)</u>
Non-current liabilities			
Provision for onerous lease liability	10	(3,814)	(4,084)
Lease liabilities	14	(10,523)	(11,451)
		<u>(14,337)</u>	<u>(15,535)</u>
Total liabilities		<u>(19,210)</u>	<u>(19,623)</u>
Net assets		<u>118,107</u>	<u>119,308</u>
Capital and reserves			
Called-up share capital	12	211,148	211,148
Revaluation reserve		-	100
Retained earnings		(93,041)	(91,940)
Total shareholders' funds		<u>118,107</u>	<u>119,308</u>

The accounting policies and notes on pages 12 to 23 are an integral part of these financial statements.

The financial statements for Old Hall Street Properties Limited, company number 02765478, are presented on pages 9 to 23 and were approved by the board of directors on 5 October 2022 and signed on its behalf by:



D J Farrant
Director

Old Hall Street Properties Limited

Statement of changes in equity as at 30 June 2022

	Called up share capital	Revaluation reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
At 1 July 2020	211,148	100	(91,298)	119,950
Loss for the financial year and total comprehensive expense	-	-	(642)	(642)
At 30 June 2021	211,148	100	(91,940)	119,308
Revaluation reserve transferred to retained earnings	-	(100)	100	-
Loss for the financial year and total comprehensive expense	-	-	(1,201)	(1,201)
At 30 June 2022	211,148	-	(93,041)	118,107

Old Hall Street Properties Limited

Notes to the financial statements for the year ended 30 June 2022

Statement of accounting policies

General information

Old Hall Street Properties Limited ("the company") is a property management company. The company is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales, United Kingdom. The company's registered office is 2nd Floor, 14 St George Street, London W1S 1FE.

The functional and presentational currency of the company is considered to be pound sterling because that is the currency of the primary economic environment in which the company operates.

Basis of accounting

The individual financial statements of Old Hall Street Properties Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 101, "Reduced Disclosure Framework" ("FRS 101"), as issued by the Financial Reporting Council and the Companies Act 2006.

The financial statements are prepared on the going concern basis, under the historical cost convention modified to include the revaluation of certain non-current assets and in accordance with the Companies Act 2006 and United Kingdom applicable accounting standards, which have been applied on a consistent basis with the previous year. The principal accounting policies are set out below.

Adoption of new and revised standards

The company adopted all the new and revised IFRS standards and Interpretations that are effective during the year and are relevant to its operations. The adoption of these new/revised standards has no material effect on the amounts reported for the current or prior years.

Going concern

As referred to in the Report of the directors, although the company is in a net current liability position, the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

In determining whether the company's accounts can be prepared on a going concern basis, the directors considered the company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and borrowing facilities and the principal risks and uncertainties relating to its business activities. These are set out within the Report of the directors.

The company's holding company, Trenport Property Holdings Limited has provided a letter of support and the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least twelve months from the signing of the accounts. Accordingly, they continue to adopt the going concern basis in the preparation of the Annual report and financial statements.

Notes to the financial statements for the year ended 30 June 2022 (continued)

Statement of accounting policies (continued)

Exemptions for qualifying entities under FRS 101

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, certain disclosure in respect of revenue from contracts with customers, impairment of assets, certain related party transactions, and certain disclosure requirements in respect of leases, on the basis that equivalent disclosures are included in the consolidated financial statements of the group in which the company is consolidated, being Trenport Property Holdings Limited.

Revenue

Revenue, which excludes value added tax, comprises the company's rental income from the subletting of the right of use properties in its portfolio. Revenue is recognised for rental income on a straight line basis over the lease term. All revenue is generated from within the United Kingdom and from one class of business.

Leases

(i) The company as a lessee

At the inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease, if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The company recognises a right-of-use asset and a lease liability at the lease commencement date which is the date at which the asset is made available for use by the company.

The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, restoration costs and lease payments made at or before the commencement date less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment testing.

