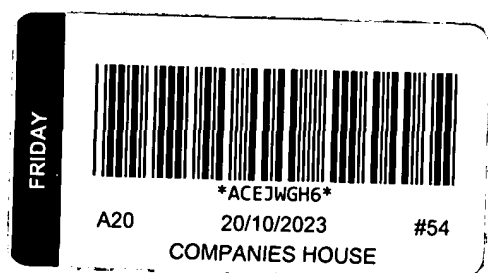


Registered number: 00073265

REDMAN HEENAN PROPERTIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



REDMAN HEENAN PROPERTIES LIMITED

COMPANY INFORMATION

Directors	Duncan Scott Nicholas Porter Jose Martinez
Registered number	00073265
Registered office	Two Devon Way Longbridge Birmingham B31 2TS
Independent auditors	KPMG LLP Snow Hill Queensway Birmingham B4 6GH

REDMAN HEENAN PROPERTIES LIMITED

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REDMAN HEENAN PROPERTIES LIMITED

**DIRECTORS' REPORT
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

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

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £9,359,794 (2021 - £126,194).

The company paid no dividend in respect of the ordinary shares (2021: £50,000,000).

During the year, the company was subject to a wider group restructuring. As a result, the share capital of the company was reduced and transferred from St. Modwen Properties Limited to St. Modwen Logistics Devco 1 Ltd. Further information on the share capital reduction is disclosed within note 13.

Directors

The directors who served during the year were:

David Smith (resigned 29 November 2022)
Olivia Troughton (resigned 29 November 2022)
Guy Gusterson (resigned 31 March 2022)
Lisa Minns (appointed 21 October 2022, resigned 29 November 2022)
Duncan Scott (appointed 29 November 2022)
Nicholas Porter (appointed 29 November 2022)
Jose Martinez (appointed 29 November 2022)

REDMAN HEENAN PROPERTIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Going concern

During the year ended 31 December 2022, the directors formed the view that they intend to liquidate the remaining net assets of the company and ultimately commence wind up procedures. Prior to this decision, the company's principal activities were that of property development and property investment. As the directors intend to liquidate the company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 2.2.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

REDMAN HEENAN PROPERTIES LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022

Post balance sheet events

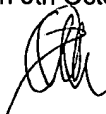
Subsequent to the year end, the company was part of a further group restructuring. As a result, its immediate parent company changed from St. Modwen Logistics Devco 1 Ltd to St. Modwen Group Holding Company Limited and its intermediate parent company changed from St. Modwen Properties Limited to Brighton Topco S.a.r.l.

As part of this restructuring, the company transferred its logistics asset portfolio of circa £23.3m to other subsidiaries of St. Modwen Properties Limited subsequent to the year end. As such, the results of the business will be driven by the development assets base going forward.

Auditors

Pursuant to Section 485 of the Companies Act 2006, KPMG have been appointed auditors in the year..

This report was approved by the board on 29th September 2023 and signed on its behalf
on 9th October 2023.



Director
Jose Caballero

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REDMAN HEENAN PROPERTIES LIMITED

Opinion

We have audited the financial statements of Redman Heenan Properties Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 2 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company does not trade.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management.
- Assessing significant accounting estimates for bias.

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

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

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

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

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

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements

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

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

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

Directors' report

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

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

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Other matter - prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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.



Michael Worn (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
 One Snow Hill
 Snow Hill Queensway
 Birmingham
 B4 6GH

10 October 23

REDMAN HEENAN PROPERTIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

		31 December 2022 £	13 month period 31 December 2021 £
	Note		
Turnover	3	171,907	249,655
Cost of sales		(38,033)	(71,730)
Gross profit		133,874	177,925
Administrative expenses		(13,620)	-
Other operating income	4	22,650	37,705
Fair value movements		7,121,842	(88,203)
Operating profit	5	7,264,746	127,427
Amounts written off investments		4,039,466	-
Interest receivable and similar income		152	957
Interest payable and similar expenses		(317)	(75)
Profit before tax		11,304,047	128,309
Tax on profit	6	(1,944,253)	(2,115)
Profit for the financial 13 month period		9,359,794	126,194

There was no other comprehensive income for 2022 (2021: £nil).

The notes on pages 12 to 23 form part of these financial statements.

