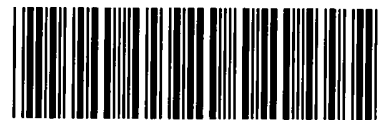


REGISTERED NUMBER: 00892832 (England and Wales)

**Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 30 November 2016
for
St Modwen Developments Limited**

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for the Year Ended 30 November 2016**

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St Modwen Developments Limited

**Company Information
for the Year Ended 30 November 2016**

DIRECTORS:

M W Herbert
R Joseland
T A Seddon
R T Wood
G C Gusterson
R J Bannister
R S Powell
R J Hudson
D Smith
T Stote
M C Allan

REGISTERED OFFICE:

Park Point
17 High Street
Longbridge
Birmingham
B31 2UQ

REGISTERED NUMBER:

00892832 (England and Wales)

INDEPENDENT AUDITORS:

Deloitte LLP
Statutory Auditor
4 Brindley Place
Birmingham
West Midlands
B1 2HZ

**Strategic Report
for the Year Ended 30 November 2016**

The directors present their strategic report for the year ended 30 November 2016.

The principal activity of the company is that of property development and property investment.

REVIEW OF BUSINESS

The company operates within the property development and investment market. The core business, within that market, is the renewal of brownfield land. During the year the company continued to increase its activity in residential construction, and a number of properties were transferred into the company from other group companies during the year.

The company's key performance indicators during the year were as follows:

	2016	2015
	£'000	£'000
Turnover	185,273	275,544
Operating profit	39,378	55,914
Profit after tax	51,653	50,255
Net assets	148,477	146,824

The St. Modwen Properties PLC group manages the company's operations on a day to day basis. For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. Key performance indicators for the entire group are covered in the group's annual report, which does not form part of this report.

Future Developments

St Modwen Developments Limited continues to see some value-add opportunities across its portfolio, both through intensive asset management activity and development opportunities. The efficient creation and realisation of value from our land bank through development will continue to form an important part of our strategy.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial risk policies

Cash flow and liquidity risk

The company's principal financing position comprises cash and debt from its parent undertaking, St Modwen Properties PLC. The ultimate parent undertaking's financial support eliminates any liquidity risk.

Credit risk

The company's principal financial assets are bank balances.

The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

ON BEHALF OF THE BOARD:



.....
R J Hudson - Director

Date: 24 August 2017

**Report of the Directors
for the Year Ended 30 November 2016**

The directors present their report with the audited financial statements of the company for the year ended 30 November 2016.

PRINCIPAL ACTIVITY

The principal activity of the company is that of property development and property investment.

Details of the Company's Future Developments and Financial Risk Management are explained within the Strategic Report.

DIVIDENDS

A dividend of £50,000,000 was paid during the year (2015: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2015 to the date of this report.

M W Herbert
R Joseland
T A Seddon
R T Wood
G C Gusterson
R J Bannister
R S Powell
R J Hudson
D Smith
T Stote

Other changes in directors holding office are as follows:

W A Oliver - resigned 30 November 2016
A Taylor - resigned 12 February 2016
M C Allan - appointed 24 November 2016

S J Burke , S P Knowles and S F Prosser ceased to be directors after 30 November 2016 but prior to the date of this report.

None of the directors had any interest in the shares of the company.

GOING CONCERN

The Company has satisfactory financial resources. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. In doing so, the directors have considered the latest guidelines from the Financial Reporting Council regarding the preparation of Financial Statements on a going concern basis.

**Report of the Directors
for the Year Ended 30 November 2016**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each director at the date of approval of this report confirms that:

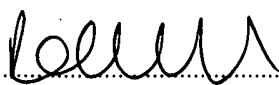
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps necessary to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

AUDITORS

Deloitte LLP, have conducted the audit for the year ended 30 November 2016. A resolution to appoint KPMG LLP as an auditor of the company for the year ending 30 November 2017 has been approved by the shareholders at the time of signing these financial statements.

