

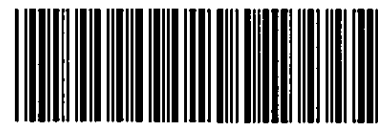
COMPANY NUMBER.
2783202

First Castle Developments Limited

Directors' Report and Unaudited Financial Statements

for the Year Ended 31 March 2013

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First Castle Developments Limited

Contents

Company Information	1
Directors' Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5 to 10

First Castle Developments Limited

Company Information

Registration number 2783202

Chairman J L Hudson

Directors Sir A Bore
D C Cooper
P Kehoe
M J Kelly
G E Richards

Registered office Diamond House
Birmingham Airport
Birmingham
West Midlands
B26 3QJ

Bankers National Westminster Bank plc
2 St Philips Place
Birmingham
West Midlands
B3 2RB

Solicitors Eversheds LLP
115 Colmore Row
Birmingham
West Midlands
B3 3AL

First Castle Developments Limited

Directors' Report for the Year Ended 31 March 2013

The directors present their report and the unaudited financial statements for the year ended 31 March 2013

Principal activity

The principal activity of the company is property investment and development

Results

The profit for the year after taxation amounted to £9,802 (2012 £8,762)

Small company provisions

This report has been prepared in accordance with the small companies regime within part 15 of the Companies Act 2006

Directors of the company

The directors who held office during the year were as follows

Sir A Bore (appointed 5 July 2012)

R A M Brew (resigned 13 June 2012)

D C Cooper

J L Hudson - Chairman

P Kehoe

M J Kelly

G E Richards

The directors do not have any beneficial interests in the shares of the company. Directors who are also directors of the parent or ultimate parent undertaking have any interest in the shares of that company disclosed in those accounts.

Statement of directors' responsibilities

The directors are responsible for preparing 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

Approved by the Board on 4 July 2013 and signed on its behalf by


M J Kelly
Director

First Castle Developments Limited**Profit and Loss Account for the Year Ended 31 March 2013**

	Note	2013 £	2012 £
Turnover		310,915	310,873
Cost of sales		<u>(34,715)</u>	<u>(30,633)</u>
Gross profit		276,200	280,240
Administrative expenses		<u>(2,631)</u>	<u>(4,307)</u>
Operating profit	2	273,569	275,933
Interest payable and similar charges	4	<u>(258,764)</u>	<u>(261,129)</u>
Profit on ordinary activities before taxation		14,805	14,804
Tax on profit on ordinary activities	5	<u>(5,003)</u>	<u>(6,042)</u>
Profit for the financial year	12	<u>9,802</u>	<u>8,762</u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

All results derive from continuing operations

There are no recognised gains and losses other than the profit for the financial years ended 31 March 2013 and 31 March 2012 and therefore no separate statement of recognised gains and losses has been presented

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents

First Castle Developments Limited
Balance Sheet at 31 March 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible fixed assets	6	5,357,186	5,357,186
Current assets			
Stocks	7	700,000	700,000
Debtors	8	1,165	1,106
Cash at bank and in hand		17,802	16,361
		718,967	717,467
Creditors Amounts falling due within one year	9	(3,984,064)	(3,992,666)
Net current liabilities		(3,265,097)	(3,275,199)
Total assets less current liabilities		2,092,089	2,081,987
Provisions for liabilities	10	31,325	31,625
Net assets		2,123,414	2,113,612
Capital and reserves			
Called up share capital	11	1,151,000	1,151,000
Revaluation reserve	12	1,074,915	1,074,915
Profit and loss account	12	(102,501)	(112,303)
Total shareholders' funds	13	2,123,414	2,113,612

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within part 15 of the Companies Act 2006

For the year ending 31 March 2013 the company has taken advantage of the audit exemption under section 479A of the Companies Act 2006 relating to subsidiary companies

The members have not required the company to obtain an audit in accordance with section 479A of the Companies Act 2006

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Approved by the Board on 4 July 2013 and signed on its behalf by

J L Hudson
Chairman

P Kehoe
Director

The notes on pages 5 to 10 form an integral part of these financial statements
Page 4

First Castle Developments Limited

Notes to the Financial Statements for the Year Ended 31 March 2013

1 Accounting policies

Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principle accounting policies, which have been applied consistently throughout the year are set out below.

