COMPANY REGISTRATION NUMBER 0603121

HIGHDORN CO. LIMITED AND SUBSIDIARY UNDERTAKINGS

FINANCIAL STATEMENTS

31 MARCH 2022

COHEN ARNOLD
Chartered Accountants & Statutory Auditor
New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

HIGHDORN CO. LIMITED AND SUBSIDIARY UNDERTAKINGS

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

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HIGHDORN CO. LIMITED AND SUBSIDIARY UNDERTAKINGS

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	B S E Freshwater S I Freshwater
Company secretaries	J S Southgate M D E Bale
Registered office	Freshwater House 158 - 162 Shaftesbury Avenue London WC2H 8HR
Auditor	Cohen Arnold Chartered Accountants & Statutory Auditor New Burlington House 1075 Finchley Road LONDON NW11 0PU

HIGHDORN CO. LIMITED AND SUBSIDIARY UNDERTAKINGS

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2022

The directors present their strategic report for the year ended 31 March 2022.

In accordance with Section 414A(1) of the Companies Act 2006, we have prepared a strategic report which includes a review of the group's business and future developments, a description of the principal risks and uncertainties facing the group and key performance indicators. The purpose of the strategic report is to inform members of the company and help them assess how the directors have performed their duty under Section 172 of the Companies Act 2006 (duty to promote the success of the company).

Principal activities and business model

The principal activity of the group is property management (including insurance brokerage). The group manages a number of commercial and residential property portfolios owned by companies with which the group is closely associated and also provides day-to-day administrative management services to those companies.

In addition, the group manages a property investment portfolio of its own and is also engaged in share investment. The group's investment property portfolio comprises commercial, industrial and residential properties in the UK. From time to time the group undertakes new developments and also the redevelopment of existing properties. The group's business model is generally to hold its properties for the long term in order to generate rental income and capital appreciation. However, each of the group's investment properties is considered to be potentially for sale in the right circumstances.

There has been no significant change in the nature of the group's business activities during the year under review, nor is any envisaged in the immediate future.

Results

The profit for the year, after taxation, amounted to £3.4 million (2021: £12.0 million).

Business review and outlook

Profit for the year before tax was £10.8 million (2021: £14.5 million), which included valuation gains on unlisted investments of £4.9 million (2021: £12.2 million).

Commissions receivable from the group's property management activity were £7.9 million against £7.5 million last year, whilst associated management costs increased to £7.1 million (2021: £6.5 million).

Dividend income from unlisted investments were £2.7 million (2021: £2.7 million).

Profit on the disposal of investment property relates solely to lease extensions granted from the group's investment property portfolio.

A professional valuation of the group's investment portfolio was carried out at 31 March 2022 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The valuation totalled £22.9 million (2021: £21.9 million) producing a surplus of £0.8 million (2021: deficit of £1.8 million) which has been included in the profit and loss account. The aggregate professional valuation presented in the balance sheet has been reduced by £4,247 (2021: £5,602) relating to rent concessions included in debtors and increased by £140,359 (2021: £140,563) relating to lease obligations.

Both the immediate and the long term future hold considerable uncertainty. Consumer price inflation is currently at levels not experienced for several decades. The Bank of England is raising interest rates with a view to dampening demand and bearing down on rising prices. The UK economy is at risk of entering a sustained recession. Covid-19 restrictions and regulations have now been lifted but the risk remains of serious new variants emerging. These circumstances create more than usual uncertainty for the period ahead. These issues constitute the environment within which we will have to operate for the coming year. We firmly believe that our tried and tested approach of prudence and risk minimisation together with the careful conservation of financial resources that has served us well in good times and bad will see us safely through.

Whilst it is extremely difficult to see with any clarity what the immediate future holds, the fundamentals of the group are strong and its gearing is low. This gives us confidence that once the UK economy emerges from this difficult period, the group will be well placed for continued growth.

Key performance indicators (KPIs)

The board monitors the group's progress against its strategic objectives and the financial performance of its operations on a regular basis. Performance is assessed against the strategy and expectations using financial and non-financial measures. The most significant KPIs used by the group are as follows:

	2022	2021
Net property management profit	**£0.7 million**	£1.0 million
Net rental and related income	**£0.3 million**	£0.2 million
Dividend income from unlisted investments	**£2.7 million**	£2.7 million
Investment property revaluation gains/(losses)	**£0.8 million**	£(1.8) million
Unlisted Investment revaluation gains	**£4.9 million**	£12.2 million
Profit before tax	**£10.8 million**	£14.5 million
Investment property at fair value	**£22.9 million**	£21.9 million
Unlisted investments at fair value	**£94.9 million**	£90.1 million
Equity shareholders' funds	**£143.5 million**	£135.0 million

Principal risks and uncertainties

The principal risks to which the group is exposed are:

- Liabilities arising from property and administrative management activity
- Tenant defaults
- Damage to offices from flood, fire or terrorist action
- Planning, construction and letting risk in relation to redevelopment activity
- Changes in regulation on building standards, environmental or health and safety rules
- The macroeconomic and geopolitical environment.

The group seeks to manage or mitigate such risks wherever possible through such measures as insurance, tenant screening and monitoring, rigorous review of acquisition and development opportunities, external expert advice and regular monitoring of the economic outlook.

Overall, in spite of the risks, the group's prudent long term approach to property investment and development adopted by the group and the associated companies for whom the group carries out its management activities, gives the directors confidence for the future.

Signed by order of the directors

J. S Southgate

J S Southgate
Company Secretary

Approved by the directors on 21 December 2022

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2022

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2022.

RESULTS AND DIVIDENDS

The results for the year are set out in the attached profit and loss account and explanatory notes. The financial position of the group at the year end is set out in the attached balance sheet and explanatory notes. The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

B S E Freshwater
S I Freshwater
L Stempel (resigned 6 May 2021)

The Articles of Association of the company do not require the directors to retire by rotation. The directors do not have a service contract with the group or company.

GOING CONCERN

The group continues to retain substantial cash reserves. Consequently, together with the group's strong net current assets position, the directors consider the group should be well placed to manage its business risks successfully despite the continued uncertain economic outlook. However, the lasting impact of the Covid-19 pandemic and the war in Eastern Europe, with their associated effects on the inflation and interest rates, have had a negative impact on the general macro-economic outlook and on the particular market that the company and the group operate in.