REDMAN HEENAN PROPERTIES LIMITED
REGISTERED NUMBER: 00073265

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	7	-	2
Investment property	8	22,820,000	2,700,000
		<u>22,820,000</u>	<u>2,700,002</u>
Current assets			
Stocks	9	-	2,711,137
Debtors	10	45,471,617	54,975,473
Cash at bank and in hand		3,000	2,999
		<u>45,474,617</u>	<u>57,689,609</u>
Creditors: amounts falling due within one year	11	(3,168,541)	(6,541,228)
Net current assets		<u>42,306,076</u>	<u>51,148,381</u>
Total assets less current liabilities		<u>65,126,076</u>	<u>53,848,383</u>
Provisions for liabilities			
Deferred taxation	12	(1,961,381)	(43,482)
		<u>(1,961,381)</u>	<u>(43,482)</u>
Net assets excluding pension asset		<u>63,164,695</u>	<u>53,804,901</u>
Net assets		<u>63,164,695</u>	<u>53,804,901</u>
Capital and reserves			
Called up share capital	13	2,958	29,584,511
Share premium account		-	48,711
Revaluation reserve		6,681,599	1,152,331
Profit and loss account		56,480,138	23,019,348
		<u>63,164,695</u>	<u>53,804,901</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board on 29th September 2023 and were signed on its behalf on 9th October 2023.

REDMAN HEENAN PROPERTIES LIMITED
REGISTERED NUMBER: 00073265

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022



Director

Jose Caballero

The notes on pages 12 to 23 form part of these financial statements.

REDMAN HEENAN PROPERTIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 December 2020	29,584,511	48,711	1,223,774	72,821,711	103,678,707
Profit for the period	-	-	-	126,194	126,194
Transfer of net unrealised gains to revaluation reserve	-	-	(71,443)	71,443	-
Total comprehensive income for the period	-	-	(71,443)	197,637	126,194
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(50,000,000)	(50,000,000)
Total transactions with owners	-	-	-	(50,000,000)	(50,000,000)
At 1 January 2022	29,584,511	48,711	1,152,331	23,019,348	53,804,901
Profit for the year	-	-	-	9,359,794	9,359,794
Surplus on revaluation of freehold property	-	-	5,529,268	(5,529,268)	-
Total comprehensive income for the year	-	-	5,529,268	3,830,526	9,359,794
Share reduction during the year	(29,581,553)	-	-	-	(29,581,553)
Share premium reduction during the year	-	(48,711)	-	-	(48,711)
Transfer to/from profit and loss account	-	-	-	29,630,264	29,630,264
Total transactions with owners	(29,581,553)	(48,711)	-	29,630,264	-

REDMAN HEENAN PROPERTIES LIMITED

**STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

At 31 December 2022

<u>2,958</u>	<u>-</u>	<u>6,681,599</u>	<u>56,480,138</u>	<u>63,164,695</u>
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The notes on pages 12 to 23 form part of these financial statements.

REDMAN HEENAN PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

1. General information

Redman Heenan Properties Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company has taken advantage of the disclosure exemptions included within paragraph 8 of FRS 101. The main impact of these disclosure exemptions is that these financial statements do not include a cash flow statement, financial instruments, fair value and related party disclosures, the effects of new but not yet effective IFRSs, disclosures regarding compensation of Key Management Personnel, disclosures of transactions with a management entity that provides key management personnel services to the company or comparative information in respect of certain assets. Where required, equivalent disclosures are given in the consolidated financial statements of St. Modwen Properties Limited. The accounting policies set out below have, unless stated otherwise, been applied consistently across all periods presented within these financial statements.

2.2 Going concern

During the year ended 31 December 2022, the directors formed the view that they intend to liquidate the remaining net assets of the company and ultimately commence wind up procedures. Prior to this decision, the company's principal activities were that of property development and property investment. As the directors intend to liquidate the company following the settlement of the remaining net assets, they have not prepared the financial statements on a going concern basis.

2.3 Turnover

Turnover is recognised when performance obligations are satisfied by transferring a promised good or service to a customer. Turnover is measured at the fair value of the consideration received excluding discounts, VAT and other sales taxes or duty. Any non-cash consideration is measured at fair value and any deferred consideration is measured at present value, unless the deferral is for a period of one year or less, in which case no adjustment is made to the consideration. The specific performance obligations identified for each of the company's significant revenue streams (other than rental income, which is accounted for under IFRS 16 Leases) are set out below.