The lease liability is initially measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate known at the commencement date, payments for a purchase option, payments for an optional renewal period and termination option payments if the company is reasonably certain to exercise those options. The lease term is the non-cancellable period of the lease adjusted for any renewal or termination options which are reasonably certain to be exercised. Management will exercise the termination option at the earliest opportunity. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest implicit in the lease or where this cannot be readily determined, the lessee's incremental borrowing rate which is assumed to be between 4.76% and 5.21%. After the commencement date, the lease liability is measured at amortised cost using the effective interest method. It is remeasured if there is a modification, a change in future lease payments arising from a change in an index or rate, or if the company changes its assessment of whether it is reasonably certain to exercise an option within the contract.

The company has elected to apply the recognition exemptions for short-term and low-value leases and recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less. Low-value assets with a cost less than £3,000.

Old Hall Street Properties Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

Statement of accounting policies (continued)

(ii) The company as a lessor

The company enters into lease agreements as a lessor with respect to its leasehold properties.

Leases for which the company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the company applies IFRS 16 to allocate the consideration under the contract to each component.

Investment properties

Investment properties for which fair value can be measured are measured at fair value annually by the directors or RICS qualified external valuers. Any change is recognised in the profit and loss account. Investment properties are derecognised upon completion of their sale or change of use.

Property, plant and equipment

Property, plant and equipment are measured at cost. Depreciation is provided at rates calculated to write down the cost or valuation to their estimated residual values by equal annual instalments over their estimated useful working lives.

Right of use assets

Depreciation of right of use assets is provided to write down straight-line the cost of tangible fixed assets to their estimated residual values by equal annual instalments over their estimated useful working lives. The right of use asset is a property and it is depreciated over its useful life of 50 years.

Old Hall Street Properties Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

Statement of accounting policies (continued)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the year end date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Statement of financial position. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the year end date that are expected to apply to the reversal of the timing difference.

Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to the sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the year-end date, taking into account the risks and uncertainties surrounding the obligation. When some of the economic benefits required to settle a provision are expected to be recovered from a third party, the provision is reduced by this amount.

Provisions are discounted when the impact of doing so is material.

Old Hall Street Properties Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

Statement of accounting policies (continued)

Financial instruments

The company has adopted IFRS 9 under FRS 101 in respect of financial instruments.

a) Financial assets

Basic financial assets are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

b) Financial liabilities

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at measured cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Notes to the financial statements for the year ended 30 June 2022 (continued)

Statement of accounting policies (continued)

Critical accounting judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The directors do not consider there to be any critical accounting judgements that must be applied.

Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below:

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event. The current provision is the net position for the onerous leases for the period up to 2069. The assumptions made are therefore highly subjective and subject to a large degree of uncertainty, especially with regards to amounts and terms of future leases. The current value at year end is £3,814,000 (2021: £4,084,000). See Note 10.

Old Hall Street Properties Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

1. Employees and directors

The company has no employees other than the directors (2021: same).

None of directors received any emoluments during the period for their services to the company (2021: £nil).

2. Finance charge

	2022 £'000	2021 £'000
Interest expense on leased assets (note 14)	626	704

3. (Loss)/profit before taxation

Operating (loss)/profit is stated after (crediting)/charging:

	2022 £'000	2021 £'000
Sale of properties	-	(2,295)
Rental income	(233)	(289)
Cost of stock recognised as cost of sales	-	1,644
Audit of the financial statements	10	3
Depreciation of land and buildings	-	2
Amortisation of computer software	-	23
Provision for doubtful debts	64	346
Depreciation of right of use assets	39	38
Interest income from subleases debtors	(292)	(365)
Additions to onerous lease provision	93	-
Release of onerous lease provision	-	(1,142)
Change in discount rate of onerous lease provision	(316)	-

There were no non-audit fees payable to the auditor in the current or prior year.

4. Taxation

	2022 £'000	2021 £'000
Current taxation:		
UK corporation tax	447	-
Deferred taxation:		
Current year origination and reversal of timing differences	58	1,727
Revaluation of freehold land	37	-
Prior year movement of timing differences	5	389
Effect of a change in the tax rate	-	(862)
Total tax charge	547	1,254

Old Hall Street Properties Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

4. Taxation (continued)

The tax charge assessed for the year is different to the standard rate of corporation tax in the UK at 19.0% (2021: 19.0%). The differences are explained below:

	2022 £'000	2021 £'000
(Loss)/profit before tax	<u>(654)</u>	<u>612</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.0% (2021: 19.0%)	(124)	116
Effects of:		
Rate changes	23	(862)
Transfer pricing adjustment	882	803
Prior year adjustment	5	1,727
Origination and reversal of timing differences	-	95
Group relief losses surrendered for nil consideration	<u>(239)</u>	<u>(625)</u>
Tax charge for the year	<u><u>547</u></u>	<u><u>1,254</u></u>

The company earns its profits primarily in the UK. Therefore, the tax rate used for tax on profit is the standard rate of UK corporation tax of 19.0% (2021: 19.0%).