The group has undertaken a robust assessment of its projected future financial position including assessing what the directors consider a plausible worst-case downside scenario which incorporates the expected potential impact on the group of the aforementioned economic risks. The directors considered the potential impact on UK property prices, demand for UK property lettings and the associated impact on rental values and yields. The plausible worst-case downside scenario included assuming quarterly rent cash collections for the forthcoming four quarters at the same level experienced in the four quarters to September 2022 with administration and operating costs remaining the same in real terms.

The directors therefore have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounts in preparing the financial statements.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the company and the group for that year.

DIRECTORS' RESPONSIBILITIES *(continued)*

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;
- assess the group and the parent company's ability to continue and a going concern, disclosing, as applicable, matters related to going concern; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of Section 414 Income and Corporation Taxes Act, 1988 (as amended).

DONATIONS

During the year the group made no charitable donation or political contribution (2021: £Nil).

AUDITOR

Cohen Arnold are deemed to be re-appointed under Section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the group's auditor is aware of that information.

Registered office:
Freshwater House
158 - 162 Shaftesbury Avenue
London
WC2H 8HR

Signed by order of the directors

J S Southgate

J S Southgate
Company Secretary

Approved by the directors on 21 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HIGHDORN CO. LIMITED

YEAR ENDED 31 MARCH 2022

Opinion

We have audited the financial statements of Highdorn Co. Limited ('the parent company') and its subsidiary undertakings (collectively, 'the group') for the year ended 31 March 2022 which are set out on pages 10 to 36, 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2022 and of the group's 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.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 directors' responsibilities statement (as set out on pages 4-5), 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 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 group's and the parent 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 group or the parent 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.

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 obtained an understanding of the legal and regulatory frameworks that are applicable to the group through discussion with the directors and senior management and determined that the most relevant to the presentation of the financial statements are those that relate to the financial reporting legislation (UK GAAP and the Companies Act 2006), the relevant tax regulations, the Landlord and Tenant Act, the UK General Data Protection Regulation (GDPR) and Health & Safety Regulations. We communicated these identified frameworks amongst our audit team and remained alert to any indications of non-compliance throughout the audit. We ensured that the engagement team had sufficient competence and capability to identify or recognise non-compliance with laws and regulations.

- We discussed with the directors and senior management the policies and procedures regarding compliance with these legal and regulatory frameworks.

- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur, by reviewing the group's identified risks and enquiry with the directors and senior management during the planning and finalisation phases of our audit. The susceptibility to such material misstatement was determined to be low.

- Based on this understanding we designed our audit procedures to identify non-compliance with the identified legal and regulatory frameworks, which were part of our procedures on the related financial statement items. Our procedures included reviewing the group's internal controls policies and procedures, reviewing the minutes of board meetings and correspondence with regulatory bodies including HMRC, testing transactions outside the normal course of the business and journal entries, and discussions with the directors and senior management.

- We requested that the component's auditors identify any area of legalisation or regulation specific to the component's environment and provide confirmation as to whether they had identified any instance of non-compliance which would give rise to a material misstatement of the group's financial statements.

Auditor's responsibilities for the audit of the financial statements *(continued)*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing noncompliance and cannot be expected to detect non-compliance with all laws and regulations.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

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

JOSHUA NEUMANN (Senior Statutory Auditor)
For and on behalf of
COHEN ARNOLD
Chartered Accountants
& Statutory Auditor

New Burlington House
1075 Finchley Road
LONDON
NW11 0PU

21 December 2022

HIGHDORN CO. LIMITED AND SUBSIDIARY UNDERTAKINGS

GROUP PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2022

	Note	2022 £'000	2021 £'000
GROUP TURNOVER	2	**11,974**	11,597
Cost of Sales	2	**(8,179)**	(7,751)
GROSS PROFIT		**3,795**	3,846
Profit on disposal of investment property		**34**	34
Net valuation gains/(losses) on investment properties		**847**	(1,794)
Net valuation gains on unlisted investments		**4,868**	12,170
Other Provisions		**(23)**	(958)
OPERATING PROFIT	4	**9,521**	13,298
Interest Receivable		**1,484**	1,446
Interest Payable and Similar Charges	7	**(74)**	(80)
Other Finance Costs	8	**(107)**	(178)
PROFIT BEFORE TAXATION		**10,824**	14,486
Tax on Profit	9	**(7,461)**	(2,484)
PROFIT FOR THE FINANCIAL YEAR	10	**3,363**	12,002

All of the activities of the group are classed as continuing.

The company has taken advantage of Section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 17 to 36 form part of these financial statements.

HIGHDORN CO. LIMITED AND SUBSIDIARY UNDERTAKINGS

GROUP STATEMENT OF OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2022

	2022 £'000	2021 £'000
Profit for the Financial Year		
Attributable to the Shareholders of the Parent Company	**3,363**	12,002
Other Comprehensive Income:		
Actuarial Gains in respect of Defined Benefit Pension Scheme	**6,404**	2,266
Related Deferred Tax:		
Origination and reversal of timing differences	**(1,601)**	(431)
Impact of change in tax rate	**326**	-
Total comprehensive income for the year		
Attributable to the Shareholders of the Parent Company	**8,492**	13,837

The notes on pages 17 to 36 form part of these financial statements.

HIGHDORN CO. LIMITED AND SUBSIDIARY UNDERTAKINGS

GROUP BALANCE SHEET

31 MARCH 2022

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
FIXED ASSETS					
Tangible Fixed Assets	11		610		866
Investment Properties	12		23,112		22,113
Investments	13		94,929		90,061
Defined Benefit Pension Scheme Surplus	21		1,216		-
			119,867		113,040
CURRENT ASSETS					
Debtors: amounts falling due after more than one year	14	26,725		26,725	
Debtors: amounts falling due within one year	14	63,344		55,906	
Cash at Bank		19,245		12,505	
		109,314		95,136	
CREDITORS: Amounts falling due within one year	15	(60,768)		(50,759)	
NET CURRENT ASSETS			48,546		44,377
CREDITORS: Amounts falling due after more than one year	16		(145)		(165)
Provision for Liabilities	17		(24,734)		(17,807)
NET ASSETS EXCLUDING PENSION LIABILITY			143,534		139,445
Defined Benefit Pension Scheme Liability	21		-		(4,403)
NET ASSETS INCLUDING PENSION LIABILITY			143,534		135,042
CAPITAL AND RESERVES					
Called-Up Equity Share Capital (£100)	24		-		-
Other Reserves	25		940		940
Profit and Loss Account	25		142,594		134,102
SHAREHOLDERS' FUNDS			143,534		135,042

These accounts were approved by the directors and authorised for issue on 21 December 2022, and are signed on their behalf by:

....