ON BEHALF OF THE BOARD:


.....
R J Hudson - Director

Date: 24 August 2017

**Report of the Independent Auditors to the Members of
St Modwen Developments Limited (Registered number: 00892832)**

We have audited the financial statements of St Modwen Developments Limited for the year ended 30 November 2016 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

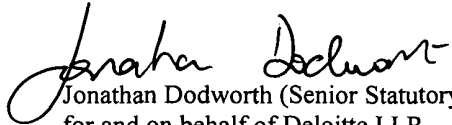
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
St Modwen Developments Limited (Registered number: 00892832)**

Matters on which we are required to report by exception

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

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



Jonathan Dodworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
4 Brindley Place
Birmingham
West Midlands
B1 2HZ

Date: 29 August 2017

St Modwen Developments Limited (Registered number: 00892832)

**Statement of Comprehensive Income
for the Year Ended 30 November 2016**

	Notes	2016 £	2015 £
TURNOVER	2	185,272,890	275,544,323
Cost of sales		<u>(145,886,835)</u>	<u>(209,502,321)</u>
GROSS PROFIT		39,386,055	66,042,002
Administrative expenses		<u>(7,784)</u>	<u>(10,127,585)</u>
OPERATING PROFIT		39,378,271	55,914,417
Profit/ (Loss) on sale of property		<u>5,583,363</u>	<u>(349,292)</u>
		44,961,634	55,565,125
Net interest	4	<u>(553,616)</u>	<u>(662,808)</u>
Gain/loss on revaluation of investment property		<u>22,474,708</u>	<u>5,313,576</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	66,882,726	60,215,893
Tax on profit on ordinary activities	6	<u>(15,229,820)</u>	<u>(9,961,015)</u>
PROFIT FOR THE FINANCIAL YEAR		51,652,906	50,254,878
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>51,652,906</u>	<u>50,254,878</u>

The notes form part of these financial statements

St Modwen Developments Limited (Registered number: 00892832)

**Balance Sheet
30 November 2016**

	Notes	2016 £	2015 £
FIXED ASSETS			
Tangible assets	8	74,442	60,811
Investments	9	12,077,888	10,335,465
Investment property	10	651,858,575	232,712,904
		<u>664,010,905</u>	<u>243,109,180</u>
CURRENT ASSETS			
Stocks	11	99,442,406	111,874,926
Debtors	12	29,965,955	51,763,121
Cash at bank		17,503,933	1,379,335
		<u>146,912,294</u>	<u>165,017,382</u>
CREDITORS			
Amounts falling due within one year	13	(134,591,489)	(177,648,655)
NET CURRENT ASSETS/(LIABILITIES)		<u>12,320,805</u>	<u>(12,631,273)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>676,331,710</u>	<u>230,477,907</u>
CREDITORS			
Amounts falling due after more than one year	14	(509,000,000)	(75,000,000)
PROVISIONS FOR LIABILITIES	16	(18,854,337)	(8,653,440)
NET ASSETS		<u><u>148,477,373</u></u>	<u><u>146,824,467</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	30,000	30,000
Fair value reserve	18	33,094,720	23,416,301
Retained earnings	18	115,352,653	123,378,166
SHAREHOLDERS' FUNDS		<u><u>148,477,373</u></u>	<u><u>146,824,467</u></u>

The financial statements were approved and authorised for issue by the Board of Directors on 24 August 2017 and were signed on its behalf by:



.....
R J Hudson - Director

The notes form part of these financial statements

St Modwen Developments Limited (Registered number: 00892832)

**Statement of Changes in Equity
for the Year Ended 30 November 2016**

	Called up share capital £	Retained earnings £	Fair value reserve £	Total equity £
Balance at 1 December 2014	30,000	85,831,236	12,442,766	98,304,002
Changes in equity				
Total comprehensive income	-	37,546,930	10,973,535	48,520,465
Balance at 30 November 2015	<u>30,000</u>	<u>123,378,166</u>	<u>23,416,301</u>	<u>146,824,467</u>
Changes in equity				
Dividends	-	(50,000,000)	-	(50,000,000)
Total comprehensive income	-	41,974,487	9,678,419	51,652,906
Balance at 30 November 2016	<u>30,000</u>	<u>115,352,653</u>	<u>33,094,720</u>	<u>148,477,373</u>

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 30 November 2016

1. ACCOUNTING POLICIES

Basis of preparation

The company is a private company limited by shares and is incorporated in the United Kingdom under the Companies Act 2006. The company's financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

The financial statements have been prepared on the historical cost basis except for the revaluation of investment properties.

The company meets the definition of qualifying entity under FRS 100 'Application of Financial Reporting Requirements' as issued by the Financial Reporting Council. Accordingly, in the year ended 30 November 2016, the company has undergone a transition from reporting under old UK GAAP to FRS 101 as at 1 December 2014, the transition date. This transition has had a material effect on the financial statements as shown in the Reconciliation of Equity.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures.