In the Finance Act 2021 which was enacted on 10 June 2021, the main rate of corporation tax was scheduled to increase with effect from 1 April 2023 from 19% to 25%. However, in the September 2022 Mini Budget, it was announced that the increase to 25% would now not occur and the Corporation Tax Rate would instead be held at 19%. This rate had not been substantively enacted at the balance sheet date, and as a result the deferred tax balances as at 30 June 2022 continue to be measured at the full 25% rate noted above. The estimated impact of the reversal of the corporation tax rate increase would be to reduce the deferred tax asset by £330,000.

5. Tangible assets

	Freehold land £'000	Investment property £'000	Property, plant and equipment £'000	Total £'000
Cost or valuation				
At 1 July 2021	100	-	136	236
Transfer to investment property	(100)	100	-	-
Revaluation	-	150	-	150
At 30 June 2022	<u>-</u>	<u>250</u>	<u>136</u>	<u>386</u>
Depreciation				
At 1 July 2021	-	-	(39)	(39)
Charged in the year	-	-	-	-
At 30 June 2022	<u>-</u>	<u>-</u>	<u>(39)</u>	<u>(39)</u>
Net book value				
At 30 June 2022	<u>-</u>	<u>250</u>	<u>97</u>	<u>347</u>
At 30 June 2021	100	-	97	197

Notes to the financial statements for the year ended 30 June 2022 (continued)

5. Tangible assets (continued)

The company's freehold land was transferred to investment property during the year, as planning and other works will be carried out to market the property for sale. This treatment is consistent with other properties across the group. The company's investment property was valued by the directors as at 30 June 2022. The valuation was performed in accordance with Red Book principles. Revaluations are carried out by internal RICS qualified valuers at least every year and by RICS qualified external valuers at least every five years. If the land had not been revalued the carrying amount would be £nil (2021: £nil).

6. Right of use assets

	Right of use asset £'000
Cost	
At 1 July 2021	1,960
At 30 June 2022	1,960
Depreciation	
At 1 July 2021	(122)
Charged in the year	(39)
At 30 June 2022	(161)
Net book value	
At 30 June 2022	1,799
At 30 June 2021	1,838

7. Trade and other receivables

	2022 £'000	2021 £'000
Non-current assets		
Sublease debtors	4,232	4,632
Intercompany debtor	128,545	128,545
	132,777	133,177

The amount owed by the group undertaking is unsecured, interest free and repayable on demand. It is classified as a non-current asset as there is no intention for it to be repaid in the year.

8. Trade and other receivables

	2022 £'000	2021 £'000
Current assets		
Prepayments and accrued income	16	197
Trade and other debtors	162	245
Sublease debtor	840	1,801
Deferred tax asset (note 11)	1,376	1,476
	2,394	3,719

The deferred tax asset is related to the onerous lease provision and is partially for expenditure falling after one year.

Notes to the financial statements for the year ended 30 June 2022 (continued)

9. Trade and other creditors

	2022 £'000	2021 £'000
Amounts owed to group undertakings	3,371	2,472
Trade and other creditors	432	-
Accruals and deferred income	92	210
	<u>3,895</u>	<u>2,682</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

10. Onerous property provisions

	2022 £'000	2021 £'000
Balance at 1 July	4,084	5,226
Additions in the year	93	-
Utilisations in the year	(47)	(1,142)
Change in discount rate	(316)	-
Balance at 30 June	<u>3,814</u>	<u>4,084</u>

The amount recognised is the discounted amount of figure for the anticipated net expenditure for these leases. The rents payable and other outgoings are anticipated to be utilised over the period to June 2069. The primary uncertainty is the potential income streams from third party tenants, the directors review these provisions at year end to ensure they are valued appropriately. The leases will have no residual value upon expiry.