B S E FRESHWATER

The notes on pages 17 to 36 form part of these financial statements.

HIGHDORN CO. LIMITED

COMPANY BALANCE SHEET

31 MARCH 2022

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
FIXED ASSETS					
Tangible Fixed Assets	11		610		866
Investment Properties	12		200		188
Investments	13		1,421		1,421
Defined Benefit Pension Scheme Surplus	21		1,216		-
			3,447		2,475
CURRENT ASSETS					
Debtors: amounts falling due after more than one year	14	26,725		26,725	
Debtors: amounts falling due within one year	14	64,524		55,346	
Cash at Bank		16,159		10,006	
		107,408		92,077	
CREDITORS: Amounts falling due within one year	15	(97,282)		(83,060)	
NET CURRENT ASSETS			10,126		9,017
CREDITORS: Amounts falling due after more than one year	16		(5)		(25)
Provision for Liabilities	17		(50)		(36)
NET ASSETS EXCLUDING PENSION LIABILITY			13,518		11,431
Defined Benefit Pension Scheme Liability	21		-		(4,403)
NET ASSETS INCLUDING PENSION LIABILITY			13,518		7,028
CAPITAL AND RESERVES					
Called-Up Equity Share Capital (£100)	24		-		-
Profit and Loss Account	25		13,518		7,028
SHAREHOLDERS' FUNDS			13,518		7,028

These accounts were approved by the directors and authorised for issue on 21 December 2022, and are signed on their behalf by:

....

B S E FRESHWATER

Company Registration Number: 0603121

The notes on pages 17 to 36 form part of these financial statements.

HIGHDORN CO. LIMITED AND SUBSIDIARY UNDERTAKINGS

GROUP STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2022

	Called up share capital	Other Reserves	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 April 2020	-	940	120,265	121,205
Total comprehensive income for the year				
Profit for the year	-	-	12,002	12,002
Other comprehensive income	-	-	1,835	1,835
Balance at 31 March 2021	-	940	134,102	135,042

	Called up share capital	Other Reserves	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
Balance at 1 April 2021	-	940	134,102	135,042
Total comprehensive income for the year				
Profit for the year	-	-	3,363	3,363
Other comprehensive income	-	-	5,129	5,129
Balance at 31 March 2022	-	940	142,594	143,534

The notes on pages 17 to 36 form part of these financial statements.

HIGHDORN CO. LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2022

	Called up share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
Balance at 1 April 2020	-	4,625	4,625
Total comprehensive income for the year			
Profit for the year	-	568	568
Other comprehensive income	-	1,835	1,835
Balance at 31 March 2021	-	7,028	7,028

	Called up share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
Balance at 1 April 2021	-	7,028	7,028
Total comprehensive income for the year			
Profit for the year	-	1,361	1,361
Other comprehensive income	-	5,129	5,129
Balance at 31 March 2022	-	13,518	13,518

The balance on the profit and loss account at 31 March 2022 includes £1,365,208 (2021: £152,091) of unrealised profits which are not available for distribution.

HIGHDORN CO. LIMITED AND SUBSIDIARY UNDERTAKINGS

GROUP STATEMENT OF CASH FLOW

YEAR ENDED 31 MARCH 2022

	2022		2021	
	£'000	£'000	£'000	£'000
CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES				
Gross Profit	3,795		3,846	
Depreciation	352		368	
Increase in Debtors	(5,944)		(9,355)	
Increase in Creditors	9,704		6,419	
Provision for Past Service Cost of Defined Benefit Pension Scheme	-		6	
Defined Benefit Pension Scheme Contributions Paid	(760)		(1,277)	
Cash Generated from Operations	7,147		7	
Interest Received	-		30	
Interest Paid	(68)		(58)	
Taxation Paid	(125)		(258)	
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		6,954		(279)
CASH (OUTFLOW)/INFLOW FROM INVESTMENT ACTIVITY				
Loans advanced to related parties	-		(26,725)	
Payments to Acquire Tangible Fixed Assets	(248)		(55)	
Proceeds from Property Lease Extensions	34		34	
NET CASH OUTFLOW FROM INVESTMENT ACTIVITY		(214)		(26,746)
INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS		6,740		(27,025)
CASH & CASH EQUIVALENTS AT 1 APRIL 2021		12,505		39,530
CASH & CASH EQUIVALENTS AT 31 MARCH 2022		19,245		12,505

CASH & CASH EQUIVALENTS

	At 1 Apr 2021 £'000	Cash flows £'000	At 31 Mar 2022 £'000
Cash in hand and at bank	12,505	6,740	19,245
Short term deposits	-	-	-
	12,505	6,740	19,245
Bank Overdraft	-	-	-
Cash & cash equivalents	12,505	6,740	19,245

Included within cash at bank are tenants' deposits of £1,186,293 (2021: £1,161,248) which cannot be used in the ordinary course of business.

1. ACCOUNTING POLICIES

Statement of compliance

Highdorn Co. Limited (the "company") is a company limited by shares and incorporated in the UK. The company's Registered Office is Freshwater House, 158-162 Shaftesbury Avenue, London WC2H 8HR.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").* The presentation currency of these financial statements is sterling, rounded to thousands.

The financial statements have been prepared under the historical cost convention except that investment property and unlisted investments are measured at fair value.

