


First Castle Developments Limited

Directors' Report and Unaudited Financial Statements

for the Year Ended 31 March 2015

MONDAY MONDAY


A4JB45XN
A06 02/11/2015 #50
COMPANIES HOUSE
"A4FAS16J"
A14 14/09/2015 #187
COMPANIES HOUSE

First Castle Developments Limited

Contents

Company Information	1
Directors' Report	2 to 3
Profit and Loss Account	4
Statement of Total Recognised Gains and Losses	5
Balance Sheet	6
Notes to the Financial Statements	7 to 12

First Castle Developments Limited
Company Information

Registration number 2783202

Chairman J L Hudson

Directors P Kehoe
S L C Richards

Company secretary S L C 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 2015

The directors present their report and the unaudited financial statements for the year ended 31 March 2015

Principal activity

The principal activity of the company is property investment and development

Results

The profit for the year after taxation amounted to £21,761 (2014 (£18,378) loss)

Small company provisions

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

Strategic Report

In August 2013 the Department for Business, Innovation and Skills ('BIS') published new narrative reporting regulations requiring companies to produce a 'strategic' report. The company have taken advantage of the small company exemption within the new regulations

Directors of the company

The directors who held office during the year were as follows

H Bills (appointed 4 July 2014 and resigned 28 February 2015)

Sir A Bore (resigned 28 February 2015)

D C Cooper (resigned 25 June 2014)

J L Hudson - Chairman

P Kehoe

M J Kelly (resigned 30 January 2015)

G E Richards (resigned 28 February 2015)

S L C Richards - Company secretary and director (appointed 31 January 2015)

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

First Castle Developments Limited

Directors' Report for the Year Ended 31 March 2015

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 24 June 2015 and signed on its behalf by



S L C Richards
Company secretary and director

First Castle Developments Limited**Profit and Loss Account for the Year Ended 31 March 2015**

	Note	2015 £	2014 £
Turnover		293,218	391,616
Cost of sales		<u>(22,673)</u>	<u>(53,344)</u>
Gross profit		270,545	338,272
Administrative expenses		<u>(4,060)</u>	<u>(76,795)</u>
Operating profit	2	266,485	261,477
Other interest receivable and similar income		2	2
Interest payable and similar charges	4	<u>(252,522)</u>	<u>(258,517)</u>
Profit on ordinary activities before taxation		13,965	2,962
Tax on profit on ordinary activities	5	<u>7,796</u>	<u>(21,340)</u>
Profit/(loss) for the financial year	12	<u>21,761</u>	<u>(18,378)</u>

All results derive from continuing operations

First Castle Developments Limited

Statement of Total Recognised Gains and Losses for the Year Ended 31 March 2015

	Note	2015 £	2014 £
Profit/(loss) for the financial year		21,761	(18,378)
Unrealised surplus on revaluation of properties		-	487,500
Total recognised gains and losses relating to the year		<u>21,761</u>	<u>469,122</u>

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

The notes on pages 7 to 12 form an integral part of these financial statements

First Castle Developments Limited
Balance Sheet at 31 March 2015

	Note	2015 £	2014 £
Fixed assets			
Tangible fixed assets	6	5,559,000	5,829,000
Current assets			
Stocks	7	640,000	640,000
Debtors	8	11,715	19,968
Cash at bank and in hand		5,106	27,104
		656,821	687,072
Creditors: Amounts falling due within one year	9	(3,629,671)	(3,955,077)
Net current liabilities		(2,972,850)	(3,268,005)
Total assets less current liabilities		2,586,150	2,560,995
Provisions for liabilities	10	28,147	31,541
Net assets		2,614,297	2,592,536
Capital and reserves			
Called up share capital	11	1,151,000	1,151,000
Revaluation reserve	12	1,562,415	1,562,415
Profit and loss account	12	(99,118)	(120,879)
Total shareholders' funds	13	2,614,297	2,592,536



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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008)

For the year ending 31 March 2015 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 476 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 24 June 2015 and signed on its behalf by


 J. L. Hudson
 Chairman

 P. Kehoe
 Director

The notes on pages 7 to 12 form an integral part of these financial statements
 Page 6

First Castle Developments Limited

Notes to the Financial Statements for the Year Ended 31 March 2015

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 2015 (continued)**

2 Operating profit

Operating profit is stated after charging

	2015 £	2014 £
Auditor's remuneration - The audit of the company's annual accounts	4,019	899
Depreciation of tangible fixed assets	<u>-</u>	<u>15,686</u>

3 Directors' remuneration and employee costs

The directors' did not receive any remuneration in respect of their services to the company (2014 £nil) The company employed no staff during the year (2014 none)

4 Interest payable and similar charges

	2015 £	2014 £
Interest on loans from group undertakings	<u>252,522</u>	<u>258,517</u>
	<u>252,522</u>	<u>258,517</u>