Tangible fixed assets

A tangible fixed asset is measured at cost and depreciated over its estimated useful life of 5 years in order to write off each asset.

The directors review the depreciation methods and useful lives annually.

Investment property

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 surplus or deficit arising is recognised in the profit and loss account for the year. Investment properties are not depreciated.

Financial instruments

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

Trade and other debtors

Trade and other debtors are recognised and carried at the lower of their original invoiced value or recoverable amount. Provision is made when there is evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Cash and cash equivalents

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

Trade and other creditors

Trade and other creditors are recorded at amortised cost. 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.

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

1. ACCOUNTING POLICIES - continued

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.

Interest

Interest incurred on properties in the course of development is charged to the Statement of Comprehensive Income.

Investments in subsidiary, joint venture and associated companies

The investments in subsidiary, joint venture and associated companies are included in the company's balance sheet at cost less impairment. The directors perform an impairment exercise on an annual basis, thus impairing investments in subsidiary, joint venture and associated companies when the recoverable amount is less than the cost. During 2016 there were no impairments.

An impairment review is carried out annually to assess whether the carrying value of the investment exceeds its recoverable amount. An impairment loss is recognised to reduce carrying amount to recoverable if required.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2016	2015
	£	£
Rental income	7,414,222	3,936,942
Property Development	174,630,670	270,627,048
Other activities	3,227,998	980,333
	<u>185,272,890</u>	<u>275,544,323</u>

An analysis of turnover by geographical market is given below:

	2016	2015
	£	£
United Kingdom	185,272,890	275,544,323
	<u>185,272,890</u>	<u>275,544,323</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

3. **EMPLOYEES AND DIRECTORS**

The company had no employees (2015: nil) and is managed by its ultimate parent company, St Modwen Properties PLC.

	2016 £	2015 £
Directors' remuneration	-	-

4. **NET INTEREST**

	2016 £	2015 £
Bank interest receivable	272,920	115,693
Interest payable on bank and other loans and overdrafts	(826,536)	(778,501)
	<u>(553,616)</u>	<u>(662,808)</u>

5. **PROFIT BEFORE TAXATION**

None of the directors received any remuneration paid by St Modwen Developments Limited during the current financial year or the prior financial year. The remuneration of the directors is paid by other group undertakings for both the current financial year and the prior financial year and no part of their remuneration is specifically attributable to their services to this Company..

Auditors' remuneration was borne by its parent company, St Modwen Properties PLC. The fee payable for audit of the financial statements was £10,000 (2015: £10,000).

6. **TAXATION**

Analysis of tax expense

	2016 £	2015 £
Current tax: Tax	5,028,923	8,327,804
Deferred tax	<u>10,200,897</u>	<u>1,633,211</u>
Total tax expense in statement of comprehensive income	<u>15,229,820</u>	<u>9,961,015</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

6. **TAXATION - continued**

Factors affecting the tax expense

The tax assessed for the year is higher (2015 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit on ordinary activities before income tax	<u>66,882,726</u>	<u>60,215,893</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.330%)	13,376,545	12,241,891
Effects of:		
Disallowed expenses and non-taxable income	444,880	1,825
Capital allowances for period in excess of depreciation	-	(31,000)
Section 171 transfers reversed	472,218	-
Impact of investment property revaluations and indexation	5,705,955	(1,191,793)
Adjustments in respect of previous periods	(6,574,783)	(1,436,919)
Impact of transfers from WIP to IP	2,740,612	-
Difference between Chargeable gain and accounting profit	<u>(935,607)</u>	<u>377,011</u>
Tax expense	<u>15,229,820</u>	<u>9,961,015</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Legislation substantively enacted at 30 November 2016 included provisions which reduced the main rate of corporation tax from 20% to 19% from 1 April 2017 and 17% from 1 April 2020. Current tax has therefore been provided at 20% and deferred tax at rates from 17% to 20%.