Going concern

The lasting impact of the Covid-19 pandemic and the war in Eastern Europe, with their associated effects on the inflation and interest rates, have had a negative impact on the general macro-economic outlook and on the particular market that the company, together with the other members of the Highdorn Co. Limited group (referred to as "the group"), operate in. The directors have placed a particular focus on the group's going concern assessment and have considered the principal risks to the group. This assessment has considered the various probable outcomes of these economic risks on the group's operations and its future financial performance over the next 12 months, including a severe but plausible decline in revenues and a reduction in property values, both of which would have an associated effect on the value of the group's unlisted investment. The plausible worst-case downside scenario included assuming quarterly rent cash collections for the following four quarters is at the same level experienced in the four quarters to September 2022 with administration and operating costs remaining the same in real terms.

Notwithstanding these uncertainties, the directors have concluded that it is appropriate for the financial statements to be prepared in accordance with the accounting principles appropriate to a going concern and that there is no material uncertainty to this position, as the directors have a reasonable expectation that the group and the company have adequate resources under all plausible circumstances to continue in operational existence for the foreseeable future by meeting their liabilities and commitments as they fall due.

Basis of Consolidation

The consolidated financial statements incorporate the results of the company and all its subsidiaries for the year ended 31 March 2022. These are adjusted, where appropriate, to conform to group accounting policies. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that are currently exercisable.

The parent company has adopted the following disclosure exemptions permitted by FRS 102 1.12 (b) and (e): The requirement to present a statement of cash flows; and the requirement to disclose key management personnel compensation in total.

A separate profit and loss account dealing with the results of the company itself is not presented with these financial statements in accordance with Section 408, Companies Act 2006; the relevant net profit or loss of the company is reflected in note 10 to the financial statements.

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

1. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 27.

Turnover

The turnover of the group is derived from commissions and fees receivable in relation to property management, income from investment property and income from unlisted investments. The turnover is derived wholly from operations in the UK.

Management commissions and fees receivable are recognised in the profit and loss account exclusive of VAT in the period they fall due with reference to the management agreement.

Rental income from investment property leased out under operating leases is recognised in the profit and loss account on a straight line basis over the period to the first break clause. Lease incentives granted to tenants are recognised on a straight line basis over the period to the first break clause. Service charge income is recognised as the services are provided.

Income from unlisted investments is recognised in the profit and loss account on the date the entity's right to receive payments is established.

Income and Expenses

Interest receivable and Interest payable

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method. Borrowing costs that are directly attributable to the acquisition, construction or redevelopment of an asset that takes a substantial time to be prepared for use are expensed as incurred.

Disposals of investment properties

The group generally holds its properties for the long term in order to generate rental income and capital appreciation although in the right circumstances any property could be available for sale. Acquisitions and disposals of properties are recognised on the date the significant risks and rewards of ownership have been transferred and when it is probable that the economic benefits will flow to the group. When an outright sale does occur, the resulting surplus based on excess of sales proceeds over valuation is included within the group's profit, and taxation applicable thereto is shown as part of the taxation charge. In addition, the group also 'sells' leasehold extensions when requested by leaseholders. The proceeds of these leasehold extension sales, less directly applicable costs, are also included in profit on disposal of investment properties.

Taxation

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

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

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions.

1. ACCOUNTING POLICIES *(continued)*

Taxation *(continued)*

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For Investment property that is measured at fair value deferred tax is provided at the rates and allowances applicable to the sale of the property.

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

Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Depreciation is charged to the profit and loss account, provided on the written down value thereof and at such rates as are appropriate having regard to the cost and effective useful lives of the respective assets. The depreciation rates applicable are as follows:

Fixtures, Fittings and Equipment - 25% reducing balance
Motor Vehicles - 20% reducing balance
Software – 9 years straight line

Investment properties

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

Subsequent to initial recognition

i. Investment properties are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the profit and loss account in the period that they arise; and

ii. No depreciation is provided in respect of investment properties applying the fair value model.

Investment property fair value is based on a valuation by an external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and class of property being valued.

1. ACCOUNTING POLICIES *(continued)*

Investment properties *(continued)*

The group's interests in some of its investment properties are in the form of long and short leases as opposed to freehold ownership. The group recognises as liabilities amounts payable under head leases and a corresponding leased asset, which is included in investment property. In determining the present value, the group uses the interest rates implicit in each lease and when this cannot not be determined, uses the group's estimated incremental borrowing rate at the inception of each lease.

Financial instruments

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

Basic financial instruments

Trade and other debtors

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

Trade and other creditors

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

Unlisted Investments

Unlisted investments are measured initially at transaction price plus attributable transaction costs. Subsequent to initial recognition, unlisted investments are measured at their fair value.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where a member of the group enters into financial guarantee contracts to guarantee the indebtedness of other related companies, the group treats the guarantee contract as a contingent liability in its financial statements until such time as it becomes probable that the relevant company will be required to make a payment under the guarantee.

1. ACCOUNTING POLICIES *(continued)*

Pension costs and other post-retirement benefits

The group operates a pension scheme, The Freshwater Group Staff Retirement Benefits Plan ("the plan") which has a funded defined benefit section and a defined contribution section. The funds of the plan are administered by trustees and are separate from the funds of the group.

Assets of the defined benefit section of the plan are measured using market values. Plan obligations are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The plan deficit is recognised in full on the group balance sheet. A plan surplus is recognised on the group balance sheet to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Actuarial gains and losses are shown in the statement of other comprehensive income.

2. TURNOVER

The turnover of the group is derived from commissions and fees receivable in relation to property management, income from property held for investment and income from unlisted investments; their respective contribution towards the results for the year (before taxation) are as follows:

	2022			2021		
	Turnover £'000	**Cost of Sales £'000**	**Gross profit £'000**	Turnover £'000	Cost of Sales £'000	Gross profit £'000
Property Management	**7,863**	**(7,134)**	**729**	7,454	(6,502)	952
Rent Receivable	**1,385**	**(1,045)**	**340**	1,490	(1,249)	241
Dividend Income from Unlisted Investments	**2,726**	**-**	**2, 726**	2,653	-	2,653
	11,974	**(8,179)**	**3,795**	11,597	(7,751)	3,846

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

3. PROPERTY MANAGEMENT COSTS

The property management costs charged in the profit and loss account (see note 2) comprise the following:

	2022 £'000	2021 £'000
Management and Administrative Expenditure (including staff costs - Note 5)	**3,404**	2,971
Directors' Emoluments (Note 6)	**1,179**	1,179
Establishment Costs	**2,009**	1,796
Auditors' Remuneration (Note 4)	**190**	188
Depreciation and Amortisation of Tangible Fixed Assets	**352**	368
	7,134	6,502

4. OPERATING PROFIT

Operating profit is stated after charging:

	2022 £'000	2021 £'000
Depreciation of owned fixed assets	**352**	368
Operating lease rentals of land and buildings	**614**	572
Auditor's remuneration		
- as auditor	**190**	188

In addition to the Auditor's remuneration for the group, fees paid to the auditors in respect of other services aggregate £53,183 (2021: £57,167).