Cash flow and related party disclosures

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Birmingham Airport Holdings group.

Going concern

These accounts have been prepared on the going concern concept as the directors believe that continuing finance will be available from the parent undertaking for the company to meet its liabilities as they fall due and to continue without immediate realisation of its assets.

Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and other group companies for the company's sole continuing activity, the development, management and renting of property. Property rentals are recognised on a straight line basis over the life of the lease. The turnover is derived entirely in the United Kingdom.

Tangible fixed assets and depreciation

Freehold land and buildings are held as investment properties and are accounted for in accordance with SSAP 19. Consequently their open market value is reviewed internally on an annual basis, with external valuations every five years performed by an appropriately qualified valuer. Depreciation has not been provided on fixed assets.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated at the balance sheet date but not reversed except for the following:

- a) Deferred tax assets are only recognised where, on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which they can be recovered.
- b) In respect of fixed asset revaluations, deferred tax is not provided unless there is a binding agreement to sell the asset at the balance sheet date. However, no provision is made if any gain is to be rolled over into replacement assets.

The company has elected not to discount the deferred tax assets and liabilities. Deferred tax is measured at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Work in progress

Work in progress relates to development land and is stated at lower of cost or net realisable value.

First Castle Developments Limited**Notes to the Financial Statements for the Year Ended 31 March 2013 (continued)****2 Operating profit**

Operating profit is stated after charging

	2013 £	2012 £
Auditor's remuneration	<u>848</u>	<u>1,818</u>

3 Directors' remuneration and employee costs

The directors' did not receive any remuneration in respect of their services to the company (2012 £nil) The company employed no staff during the year (2012 none)

4 Interest payable and similar charges

	2013 £	2012 £
Interest on loans from group undertakings	<u>258,764</u>	<u>261,129</u>
	<u>258,764</u>	<u>261,129</u>

5 Taxation**Tax on profit on ordinary activities****Analysis of tax charge**

	2013 £	2012 £
Current tax		
Corporation tax charge	5,126	4,521
Adjustments in respect of previous years	<u>(423)</u>	<u>(1,816)</u>
UK Corporation tax	<u>4,703</u>	<u>2,705</u>
Deferred tax		
Origination and reversal of timing differences	(629)	(672)
Deferred tax adjustment relating to previous years	(433)	1,374
Effect of changes in tax rates	<u>1,362</u>	<u>2,635</u>
Total deferred tax	<u>300</u>	<u>3,337</u>
Total tax on profit on ordinary activities	<u>5,003</u>	<u>6,042</u>

First Castle Developments Limited**Notes to the Financial Statements for the Year Ended 31 March 2013 (continued)****Taxation (continued)****Factors affecting current tax charge for the year**

Tax on profit on ordinary activities for the year is higher than (2012 - lower than) the standard rate of corporation tax in the UK of 24% (2012 - 26%)

The differences are reconciled below

	2013 £	2012 £
Profit on ordinary activities before taxation	14,805	14,804
Corporation tax at standard rate	3,553	3,849
Depreciation in excess of capital allowances	(763)	672
Other timing differences	1,392	-
permanent differences	944	-
Adjustment in respect of prior year	(423)	(1,816)
Total current tax	4,703	2,705

Factors that may affect future tax charges

In his recent budgets the Chancellor of the Exchequer proposed a decrease in the rate of UK corporation tax from 26% to 20% falling by 2% in 2012, a further 1% in 2013, 2% in 2014 and 1% in 2015. The 1% reduction to 23% for 2013 was enacted on 3 July 2012 and in accordance with accounting standards has been reflected in the company's financial statements. The reductions for 2014 and 2015 were substantively enacted on 2 July 2013 and will be reflected in the 2014 financial statements.