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

	2015 £	2014 £
Current tax		
Corporation tax charge	2,843	22,507
Adjustments in respect of previous years	<u>(14,033)</u>	<u>(951)</u>
UK Corporation tax	<u>(11,190)</u>	<u>21,556</u>
Deferred tax		
Origination and reversal of timing differences	90	(4,418)
Deferred tax adjustment relating to previous years	3,304	(529)
Effect of changes in tax rates	<u>-</u>	<u>4,731</u>
Total deferred tax	<u>3,394</u>	<u>(216)</u>
Total tax on profit on ordinary activities	<u>(7,796)</u>	<u>21,340</u>

First Castle Developments Limited**Notes to the Financial Statements for the Year Ended 31 March 2015 (continued)****Taxation (continued)****Factors affecting current tax charge for the year**

Tax on profit on ordinary activities for the year is lower than (2014 - higher than) the standard rate of corporation tax in the UK of 21% (2014 - 23%)

The differences are reconciled below

	2015 £	2014 £
Profit on ordinary activities before taxation	13,965	2,962
Corporation tax at standard rate	2,933	681
Depreciation in excess of capital allowances	(90)	(642)
Other timing differences	-	5,060
Permanent differences	-	17,408
Adjustment in respect of prior year	(14,033)	(951)
Total current tax	(11,190)	21,556

Factors that may affect future tax charges

The standard rate of corporation tax in the UK reduced from 23% to 21% with effect from 1 April 2014. Accordingly the company's profits for this accounting period are taxed at a rate of 21%. Finance Act 2013 also included legislation to reduce the main rate of corporation tax to 20% from 1 April 2015, which was substantively enacted on 2 July 2013, and in accordance with accounting standards have been reflected in the company's financial statements

6 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 April 2014 and 31 March 2014	5,829,000
Disposals	(270,000)
At 31 March 2015	5,559,000
Net book value	
At 31 March 2015	5,559,000

Revaluations

The Investment Properties class of fixed assets was revalued on 31 March 2014 by Ruxton Chartered Surveyors and Fisher German LLP who are 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 £5,559,000 (2014 - £5,829,000) and a carrying amount at historical cost of £4,043,048 (2014 - £4,313,048). The depreciation on this historical cost is £nil (2014 - £nil).

First Castle Developments Limited**Notes to the Financial Statements for the Year Ended 31 March 2015 (continued)****Tangible fixed assets (continued)**

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

	£'000
At 1 April 2014	4,313
At 31 March 2015	4,313

7 Development work in progress

	2015 £	2014 £
Work in progress	640,000	640,000

The replacement cost of development work in progress was £640,000 (2014 £640,000) which is based upon the open market valuation carried out by GBR Phoenix Beard Limited as at 31 March 2014

8 Debtors

	2015 £	2014 £
Trade debtors	1,421	19,718
Other debtors	10,294	250
	11,715	19,968

9 Creditors Amounts falling due within one year

	2015 £	2014 £
Amounts owed to group undertakings	3,475,591	3,769,528
Corporation tax	-	22,702
Other creditors and deferred income	154,080	162,847
	3,629,671	3,955,077

First Castle Developments Limited

Notes to the Financial Statements for the Year Ended 31 March 2015 (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 2014	31,541
Deferred tax charged to the profit and loss account	<u>(3,394)</u>
At 31 March 2015	<u>28,147</u>

Analysis of deferred tax

	2015 £	2014 £
Difference between accumulated depreciation and amortisation and capital allowances	(2,832)	(2,922)
Other timing differences	<u>(25,315)</u>	<u>(28,619)</u>
	<u>(28,147)</u>	<u>(31,541)</u>

11 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	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 2014	1,562,415	(120,879)	1,441,536
Profit for the financial year	<u>-</u>	<u>21,761</u>	<u>21,761</u>
At 31 March 2015	<u>1,562,415</u>	<u>(99,118)</u>	<u>1,463,297</u>

First Castle Developments Limited

Notes to the Financial Statements for the Year Ended 31 March 2015 (*continued*)

13 Reconciliation of movement in shareholders' funds

	2015 £	2014 £
Profit/(loss) for the financial year	21,761	(18,378)
Other recognised gains and losses relating to the year	-	487,500
Net addition to shareholders' funds	21,761	469,122
Shareholders' funds at 1 April	2,592,536	2,123,414
Shareholders' funds at 31 March	2,614,297	2,592,536

14 Contingent liabilities

On 3 December 2013 the company along with other group members of Birmingham Airport Holdings Limited provided guarantees to the Royal Bank of Scotland plc and Lloyds Bank plc in support of a £20 million banking facility made available to Birmingham Airport Holdings Limited. The facility is for a period of five years with an expiry date of 3 December 2018. At the date of signing these accounts, the total amount outstanding under the facility was £nil.

On 3 December 2013 the company along with other group members of Birmingham Airport Holdings Limited, provided guarantees in support of £75 million private placement senior notes issued by Birmingham Airport (Finance) plc. Series A senior notes of £30 million are for a period of ten years maturing on 3 December 2023 and carries a fixed interest rate of 4.472 per cent per annum. Series B senior notes of £45 million are for a period of fifteen years maturing on 3 December 2028 and carries a fixed interest rate of 4.557 per cent per annum.

15 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.

16 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 2015. The consolidated financial statements of Birmingham Airport Holdings Limited are available from its registered office, Diamond House, Birmingham Airport, Birmingham, West Midlands, B26 3QJ.