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to 185 (2021: 200). This includes staff provided by the group's property and administrative management company, Highdorn Co. Limited, to related landlord companies, who are engaged under joint employment contracts with those companies.

The average number of full time equivalents whose staff costs were borne by the group and their respective employment costs during the financial year were as follows:

	2022	2021
	No	No
Number of administrative staff	34	37

The aggregate payroll costs of the above were:

	2022	2021
	£'000	£'000
Wages and salaries	**2,893**	2,852
Social security costs	**216**	228
Other pension costs	**(518)**	(897)
	2,591	2,183

Other pension costs are amounts charged to operating profit less recharges to related companies and do not include amounts credited to finance income and charged to finance costs (see note 8), and amounts recognised in the group statement of other comprehensive income.

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2022	2021
	£'000	£'000
Remuneration receivable	**1,179**	1,179

Remuneration of highest paid director:

	2022	2021
	£'000	£'000
Remuneration receivable	**610**	610

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	£'000	£'000
Interest payable on bank borrowing	**68**	57
Interest on obligations under finance leases	**6**	23
	74	80

8. OTHER FINANCE COSTS

	2022	2021
	£'000	£'000
Net finance costs in respect of defined benefit pension schemes	**796**	841
Net finance income in respect of defined benefit pension schemes	**(689)**	(663)
	107	178

9. TAX ON PROFIT

(a) Tax included in group profit and loss account

	2022 £'000	2021 £'000
Current tax:		
In respect of the year:		
Corporation tax for the year at 19% (2021 - 19%)	374	308
(Over)/under provision in prior year	(3)	7
Total current tax	371	315
Deferred tax:		
Origination and reversal of timing differences	1,428	2,169
Impact of change in tax rate	5,662	-
Total deferred tax	7,090	2,169
Total tax	7,461	2,484

(b) Tax included in group statement of other comprehensive income

	2022 £'000	2021 £'000
Deferred tax:		
Origination and reversal of timing differences	1,601	431
Impact of change in tax rate	(326)	-
Total tax	1,275	431

(c) Factors affecting tax charge for the year

The tax assessed on the profit for the year is higher (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021 - 19%).

	2022 £'000	2021 £'000
Profit before taxation	10,824	14,486
Profit by rate of tax	2,057	2,752
Disallowable expenses	14	16
Accelerated capital allowances	17	34
Disallowable provisions and write-backs	14	192
Non-taxable income	(518)	(504)
Impact of change in tax rate	5,662	-
Other timing differences on unrealised gains	218	(3)
Other differences	(3)	(3)
Total tax (note 9(a))	7,461	2,484

(d) Factors that may affect future tax charges

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

10. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

Of the group's profit for the year after taxation, a profit of £1,360,841 (2021 – £567,934) is dealt with in the financial statements of the parent undertaking.

11. TANGIBLE FIXED ASSETS

Group	Fixtures & Fittings £'000	Motor Vehicles £'000	Software £'000	Total £'000
COST				
At 1 April 2021	2,509	22	1,355	3,886
Additions	87	9	-	96
At 31 March 2022	2,596	31	1,355	3,982
DEPRECIATION				
At 1 April 2021	1,984	15	1,021	3,020
Charge for the year	199	3	150	352
At 31 March 2022	2,183	18	1,171	3,372
CARRYING AMOUNT				
At 31 March 2022	413	13	184	610
At 31 March 2021	525	7	334	866

Company	Fixtures & Fittings £'000	Motor Vehicles £'000	Software £'000	Total £'000
COST				
At 1 April 2021	2,509	22	1,355	3,886
Additions	87	9	-	96
At 31 March 2022	2,596	31	1,355	3,982
DEPRECIATION				
At 1 April 2021	1,984	15	1,021	3,020
Charge for the year	199	3	150	352
At 31 March 2022	2,183	18	1,171	3,372
CARRYING AMOUNT				
At 31 March 2022	413	13	184	610
At 31 March 2021	525	7	334	866

12. INVESTMENT PROPERTIES

Group

	Freehold Properties £'000	Long Leasehold Properties £'000	Short Leasehold Property £'000	Total £'000
FAIR VALUE				
At 1 April 2021	9,005	11,552	1,556	22,113
Additions	-	152	-	152
Revaluation	894	(90)	43	847
At 31 March 2022	9,899	11,614	1,599	23,112

The historical cost of investment properties at 31 March 2022 is £1,830,709 (2021: £1,679,079).

The group's aggregate professional valuations included in the above table have been reduced by an amount of £4,247 (2021: £5,602), relating to lease incentives included in debtors and increased by an amount of £140,359 (2021: £140,563) relating to finance lease assets, with the corresponding liability shown in creditors.

Company

	Freehold Properties £'000
FAIR VALUE	
At 1 April 2021	188
Revaluation	12
At 31 March 2022	200

The historical cost of investment properties at 31 March 2022 is £857 (2021: £857).

An independent professional revaluation of all the group's property was carried out at 31 March 2022 by Colliers International Property Advisers UK LLP, RICS Registered Valuers. The revaluation figures are based on open market value assessed in accordance with the RICS Valuation – Professional Standards (2014).

Valuation techniques and key inputs

The group's residential apartments and houses (£18.0 million, 2021: £17.1 million) were valued using a sales valuation approach, derived from recent comparable transactions in the market, adjusted by applying discounts to reflect status of occupation and condition. The largest discounts were applied to those properties subject to registered tenancies, reflecting the relative difference in security of tenure, whilst the smallest discounts were applied to those properties subject to assured shorthold tenancies. Sales value assumptions were in the range £149 to £999 (2021: £149 to £999) per square foot.