7. **DIVIDENDS**

	2016 £	2015 £
Ordinary shares of £1 each		
Final	<u>50,000,000</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

8. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 December 2015	68,837
Additions	25,551
	<hr/>
At 30 November 2016	94,388
	<hr/>
DEPRECIATION	
At 1 December 2015	8,026
Charge for year	11,920
	<hr/>
At 30 November 2016	19,946
	<hr/>
NET BOOK VALUE	
At 30 November 2016	74,442
	<hr/>
At 30 November 2015	60,811
	<hr/>

9. INVESTMENTS

	Investment in subsidiary undertakings £	Investment in joint ventures and associates £	Totals £
COST			
At 1 December 2015	7,966,313	2,369,152	10,335,465
Additions	1,742,023	400	1,742,423
	<hr/>	<hr/>	<hr/>
At 30 November 2016	9,708,336	2,369,552	12,077,888
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 30 November 2016	9,708,336	2,369,552	12,077,888
	<hr/>	<hr/>	<hr/>
At 30 November 2015	7,966,313	2,369,152	10,335,465
	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

9. INVESTMENTS - continued

Investments in subsidiaries include:

	Proportion of shares held	Nature of principal business
St Modwen Developments (Quinton) Limited	100%	Property developers
St Modwen Developments (Edmonton) Limited	100%	Property investors
Trentham Leisure Limited	80%	Property and leisure operator
St Modwen Developments (Long Marston) Limited	100%	Property investors
Newcastle Regeneration Limited	100%	Dormant
Broomford Vange Limited	100%	Property Investors
Branston Properties Limited	100%	Property developers
SMD Kirby 2 (purchased during year)	100%	Property Investors
Killingholme Land & Energy (purchased during year)	100%	Energy sector

The above companies are registered in England and Wales at Park Point, 17 High Street, Longbridge, Birmingham, B31 2UQ and the directors consider that the investments are worth at least the amount stated.

Consolidated financial statements are not prepared as the company is itself a wholly owned subsidiary (note 19).

The investment in the joint ventures and associates are:

	Proportion of shares held	Nature of principal business	Status
Barton Business Park Limited	50%	Property developers	Joint venture
Sky Park Development LLP	50%	Property developers	Joint venture
Meaford Energy Ltd (purchased during year)	50%	Energy sector	Joint venture
Meaford Land Ltd (purchased during year)	50%	Energy sector	Joint venture
Wrexham Power Ltd	50%	Energy sector	Joint venture
Wrexham Land Ltd	50%	Energy sector	Joint venture
Coed Darcy Limited	49%	Property developers	Associate

All investments are directly held.

10. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 December 2015	232,712,904
Additions	405,197,146
Disposals	(24,307,305)
Revaluations	22,474,708
Transfer from work in progress	15,781,122
At 30 November 2016	651,858,575
NET BOOK VALUE	
At 30 November 2016	651,858,575
At 30 November 2015	232,712,904

Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

10. **INVESTMENT PROPERTY - continued**

Freehold investment properties were revalued as at 30 November 2016 and 30 November 2015 by Cushman & Wakefield, Chartered Surveyors in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, on the basis of market value.

St Modwen Developments Limited has had a significant increase in investment property in the year ended 30 November 2016, due to the acquisition of investment property previously held in other group companies.

Investment property included a valuation and would have been included on a historical cost basis at £556m (2015: £162m).

11. **STOCKS**

	2016 £	2015 £
Work-in-progress	<u>99,442,406</u>	<u>111,874,926</u>

12. **DEBTORS**

	2016 £	2015 £
Trade debtors	4,444,275	3,777,433
Other debtors	21,027,824	40,306,515
Loans to joint ventures	1,550,500	1,550,500
Other tax and social security	2,376,612	6,033,769
Prepayments and accrued income	566,744	94,904
	<u>29,965,955</u>	<u>51,763,121</u>

Other debtors includes an amount of £2,188,095 (2015: £2,108,815) due after more than one year.

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

	2016 £	2015 £
Trade creditors	28,382,992	26,616,088
Amounts owed to parent company	36,731,444	85,761,364
Corporation tax	11,603,706	15,739,304
Other creditors	2,054,584	688,734
Loans from joint ventures	8,709,027	13,879,432
Accruals and deferred income	47,109,736	34,963,733
	<u>134,591,489</u>	<u>177,648,655</u>

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

	2016 £	2015 £
Bank loans (see note 15)	34,000,000	-
Amounts owed to parent company	475,000,000	75,000,000
	<u>509,000,000</u>	<u>75,000,000</u>

St Modwen Developments Limited has had a significant increase in amounts owed to parent company in the year ended 30 November 2016, due to the acquisition of investment property previously held in other group companies.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

15. **FINANCIAL LIABILITIES - BORROWINGS**

	2016 £	2015 £
Non-current:		
Bank loans	34,000,000	-
Terms and debt repayment schedule		
		2-5 years £
Bank loans		34,000,000

The loan is repayable on the fifth anniversary of the signing of the loan agreement.