The effect of these tax rate reductions would be to decrease the net deferred tax asset by £4,086

6 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 April 2012 and 31 March 2013	5,357,186
Net book value	
At 31 March 2012 and 31 March 2013	5,357,186

Revaluations

The Investment Properties class of fixed assets was revalued on 31 March 2009 by Phoenix Beard who is external to the company. The basis of this valuation was the properties open market value in accordance with the Appraisal and Valuation manual of the Royal Institute of Chartered Surveyors. This class of assets has a current value of £5,357,186 (2012 - £5,357,186) and a carrying amount at historical cost of £4,313,048 (2012 - £4,313,048). The depreciation on this historical cost is £nil (2012 - £nil).

The last full valuation of Investment Properties was carried out on 31 March 2009

First Castle Developments Limited**Notes to the Financial Statements for the Year Ended 31 March 2013 (continued)****Tangible fixed assets (continued)**

On a historical cost basis freehold land and buildings would have been included as follows

	£
At 1 April 2012	4,313,048
At 31 March 2013	<u>4,313,048</u>

7 Development work in progress

	2013 £	2012 £
Work in progress	<u>700,000</u>	<u>700,000</u>

The replacement cost of development work in progress was £700,000 which is based upon the open market valuation carried out by Phoenix Beard Limited as at 31 March 2009

8 Debtors

	2013 £	2012 £
Trade debtors	915	856
Other debtors	<u>250</u>	<u>250</u>
	<u>1,165</u>	<u>1,106</u>

Debtors includes £nil (2012 - £nil) receivable after more than one year

9 Creditors Amounts falling due within one year

	2013 £	2012 £
Amounts owed to group undertakings	3,840,969	3,848,097
Corporation tax	5,696	5,514
Other creditors and deferred income	<u>137,399</u>	<u>139,055</u>
	<u>3,984,064</u>	<u>3,992,666</u>

First Castle Developments Limited

Notes to the Financial Statements for the Year Ended 31 March 2013 (continued)

10 Deferred taxation

Analysis of deferred tax

Deferred tax

The movement in the deferred tax asset in the year is as follows

	£
At 1 April 2012	31,625
Deferred tax charged to the profit and loss account	<u>(300)</u>
At 31 March 2013	<u>31,325</u>

Analysis of deferred tax

	2013 £	2012 £
Difference between accumulated depreciation and amortisation and capital allowances	(4,002)	(4,506)
Other timing differences	<u>(27,323)</u>	<u>(27,119)</u>
	<u>(31,325)</u>	<u>(31,625)</u>

11 Share capital

Allotted, called up and fully paid shares

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>1,151,000</u>	<u>1,151,000</u>	<u>1,151,000</u>	<u>1,151,000</u>

12 Reserves

	Revaluation reserve £	Profit and loss account £	Total £
At 1 April 2012	1,074,915	(112,303)	962,612
Profit for the financial year	<u>-</u>	<u>9,802</u>	<u>9,802</u>
At 31 March 2013	<u>1,074,915</u>	<u>(102,501)</u>	<u>972,414</u>

First Castle Developments Limited**Notes to the Financial Statements for the Year Ended 31 March 2013 (continued)**

13 Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Profit for the financial year	9,802	8,762
Net addition to shareholders' funds	9,802	8,762
Shareholders' funds at 1 April	2,113,612	2,104,850
Shareholders' funds at 31 March	<u>2,123,414</u>	<u>2,113,612</u>

14 Contingent liabilities

On 25 June 2010 the company along with other group members of Birmingham Airport Holdings Limited provided guarantees to Santander UK plc and The Royal Bank of Scotland plc in support of a £45 million banking facility made available to Birmingham Airport Holdings Limited. The facility is for a period of 5 years, with an expiry date of 25 June 2015. At the date of signing these financial statements, the total amount outstanding under the facility was £nil. The amount guaranteed is £nil (2012 - £nil).

15 Control

The company is controlled by the immediate parent undertaking Birmingham Airport Limited. The ultimate parent undertaking and controlling party is Birmingham Airport Holdings Limited, a company incorporated in England. Birmingham Airport Holdings Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2013. The consolidated financial statements of Birmingham Airport Holdings Limited are available from its registered office, Diamond House, Birmingham Airport, Birmingham, West Midlands, B23 3QJ.

16 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.