12. INVESTMENT PROPERTIES *(continued)*

The group's commercial units (£4.9 million, 2021: £4.8 million) were valued using the income capitalisation method, requiring the application of an appropriate market based yield to net operating income. Adjustments are made to allow for voids when less than five years are left under the current tenancy and to reflect market rent at the point of lease expiry or rent review. Equivalent yields used fell in the range 8.69% to 13.87% (2021: 9.37% to 16.35%) with an average of 10.62% (2021: 11.42%) and estimated rental values used fell in the range £2.00 to £45.24 (2021: £2.00 to £47.70) per square foot, with an average of £14.56 (2021: £15.29) per square foot.

13. INVESTMENTS

Group

	Unlisted Investments
	£'000
FAIR VALUE	
At 1 April 2021	90,061
Revaluation	4,868
At 31 March 2022	94,929

The group's unlisted investments comprise shares in Daejan Holdings Limited, which were valued by the directors as at 31 March 2022, using a combined discounted net asset and dividend yield approach based on a recent independent valuation.

The historical cost of the group's unlisted investments at 31 March 2022 is £2,490,617 (2021: £2,490,617).

Company

	Investment in Subsidiary Undertakings
	£'000
COST	
At 1 April 2021 and 31 March 2022	1,421
CARRYING AMOUNT	
At 1 April 2021 and 31 March 2022	1,421

The company holds, directly or indirectly, the whole of the ordinary share capital of the following subsidiary undertakings:

Incorporated in Great Britain and registered in England and Wales
Registered office: Freshwater House, 158 - 162 Shaftesbury Avenue, London WC2H 8HR.

Subsidiary Undertaking	Nature of business
Tabard Property Investment Company Limited	Share investment
Kidlington Properties Limited	Insurance brokerage
Norman Sinclair (Properties) Limited	Property investment

13. INVESTMENTS *(continued)*

Subsidiary Undertaking	Nature of business
Henry Davies (Holborn) Limited	Share investment
Cliftvylle Properties Limited	Property investment
Cliftvylle (Hyde Park) Limited	Property investment
Cliftvylle (PF) Limited	Dormant
Freshwater Group Legal Services Limited	Dormant
Freshwater Pension Trustees Limited	Dormant

Incorporated in Great Britain and registered in in Scotland
Registered office: 50 Lothian Road, Festival Square, Edinburgh EH3 9WJ.

Subsidiary Undertaking	Nature of business
Craigton Combined Securities Limited	Holding company
Craigton (Properties) Limited	Property investment

14. DEBTORS

Debtors: amounts falling due after more than one year

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Amounts due from related parties	**26,725**	26,725	**26,725**	26,725

Debtors: amounts falling due within one year

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Trade debtors	**5,381**	4,492	**4,466**	3,804
Amounts owed by group undertakings	**-**	-	**2,288**	2,095
Amounts due from related parties	**47,268**	40,829	**47,268**	40,829
Other debtors	**10,695**	10,585	**10,502**	8,618
	63,344	55,906	**64,524**	55,346

All debtors falling due within one year are payable within one year or are repayable on demand. With the exception of certain balances included in amounts due from related parties (see note 23), all debtors are interest-free.

Trade debtors in respect of the company comprise commissions due from companies of which Mr. B.S.E. Freshwater is a director of and Mr. S.I. Freshwater is a director of certain of these companies. They, together with members of their families, are directly or indirectly interested in the share capital of these companies.

Included in other debtors are the under mentioned amounts representing sums disbursed on behalf of and advanced to directors:

	2022	2021
	£	£
Mr. B.S.E. Freshwater	-	23,518
Mr. S.I. Freshwater	-	34,408
Mr. L. Stempel	**637,412**	654,479

In addition, an amount of £2,400 (2021 - £2,400) has been disbursed in respect of the estate of an associate of the directors, an amount of £564,329 (2021 - £42,777) in respect of family members of a director, and amounts aggregating £650,027 (2021 - £598,351) in respect of family trusts.

15. CREDITORS: Amounts falling due within one year

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Trade creditors	**279**	225	**-**	-
Amounts owed to group undertakings	**-**	-	**37,573**	33,064
Other creditors including taxation and social security:				
Corporation tax	**712**	433	**423**	147
Other taxation and social security	**483**	396	**483**	396
Obligations under finance leases	**20**	74	**20**	73
Other creditors	**5,955**	2,133	**5,464**	1,882
Amounts due to related parties (Note 23)	**53,319**	47,498	**53,319**	47,498
	60,768	50,759	**97,282**	83,060

16. CREDITORS: Amounts falling after more than one year

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Obligations under finance leases	**145**	165	**5**	25

The group's interests in some of its investment properties are in the form of long and short leases as opposed to freehold ownership. The group recognises as liabilities the present value of these lease payments and a corresponding leased asset, which is included in investment property.

Additionally, the company use finance leases contracts to acquire printer and photocopier equipment.

Future minimum lease payments due under finance leases contracts:

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Due within one year	**42**	103	**28**	89
Due within two to five years	**89**	176	**36**	123
Due after more than five years	**580**	593	**-**	-
	711	872	**64**	212
Less: future finance charges	**(546)**	(633)	**(39)**	(114)
Carrying amount of liability	**165**	239	**25**	98

17. PROVISION FOR LIABILITIES - DEFERRED TAX

The movement in deferred taxation during the year was:

Group

	Investment Property £'000	Unlisted Investments £'000	**Deferred Tax Liabilities Total £'000**	Pension Deferred Tax Liability/(Asset) (Note 21) £'000	**Net Deferred Tax £'000**
At 1 April 2021	3,691	14,116	**17,807**	(1,033)	**16,774**
Charge to profit and loss account	1,252	5,675	**6,927**	163	**7,090**
Charge to other comprehensive income	-	-	-	1,275	**1,275**
At 31 March 2022	4,943	19,791	**24,734**	405	**25,139**