16. **PROVISIONS FOR LIABILITIES**

	2016 £	2015 £
Deferred tax	18,854,337	8,653,440
		Deferred tax £
Balance at 1 December 2015		8,653,440
Property revaluations		3,730,117
Capital allowances		260,389
Appropriations trading stock		(156,495)
Prior year adjustments		6,366,886
Balance at 30 November 2016		18,854,337

17. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2016 £	2015 £
Number:	Class:	Nominal value:		
30,000	Ordinary	£1	30,000	30,000

18. **RESERVES**

	Retained earnings £	Fair value reserve £	Totals £
At 1 December 2015	123,378,166	23,416,301	146,794,467
Profit for the year	51,652,906	-	51,652,906
Dividends	(50,000,000)	-	(50,000,000)
Revaluation of property	(9,678,419)	9,678,419	-
At 30 November 2016	115,352,653	33,094,720	148,447,373

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2016**

19. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is St. Modwen Properties PLC, a company registered in England and Wales. Copies of the Group report and financial statements of St Modwen Properties PLC are available from the Registered Office at Park Point, 17 High Street, Longbridge, Birmingham, B31 2UQ. This is the smallest and largest group into which this company is consolidated.

20. CONTINGENT LIABILITIES

The company has guaranteed the bank loans and overdrafts of certain fellow group companies, which at 30 November 2016 amounted to £nil (2015: £nil).

21. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose related party transactions with wholly owned subsidiaries within the group.

Joint Ventures and associates

At 30 November 2016 the Company had £1.551m (2015: £1.551m) of loan notes outstanding with Sky Park Developments LLP. The loan notes are repayable on demand.

For the year ended 30 November 2016, the Company received a management fee of £0.13m (2015: £0.13m) from Coed Darcy Limited.

22. CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

In the application of the company's accounting policies outlined above, the directors are required to make judgements relating to the carrying amounts of assets and liabilities that are not readily apparent from other sources.

Going concern

The directors have prepared the financial statements on a going concern basis for the reasons set out in the paragraph headed "Going concern" in the report of the directors.

Valuation 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. The valuation is performed according to RICS rules, using appropriate levels of professional judgement for the prevailing market conditions. Professional judgement is applied in determining such things as an appropriate yield for a given property, estimated rental values and the appropriateness of remediation expenditure and costs to complete.

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, 30 November 2016. Any subsequent adverse changes in market conditions may result in additional provisions being required.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2016

23. **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.

Taxation

As a property company, tax and its treatment is often an integral part of transactions. The outcome of tax treatments are recognised by the company to the extent the outcome is reasonably certain. The tax currently payable is based on the taxable result for the year. The taxable result may differ from the result as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that will not be taxable or deductible. In particular, as a property company, the effective tax rate for the year may reflect the benefit of certain investment gains not being taxable because of indexation, capital allowances, land remediation and other reliefs on certain property expenditure or the utilisation of capital tax losses brought forward.

24. **TRANSITION TO FRS 101 NOTE**

Under UK GAAP, the revaluation of investment properties was taken to the revaluation reserve and deferred tax on property revaluations was not recognised. Under FRS 101, such revaluations are debited or credited to the profit and loss account and included within retained earnings together with their associated deferred tax, therefore the impact of these current year and cumulative revaluations is transferred from the revaluation reserve to the profit and loss account and retained earnings respectively.

Under FRS 101, any cumulative retained earnings that have been derived from revaluations of investment properties (including associated deferred tax) are considered to represent unrealised reserves. As a result, these have been transferred from retained earnings to a separate fair value reserve to better distinguish those retained earnings that are realised.

Reconciliation of Equity
1 December 2014
(Date of Transition to FRS 101)