2.4 Rental income

Rental income from leases granted is accounted for under IFRS 16 Leases. Rental income from leases granted, adjusted for the impact of any cash incentives given to the lessee and to reflect any rent free incentive periods, is recognised in the Profit and Loss Account on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.5 Management fee income

Management fees are recognised when the group has substantially fulfilled its obligations in respect of the transaction and hence the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the group.

2.6 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or both. Investment properties are carried at fair value following initial recognition at the present value of the consideration payable. To establish fair value, investment properties are independently valued on the basis of market value. Any unrealised surplus or deficit arising is recognised in the profit and loss account for the year and subsequently transferred to the revaluation reserve. Investment properties are not depreciated.

Once classified as an investment property, a property remains in this category until development with a view to sale commences, at which point the asset is transferred to inventories at current valuation.

Where an investment property is being redeveloped for continued use as an investment property, the property remains within investment property and any movement in valuation is recognised in the profit and loss account. Capital expenditure, including capitalised interest on qualifying assets and labour costs where applicable, that is directly attributable to the redevelopment or refurbishment of investment property, up to the point of it being completed for its intended use, is included in the carrying value of the property.

Investment property disposals are recognised on completion. Profits and losses arising are recognised through the profit and loss account and the profit or loss on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset.

2.7 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

2.8 Trade and other debtors

Trade and other debtors are initially recognised at fair value and subsequently carried at amortised cost less any allowance for expected credit losses. The expected credit losses on trade and other debtors are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the individual debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Balances are written off when the probability of recovery is assessed as being remote.

2.9 Cash and cash equivalents

Cash and cash equivalents comprises cash balances and short-term deposits with banks with initial maturity less than three months.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.10 Trade and other creditors

Trade and other creditors are initially recognised at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method. Where payment is on deferred terms the liability is initially recorded by discounting the nominal amount payable to net present value. The discount to nominal value is amortised over the period of the deferred arrangement and charged to finance costs.

2.11 Stocks

Stocks principally comprise properties previously developed and held for sale, properties under construction with a view to sale and land under option with a view to future sale. All stocks are carried at the lower of cost and realisable value.

Cost comprises land, direct materials and, where applicable, capitalised interest on qualifying assets and direct labour costs that have been incurred in bringing the inventories to their present location and condition. When inventory includes a transfer from investment properties, cost is recorded as the book value at the date of transfer. Net realisable value represents the estimated selling price less any further costs expected to be incurred to completion and disposal. Inventory is transferred to investment properties only when the asset meets the definition of an investment property and there is evidence of a change in use, for example, the inception of an operating lease.

2.12 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Full payment is made for transfer pricing adjustments and group relief surrendered between group undertakings.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, using the rates of tax expected to apply based on legislation enacted or substantively enacted at the balance sheet date.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws substantively enacted at the balance sheet date.

2.13 Investments

Fixed asset investments are shown at cost less provision for impairment. Impairment is measured by comparing the carrying value of the asset with its recoverable amount.

2.14 Leases

Rental income from leases granted, adjusted for the impact of any cash incentives given to the lessee and to reflect any rent-free incentive periods, is recognised on a straight-line basis over the lease term.

REDMAN HEENAN PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.15 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.16 Interest

Interest income and expense is recognised in the Statement of Comprehensive Income using the effective interest method.

2.17 Key sources of estimation uncertainty

In the application of the company's accounting policies outlined above, the directors are required to make 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 considered to be relevant and so actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and 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. The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

2.18 Valuation of investment properties

Investment properties are held at fair value, which is determined by independent valuations undertaken by external valuation experts in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. These valuations are based on prevailing market conditions and evidence of transaction prices for similar properties together with assumptions including yields, estimated rental values, gross development values and the appropriateness of remediation expenditure and costs to complete. Market conditions and assumptions are expected to change over time and any increase in yields or costs to complete or any decreases in estimated rental values or gross development values in subsequent periods would result in a decrease in the fair value of investment properties. The company adopts the valuation performed by its independent valuers as the fair value of its investment properties, following review by management.

2.19 Net realisable value of inventories

The company has ongoing procedures for assessing the carrying value of inventories and identifying where this is in excess of net realisable value. The estimates and judgements for both revenue and costs were based on information available at, and pertaining to, the balance sheet date, with reference to recent experience on similar properties and site-specific knowledge.