Company

	Investment Property £'000	Unlisted Investments £'000	**Deferred Tax Liabilities Total £'000**	Pension Deferred Tax Liability/(Asset) (Note 21) £'000	**Net Deferred Tax £'000**
At 1 April 2021	36	-	**36**	(1,033)	**(997)**
Charge to profit and loss account	14	-	**14**	163	**177**
Charge to other comprehensive income	-	-	-	1,275	**1,275**
At 31 March 2022	50	-	**50**	405	**455**

18. OPERATING LEASES AGREEMENTS

As Lessee:
At the balance sheet date, future minimum lease payments payable by the group under non-cancellable operating leases were as follows:

	2022 £'000	2021 £'000
Within one year	**485**	485
In two to five years	**1,215**	1,700
	1,700	2,185

As Lessor:
At the balance sheet date, future minimum lease payments receivable by the group under non-cancellable operating leases were as follows:

	2022 £'000	2021 £'000
Within one year	**469**	447
In two to five years	**959**	1,043
More than six years	**4,127**	4,284
	5,555	5,774

19. FINANCIAL INSTRUMENTS

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Financial assets measured at fair value through profit and loss	**94,929**	90,061	–	–
Financial assets measured at cost less impairment	–	–	**1,421**	1,421
Financial assets measured at amortised cost	**109,314**	95,136	**107,408**	92,077
Financial liabilities measured at amortised cost	**60,913**	50,924	**97,287**	83,085

The fair values of the assets held at fair value through profit and loss are determined by directors' valuation as at the balance sheet date.

20. ANALYSIS OF CHANGES IN NET DEBT

	At 1 Apr 2021 £'000	**Cash flows £'000**	**Non-cash movements £'000**	**At 31 Mar 2022 £'000**
Cash in hand and at bank	**12,505**	**6,740**	-	**19,245**
Short term deposits	-	-	-	-
	12,505	**6,740**	-	**19,245**
Bank overdrafts	-	-	-	-
Cash & cash equivalents	**12,505**	**6,740**	-	**19,245**
Finance leases	**(239)**	**80**	**(6)**	**(165)**
	12,266	**6,820**	**(6)**	**19,080**

Non-cash movements represent the effective interest rate adjustments in respect of finance lease assets.

21. PENSIONS AND OTHER POST RETIREMENT BENEFITS

The group operates a pension scheme, the Freshwater Group Staff Retirement Benefits Plan ("the Plan"), which has a funded defined benefit section and a defined contribution section. The funds of the plan are administered by trustees and are separate from the funds of the group.

In May 2018, the group entered into a deed of amendment with the Trustees of the Plan to close the Plan to future accrual within the Defined Benefit section of the Plan as well as to provide future Defined Contribution provision to members of the Plan. In September 2019, the group agreed a funding plan with the Trustees, whereby contributions of £560,000 per annum would be made into the Plan until January 2026.

The amounts recognised in the profit and loss account relating to pensions contributions are as follows:

	2022	2021
	£'000	£'000
Past service cost including curtailments	**-**	6
Contribution to defined contribution section	**547**	564
Other pension costs	**72**	89
Recharges	**(1,137)**	(1,555)
Total operating charge	**(518)**	(896)

The group recharges a proportion of its pension costs to associated companies in relation to staff jointly employed by the group and these companies (see Note 5). These recharges are made in the periods in which pension contributions are paid including payments made in respect of the pension deficit provided for in previous years.

An independent qualified actuary undertakes a formal valuation of the defined benefit section of the plan at least every three years. The last formal actuarial valuation of the plan was carried out as at 30 July 2021 and this has been updated as at 31 March 2022 thereafter by the independent actuary.

The amounts recognised in the profit and loss account of the entire scheme are as follows:

	2022	2021
	£'000	£'000
Amounts charged to operating profit:		
Past service cost including curtailments	**-**	6
Total operating charge	**-**	6
Amounts included in other finance costs:		
Expected return on scheme assets	**(689)**	(663)
Interest on scheme liabilities	**796**	841
Other finance costs	**107**	178
Total charge to the profit and loss account	**107**	184

Actuarial gains of £6,404,000 (2021: £2,266,000) have been recognised in the statement of comprehensive income.

21. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

The amounts recognised in the balance sheet of the entire scheme are as follows:

	2022	2021
	£'000	£'000
Present value of funded obligations	(37,070)	(41,971)
Fair value of scheme assets	38,691	36,535
	1,621	(5,436)
Related deferred tax (liability)/asset	(405)	1,033
Net pension surplus/(liability)	1,216	(4,403)

Changes in the present value of scheme obligation are as follows:

	2022	2021
	£'000	£'000
Opening defined benefit obligation	41,971	38,966
Interest on scheme liabilities	796	841
Actuarial (gain)/loss	(4,456)	3,581
Contributions by scheme participants	-	-
Past service cost including curtailments	-	6
Benefits paid	(1,241)	(1,423)
Closing defined benefit obligation	37,070	41,971

Changes in the fair value of scheme assets are as follows:

	2022	2021
	£'000	£'000
Opening fair value of scheme assets	36,535	30,205
Expected return on scheme assets	689	663
Contributions by employer	760	1,243
Contributions by scheme participants	-	-
Actuarial gain/(loss)	1,948	5,847
Benefits paid	(1,241)	(1,423)
Closing fair value of scheme assets	38,691	36,535

The principal actuarial assumptions as at the balance sheet date were:

	2022	2021
	%	%
Discount rate	2.80	1.90
Rate of increase in salaries	3.80	3.50
RPI Inflation	3.80	3.50
CPI Inflation	3.20	2.80
Rate of pension increase (RPI max 2.5%)	2.20	2.10
Rate of pension increase (RPI max 5%)	3.40	3.25
Rate of pension increase (CPI max 3%)	2.30	2.10

Weighted average life expectancy on post-retirement mortality table used to determine benefit obligations.

	2022		2021	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	21.5	24.0	21.3	23.8
Member age 45 (life expectancy at age 65)	22.8	25.4	22.2	25.0

21. PENSIONS AND OTHER POST RETIREMENT BENEFITS *(continued)*

To develop the expected long-term rate of return on assets assumption, the group considered the current level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio.