	Notes	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
FIXED ASSETS				
Tangible assets	a	132,697,736	(132,650,657)	47,079
Investments		8,454,690	-	8,454,690
Investment property	a	-	184,270,278	184,270,278
		<u>141,152,426</u>	<u>51,619,621</u>	<u>192,772,047</u>
CURRENT ASSETS				
Stocks	a	164,880,431	(37,951,953)	126,928,478
Debtors		14,327,587	-	14,327,587
Cash at bank		22,521,268	-	22,521,268
		<u>201,729,286</u>	<u>(37,951,953)</u>	<u>163,777,333</u>
CREDITORS				
Amounts falling due within one year	b	(170,413,879)	(1,015,116)	(171,428,995)
NET CURRENT ASSETS/(LIABILITIES)				
		<u>31,315,407</u>	<u>(38,967,069)</u>	<u>(7,651,662)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		172,467,833	12,652,552	185,120,385
CREDITORS				
Amounts falling due after more than one year	b	(78,457,244)	-	(78,457,244)
PROVISIONS FOR LIABILITIES				
	b	(994,574)	(7,364,565)	(8,359,139)
NET ASSETS				
		<u>93,016,015</u>	<u>5,287,987</u>	<u>98,304,002</u>
CAPITAL AND RESERVES				
Called up share capital		30,000	-	30,000
Revaluation reserve	b	27,681,826	(27,681,826)	-
Other reserves	b	-	12,442,766	12,442,766
Retained earnings	b	65,304,189	20,527,047	85,831,236
SHAREHOLDERS' FUNDS				
		<u>93,016,015</u>	<u>5,287,987</u>	<u>98,304,002</u>

The notes form part of these financial statements

Reconciliation of Equity - continued
30 November 2015

	Notes	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
FIXED ASSETS				
Tangible assets	a	194,289,178	(194,228,367)	60,811
Investments		10,335,465	-	10,335,465
Investment property	a	-	232,712,904	232,712,904
		<u>204,624,643</u>	<u>38,484,537</u>	<u>243,109,180</u>
CURRENT ASSETS				
Stocks	a	136,656,402	(24,781,476)	111,874,926
Debtors		51,763,121	-	51,763,121
Cash at bank		1,379,335	-	1,379,335
		<u>189,798,858</u>	<u>(24,781,476)</u>	<u>165,017,382</u>
CREDITORS				
Amounts falling due within one year	b	(176,774,368)	(874,287)	(177,648,655)
NET CURRENT ASSETS/(LIABILITIES)				
		<u>13,024,490</u>	<u>(25,655,763)</u>	<u>(12,631,273)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				
		217,649,133	12,828,774	230,477,907
CREDITORS				
Amounts falling due after more than one year	b	(75,000,000)	-	(75,000,000)
PROVISIONS FOR LIABILITIES				
	b	(1,024,574)	(7,628,866)	(8,653,440)
NET ASSETS				
		<u>141,624,559</u>	<u>5,199,908</u>	<u>146,824,467</u>
CAPITAL AND RESERVES				
Called up share capital		30,000	-	30,000
Revaluation reserve	b	32,491,476	(32,491,476)	-
Fair value reserve		-	23,416,301	23,416,301
Retained earnings	b	109,103,083	14,275,083	123,378,166
SHAREHOLDERS' FUNDS				
		<u>141,624,559</u>	<u>5,199,908</u>	<u>146,824,467</u>

Notes to the reconciliation of equity

a) Under UK GAAP, investment property was previously presented as tangible fixed assets and stocks. Under FRS 101 such investment property is presented as investment property on the balance sheet.

b) Under UK GAAP, the revaluation of investment properties was taken to the revaluation reserve, lease incentives were separately recorded on the balance sheet and deferred tax on property revaluations was not recognised. Under FRS 101, such revaluations are debited or credited to the Statement of Comprehensive Income and included within retained earnings together with their associated deferred tax and movements in lease incentives. Under FRS 101, any cumulative retained earnings that have been derived from revaluations of investment properties (including associated deferred tax) are considered to represent unrealised reserves. As a result, these have been transferred from retained earnings to a separate fair value reserve to better distinguish those retained earnings that are realised.

The notes form part of these financial statements

**Reconciliation of Profit
for the Year Ended 30 November 2015**

	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
TURNOVER	275,558,780	(14,457)	275,544,323
Cost of sales	(209,852,611)	350,290	(209,502,321)
GROSS PROFIT	65,706,169	335,833	66,042,002
Administrative expenses	(10,282,870)	155,285	(10,127,585)
OPERATING PROFIT	55,423,299	491,118	55,914,417
Profit/ (Loss) on sale of property	(349,292)	-	(349,292)
Net interest	(662,808)	-	(662,808)
Gain/loss on revaluation of investment property	-	5,313,576	5,313,576
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	54,411,199	5,804,694	60,215,893
Tax on profit on ordinary activities	(9,696,714)	(264,301)	(9,961,015)
PROFIT FOR THE FINANCIAL YEAR	44,714,485	5,540,393	50,254,878

The notes form part of these financial statements