REDMAN HEENAN PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

3. Turnover

An analysis of turnover by class of business is as follows:

	31 December 2022 £	<i>13 month period 31 December 2021 £</i>
Rental income	170,250	<i>235,264</i>
Management fee income	1,657	<i>14,391</i>
	<u>171,907</u>	<i><u>249,655</u></i>

Analysis of turnover by country of destination:

	31 December 2022 £	<i>13 month period 31 December 2021 £</i>
United Kingdom	171,907	<i>249,655</i>
	<u>171,907</u>	<i><u>249,655</u></i>

4. Other operating expense

	31 December 2022 £	<i>13 month period 31 December 2021 £</i>
Other operating income	23,529	<i>39,187</i>
Profit on disposal of tangible assets	(879)	<i>(1,482)</i>
	<u>22,650</u>	<i><u>37,705</u></i>

REDMAN HEENAN PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

5. Operating profit

The company had no employees or staff costs for the current financial year or the prior financial period.

None of the directors received any remuneration paid by the company during the current financial year or the prior financial period. The remuneration of the directors is paid by other group undertakings and no part of their remuneration is specifically attributable to their services to this company.

The audit fee was borne by the fellow group undertaking, St. Modwen Logistics Devco 1 Ltd and not recharged. £22,950 of the audit fee was specifically attributable to the company (2021: £nil).

6. Taxation

	31 December 2022 £	<i>13 month period 31 December 2021 £</i>
Corporation tax		
Corp tax - current yr	26,354	41,436
	<u>26,354</u>	<u>41,436</u>
Total current tax	<u>26,354</u>	<u>41,436</u>
Deferred tax		
Origination and reversal of timing differences	109,984	17,448
Changes to tax rates	43,332	(26,752)
Impact of current year revaluations and indexation	1,780,460	(16,758)
Net derecognition/(recognition) of tax losses	371	-
Adjustments in respect of previous years	(16,248)	(13,259)
Total deferred tax	<u>1,917,899</u>	<u>(39,321)</u>
Taxation on profit on ordinary activities	<u>1,944,253</u>	<u>2,115</u>

REDMAN HEENAN PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

6. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	31 December 2022 £	<i>13 month period 31 December 2021 £</i>
Profit before tax	11,304,047	128,310
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	2,147,769	24,379
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(670,582)	4,187
Other property differences	427,477	282
Change in rate used for provision of deferred tax	43,332	(26,752)
Movement in recognition of deferred tax on losses	371	-
Adjustments to tax charge in respect of prior periods	(4,114)	19
Total tax charge for the year/period	1,944,253	2,115

Factors that may affect future tax charges

Since 1 April 2020, the UK corporation tax rate applicable has been at 19%. A change to the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023 was announced in the Budget on 3 March 2021, and was substantively enacted on 24 May 2021. Accordingly, UK deferred tax has been provided at a rates between 19% and 25% (2021:19% and 25%), reflecting the applicable tax rate at the point when the timing difference is expected to reverse.

REDMAN HEENAN PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

7. Fixed asset investments

	Investments in subsidiary companies £
At 1 January 2022	2
Disposals	(2)
At 31 December 2022	<u>-</u>

The company previously held a subsidiary investment in St Modwen Developments (Longbridge) Limited (company number 02885028). It is incorporated in England and Wales with a registered office at Two Devon Way, Longbridge, Birmingham, B31 2TS. The share capital is comprised of ordinary shares of which the company previously held 100%. The company disposed of this investment during the year.

REDMAN HEENAN PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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8. Investment property

	Freehold investment property £
Valuation	
At 1 January 2022	2,700,000
Additions at cost	414,986
Surplus on revaluation	7,121,842
Transfers from stock	12,583,172
At 31 December 2022	22,820,000

The 2022 valuations were made by Jones Lang LaSalle (JLL), on an open market value for existing use basis.

Income-producing assets

Income-producing assets have been valued using the investment method which involves applying a yield to rental income streams. Inputs include equivalent yields, current rent and estimated rental value (ERV). The resulting valuations are cross-checked against the resulting initial yields and, for certain assets, the land value underpin if the assets were to be redeveloped.

Sensitivity analysis on key sources of estimation uncertainty in relation to income-producing assets and the resulting impact on fair value indicated that a change in rental value of 5% would result in an increase/(decrease) in sensitivity of 1.1m/(1.2m). A change in equivalent yields of 50 basis points would result in an (increase)/decrease in sensitivity by (1.6m)/1.7m.