Provisions are discounted at the 30-year gilt rate of 2.578% (2021: 1.159%) where the impact of doing so is material. The impact on the profit is the total of the discounting and release within the year.

11. Deferred taxation

The total potential asset for deferred taxation is as follows:

	2022 £'000	2021 £'000
Fixed asset and short term timing differences	<u>1,376</u>	<u>1,476</u>
Potential deferred tax asset	1,376	1,476
Deferred taxation		
Opening deferred tax asset	1,476	2,730
Current year movement	(95)	(389)
Prior year movement	(5)	(1,727)
Rate change on opening deferred tax	-	862
Deferred tax asset recognised (note 8)	<u>1,376</u>	<u>1,476</u>

The deferred tax asset is mostly related to the provisions recognised by the company, which are expected to be fully utilised by June 2069.

Old Hall Street Properties Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

12. Called-up share capital

	2022 £'000	2021 £'000
Authorised:		
300,000,000 (2021: 300,000,000) ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>
Allotted, issued and fully paid:		
211,147,620 (2021: 211,147,620) ordinary shares of £1 each	<u>211,148</u>	<u>211,148</u>

The company has one class of share which bears no right to fixed income.

13. Reserves

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties and other adjustments.

The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings which are revalued to fair value at each reporting date.

14. Leases

Amounts recognised in the Statement of Comprehensive Income

The Statement of Comprehensive Income includes the following amounts relating to leases:

	2022 £'000	2021 £'000
Rental income from leases	(233)	(233)
Depreciation charge on right-of-use assets: Land and buildings	<u>39</u>	<u>38</u>
Interest income on leased assets	(608)	(365)
Interest expense on leased assets	<u>626</u>	<u>704</u>

The discount rate has increased during the year to 2.578% (2021: 1.159%), resulting in an increase in the interest income on the onerous leases.

Leasing Activities

The group enters into leases for properties as both lessor and lessee. These property leases, which consist of office buildings and warehouses, have varying terms, renewal rights and escalation clauses, including periodic rent reviews.

Right of use assets

	2022 £'000	2021 £'000
Land and buildings	<u>1,799</u>	<u>1,838</u>

Old Hall Street Properties Limited

Notes to the financial statements for the year ended 30 June 2022 (continued)

14. Leases (continued)

Sub-lease debtors	2022	2021
	£'000	£'000
Current	840	1,801
Non-current	4,232	4,632
	5,072	6,433

The sub-lease debtors are in relation to finance leases with termination dates between February 2022 and December 2040 and have been discounted at a rate of 4.76%.

	2022	2021
	£'000	£'000
Not later than one year	840	1,801
Later than one year and not later than five years	1,116	1,723
Later than five years	3,116	2,909
	5,072	6,433

Lease liabilities	2022	2021
	£'000	£'000
Current	978	1,406
Non-current	10,523	11,451
	11,501	12,857

The lease liabilities are in relation to finance leases with termination dates between February 2022 and December 2040 and have been discounted at a rate of 5.21%.

	2022	2021
	£'000	£'000
Not later than one year	978	1,406
Later than one year and not later than five years	1,103	1,753
Later than five years	9,420	9,698
	11,501	12,857

15. Related party transactions

As all of the company's voting rights are controlled within the group headed by Shop Direct Holdings Limited, the company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with entities which form part of the Shop Direct Holdings Limited group or that are disclosed in the group financial statements of the Shop Direct Holdings Limited group.

16. Ultimate controlling party

The immediate holding company and smallest group into which the results of the company are consolidated is Trenport Property Holdings Limited, a company registered in England and Wales.

The largest publicly available group into which the results of the company are consolidated is the financial statements of Shop Direct Holdings Limited, a company registered in England and Wales, which the directors regard as being ultimately controlled by the Sir David Barclay and Sir Fredrick Barclay Family Settlements. Copies of the financial statements of Shop Direct Holdings Limited and Trenport Property Holdings Limited are available from Companies House, Crown Way, Cardiff CF14 3UZ. The registered address of Shop Direct Holdings Limited and Trenport Property Holdings Limited is 2nd Floor, 14 St George Street, London W1S 1FE.