Amounts for the current and previous four periods are as follows:

	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	**(37,070)**	(41,971)	(38,966)	(40,242)	(40,260)
Fair value of scheme assets	**38,691**	36,353	30,205	33,000	33,168
Plan surplus/(deficit)	**1,621**	(5,436)	(8,761)	(7,242)	(7,092)
Experience adjustments on scheme liabilities (%)	**(12)**	8	(3)	-	(1)
Experience adjustments on scheme assets (%)	**6**	20	(8)	-	4

Plan Assets
Percentage of Plan assets by asset allocation

	2022	2021
	%	%
Equities	**76**	74
Bonds	**19**	21
Property	**-**	1
Other	**5**	4
Total	**100**	100

22. CHARGES ON ASSETS AND GUARANTEES

The company has given unlimited guarantees in respect of bank loan and overdraft facilities granted to companies in which Mr B S E Freshwater is a director and in which he has either a beneficial or non-beneficial interest. The amounts outstanding at 31 March 2022 amounted to £Nil (2021: £Nil).

The company has also given a guarantee limited to £250,000 in respect of bank loan and overdraft facilities made available to a company of which one of the directors of this company is also a director, but has no interest therein, which at 31 March 2022 amounted to £Nil (2021: £Nil).

23. RELATED PARTY TRANSACTIONS

Group turnover includes commissions and fees receivable of £5,881,766 (2021: £5,409,115) from companies with which the group is closely associated. The commissions and fees receivable were for the full range of management and administrative services which were charged for at normal commercial rates.

Additionally, dividends receivable from unlisted investments relate to Daejan Holdings Limited, a company in which Mr B.S.E. Freshwater and Mr S.I. Freshwater are directors and are also interested in its share capital.

Cost of sales includes operating lease rent payable of £343,375 (2021: £307,043) and service charges payable of £141,623 (2021: £55,543) to companies with which the group is closely associated.

Mr B.S.E. Freshwater is a director of the aforementioned companies and Mr. S.I. Freshwater is a director of certain of those companies. They, together with members of their families, are directly or indirectly interested in their share capital.

Group turnover includes rental income of £4,000 (2021: £4,000) from Metropolitan Properties Company Limited, a company in which Mr. B.S.E. Freshwater is a director.

At the balance sheet date, the group had the following amounts due from/to various other related parties in which the group is closely associated. These related parties relate to various companies in which Mr. B.S.E. Freshwater is a director of and Mr. S.I. Freshwater is a director of certain of these companies. They, together with members of their families, are directly or indirectly interested in the share capital of these companies.

	Interest Rate	Group		Company	
		2022	2021	**2022**	2021
		£'000	£'000	**£'000**	£'000
Amounts due from Related Parties (repayable in 2025)					
Loan balances	3%	**26,725**	26,725	**26,725**	26,725
Trade debtors (repayable on demand)					
Commission income due	0%	**4,466**	3,804	**4,466**	3,804
Amounts due from Related Parties (repayable on demand)					
Management balances	0%	**21,823**	16,111	**21,823**	16,111
Loan balances	4%	**24,807**	24,080	**24,807**	24,080
Loan balances	8%	**638**	638	**638**	638
		47,268	40,829	**47,268**	40,829
Amounts due to Related Parties (repayable on demand)					
Management balances	0%	**53,319**	47,498	**53,319**	47,498

The board considers that the directors are the key management personnel of the group and their remuneration is disclosed in note 6.

24. SHARE CAPITAL

Allotted, called up and fully paid:

	2022		2021	
	No	£	No	£
Ordinary shares of £1 each	**100**	**100**	100	100

25. CAPITAL AND RESERVES

Called-up share capital represents the nominal value of shares that have been issued.

Other reserves includes prior retained profits relating to the disposal of investment properties in certain of the group's subsidiaries. These profits are not available for distribution as stipulated in the Articles of Association of these companies.

Profit and loss account includes all current and other prior period retained profits and losses.

26. CONTROLLING PARTY

The company is controlled by the Freshwater family and family interests.

27. ACCOUNTING ESTIMATES AND JUDGEMENTS

(i) Property valuation

The valuation of the group's property portfolio is inherently subjective, depending on many factors, including the individual nature of each property, its location and expected future net rental values, market yields and comparable market transactions (as set out in Note 12). Therefore the valuations 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 difficult market or economic conditions. As noted in Note 1, all the group's properties are valued by external valuers with appropriate qualifications and experience.

(ii) Unlisted investments valuation

The valuation of the group's unlisted investments is subjective, depending on many factors, including comparator dividend yields and net asset values, assumed rationale of prospective share purchasers, and the deemed impact of entity specific conditions on the aforementioned measures. Significant judgement is also required when selecting comparator companies to be included in the population from which expected yields and discounted net asset values are derived. Therefore, the valuation is subject to a degree of uncertainty and is made on the basis of assumptions which may not prove to be accurate, particularly in periods of difficult market or economic conditions.

(iii) Trade debtors

Management uses details of the age of trade debtors and the status of any disputes together with external evidence of the credit status of the counterparty in making judgements concerning any need to impair the carrying values.

(iv) Pension deficit

The present value of the group's defined benefit assets and obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amounts of these assets and obligations and are subject to a degree of uncertainty. The group uses an independent qualified actuary with appropriate qualifications and experience to undertake a valuation of the defined benefit assets and obligations. The key assumptions are disclosed in Note 21.

HIGHDORN CO. LIMITED

MANAGEMENT INFORMATION

YEAR ENDED 31 MARCH 2022

The following page does not form part of the statutory financial statements which are the subject of the independent auditor's report on pages 6 to 9.

HIGHDORN CO. LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2022

	2022 £'000	2021 £'000
TURNOVER	**6,151**	5,649
Cost of Sales	**(6,585)**	(5,831)
GROSS LOSS	**(434)**	(182)
Other Provisions	**(23)**	(958)
Net valuation gains on investment properties	**12**	-
OPERATING LOSS	**(445)**	(1,140)
Interest Receivable	**1,483**	1,445
Interest Payable and Similar Charges	**(58)**	(63)
Other Finance Costs	**(107)**	(178)
Income from Fixed Asset Investments	**750**	750
PROFIT BEFORE TAXATION	**1,623**	814
Tax on Profit	**(262)**	(246)
PROFIT FOR THE FINANCIAL YEAR	**1,361**	568