Other land assets

Other land assets are valued using the comparable land value method, which comprises a land value per acre less costs to remediate and service the land.

Sensitivity analysis on the key source of estimation uncertainty in relation to other land assets and the resulting impact on fair value indicated that a change in land value per acre of 10% would result in an increase/(decrease) in sensitivity of £5,000/(£5,000)..

9. Stocks

	2022 £	2021 £
Long-term contract balances	-	2,711,137
	<u>-</u>	<u>2,711,137</u>

There was no impairment of stocks to net realisable value or reversal of impairments in the current or previous financial years.

REDMAN HEENAN PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

10. Debtors

	2022 £	2021 £
Due after more than one year		
Other debtors	61,139	166,988
	<u>61,139</u>	<u>166,988</u>
Due within one year		
Trade debtors	322,178	251,575
Amounts owed by group undertakings	41,118,382	54,366,109
Amounts owed by joint ventures and associated undertakings	3,764,247	-
Other debtors	151,802	85,926
Prepayments and accrued income	53,869	82,861
Contract assets	-	22,014
	<u>45,471,617</u>	<u>54,975,473</u>

All amounts owed by group undertakings and related parties are interest free and repayable on demand.

11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	34,582	24,084
Trade creditors	333,863	28,849
Amounts owed to group undertakings	2,238,655	3,185
Amounts owed to joint ventures	12,253	6,349,189
Amounts owed to associates	1,985	-
Corporation tax	14,220	28,159
Other creditors	3,715	100,986
Accruals and deferred income	529,268	6,776
	<u>3,168,541</u>	<u>6,541,228</u>

All amounts owed to group undertakings, joint ventures and related parties are interest free and repayable on demand.

REDMAN HEENAN PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

12. Deferred taxation

	2022 £	2021 £
At beginning of year	(43,482)	(82,803)
Charged to profit or loss	(1,934,147)	26,062
Utilised in year	16,248	13,259
At end of year/period	(1,961,381)	(43,482)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	-	94,018
Property revaluations	(1,961,381)	(137,500)
	(1,961,381)	(43,482)

13. Share capital

	2022 £	2021 £
Allotted, issued and fully paid		
11,832 (2021 - 118,338,044) Ordinary shares shares of £0.25 each	2,958	29,584,511

As part of a wider group restructuring during the year, the company went through a share capital and share premium reduction. The number of shares was reduced to 11,832 with a value of £2,958. The share premium account was reduced to £nil.

14. Post balance sheet events

Subsequent to the year end, the company was part of a wider group restructuring. As a result, its immediate parent company changed from St. Modwen Logistics Devco 1 Ltd to St. Modwen Group Holding Company Limited and its intermediate parent company changed from St. Modwen Properties Limited to Brighton Topco S.a.r.l.

As part of this restructuring, the company transferred its logistics asset portfolio of circa £23.3m to other subsidiaries of St. Modwen Properties Limited subsequent to the year end. As such, the results of the business will be driven by the development assets base going forward.

REDMAN HEENAN PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2022**

15. Ultimate controlling party

The company's immediate parent company is St. Modwen Logistics Devco 1 Ltd, a company registered in the Isle of Man. The company's intermediate parent company is St. Modwen Properties Limited, a company registered in England and Wales. Copies of the Group's annual report and financial statements are available from the registered office Two Devon Way, Longbridge, Birmingham. B31 2TS. This is the smallest and largest group into which this company is consolidated

The company's ultimate controlling party is The Blackstone Group Inc., a company incorporated in the state of Delaware, USA. Copies of the annual report and financial statements of The Blackstone Group Inc. are available online at: <https://ir.blackstone.com/sec-filings/default.aspx>.

16. Related party transactions

The company enters into transactions with St. Modwen Properties Limited, a controlling party, or other St. Modwen group companies when payments are made to settle invoices by the St. Modwen group on the company's behalf.

The below account balances with related parties (who are all fellow group entities) are disclosed and comparatives presented:

- St. Modwen Homes: £3,764,247 receivable (2021: £275,221 payable)
- Glan Llyn Management Limited: £1,985 payable (2021: £1,985 payable)
- Key Property Investments (Number Two) Limited: £12,252 payable (2021: £nil)