

**REGISTERED NUMBER: 04604119 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2013  
FOR  
COUNTYWIDE J9 M6 (NO.2) LIMITED**

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for the year ended 30 September 2013**

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**COUNTYWIDE J9 M6 (NO.2) LIMITED**

**COMPANY INFORMATION**

**for the year ended 30 September 2013**

**DIRECTORS:**

A C Gallagher  
G H Gosling

**SECRETARY:**

S A Burnett

**REGISTERED OFFICE:**

15 Hockley Court  
Stratford Road  
Hockley Heath  
Solihull  
West Midlands  
B94 6NW

**REGISTERED NUMBER:**

04604119 (England and Wales)

**AUDITORS:**

Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
United Kingdom

# **COUNTYWIDE J9 M6 (NO.2) LIMITED (REGISTERED NUMBER: 04604119)**

## **REPORT OF THE DIRECTORS for the year ended 30 September 2013**

The directors present their report with the financial statements of the company for the year ended 30 September 2013.

### **REVIEW OF BUSINESS**

The company owns 68,000 square feet of retail space which was fully let throughout the year.

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to changes in the UK property investment market, movements in property rental yield and changes to UK interest rates. Further information is provided in the Countywide group's annual report which does not form part of this report.

Given the nature of the business as disclosed in these financial statements, where maximising rental income and the capital values of its investment property represents the key objectives, the company's directors are of the opinion that analysis using additional KPIs is not necessary for understanding the performance or position of the business.

Both the results for the year, and the year end financial position were satisfactory.

After the year end, the company sold the retail space and repaid the bank loan.

### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 October 2012 to the date of this report.

A C Gallagher  
G H Gosling

### **FINANCIAL RISK MANAGEMENT**

The company's operations expose it to a variety of financial risks that include the effects of credit, liquidity and interest rate risks. The directors actively monitor these risks and the potential costs.

The credit rating of property tenants is regularly assessed and changes in the risk profile are managed.

The company utilises a mixture of bank and group funding designed to ensure it has sufficient working capital available. Floating interest rates are reviewed and swapped for fixed rates where appropriate to reduce exposure to adverse interest rate fluctuations.

### **GOING CONCERN**

The financial statements have been prepared on a going concern basis. In considering the appropriateness of the going concern assumption, the directors have taken into consideration the company's cash flow forecasts, present level of funding and the receipt of confirmation of financial support from its parent company, Countywide Developments Limited.

**REPORT OF THE DIRECTORS**  
**for the year ended 30 September 2013**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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). 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

BDO LLP resigned as auditors during the year and Deloitte LLP were appointed to fill the casual vacancy.

The auditors, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

  
.....  
G H Gosling - Director

Date: 13 March 2014

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF COUNTYWIDE J9 M6 (NO.2) LIMITED**

We have audited the financial statements of Countywide J9 M6 (No.2) Limited for the year ended 30 September 2013 on pages five to fifteen. 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).

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 three, 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 (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **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 September 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.


### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.



Jonathan Dodworth (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
United Kingdom

Date: 13 March 2014

**COUNTYWIDE J9 M6 (NO.2) LIMITED (REGISTERED NUMBER: 04604119)****PROFIT AND LOSS ACCOUNT  
for the year ended 30 September 2013**

	Notes	30.9.13 £	30.9.12 £
<b>TURNOVER</b>		2,412,414	2,419,909
Cost of sales		<u>(79,867)</u>	<u>(96,703)</u>
<b>GROSS PROFIT</b>		2,332,547	2,323,206
Administrative expenses		<u>(24,438)</u>	<u>(1,513)</u>
<b>OPERATING PROFIT</b>	3	2,308,109	2,321,693
Interest receivable and similar income		<u>36,143</u>	<u>24</u>
		2,344,252	2,321,717
Interest payable and similar charges	4	<u>(1,419,733)</u>	<u>(1,388,244)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		924,519	933,473
Tax on profit on ordinary activities	5	<u>(353,776)</u>	<u>(387,585)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>570,743</u>	<u>545,888</u>

**CONTINUING OPERATIONS**

All of the company's activities relate to continuing operations.

**COUNTYWIDE J9 M6 (NO.2) LIMITED (REGISTERED NUMBER: 04604119)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
for the year ended 30 September 2013**

	Notes	30.9.13 £	30.9.12 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>		570,743	545,888
Revaluation of the freehold investment property		<u>89,500</u>	<u>(7,636,183)</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<u>660,243</u>	(7,090,295)
Prior year adjustment	6		<u>(220,924)</u>
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT</b>			<u>(7,311,219)</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.



**COUNTYWIDE J9 M6 (NO.2) LIMITED (REGISTERED NUMBER: 04604119)****BALANCE SHEET****30 September 2013**

	Notes	30.9.13 £	30.9.12 £
<b>FIXED ASSETS</b>			
Tangible assets	7	50,860,000	50,770,000
<b>CURRENT ASSETS</b>			
Debtors	8	5,303,300	2,983,295
Cash at bank		<u>808,305</u>	<u>120,625</u>
		6,111,605	3,103,920
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>(19,875,748)</u>	<u>(46,293,881)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(13,764,143)</u>	<u>(43,189,961)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		37,095,857	7,580,039
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	(28,861,000)	-
<b>PROVISIONS FOR LIABILITIES</b>	12	<u>(41,613)</u>	<u>(47,038)</u>
<b>NET ASSETS</b>		<u>8,193,244</u>	<u>7,533,001</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	2	2
Revaluation reserve	14	13,413,218	13,323,718
Profit and loss account	14	<u>(5,219,976)</u>	<u>(5,790,719)</u>
<b>SHAREHOLDERS' FUNDS</b>	17	<u>8,193,244</u>	<u>7,533,001</u>

The financial statements were approved by the Board of Directors on 13 March 2014 and were signed on its behalf by:

  
 .....  
 G H Gosling - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 30 September 2013**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by revaluation of investment properties in accordance with applicable Accounting Standards in the United Kingdom. In order to show a true and fair view, the company's accounting policy in respect of investment properties departs from the requirement of the Companies Act 2006. Details of this departure are given below. A summary of the more important accounting policies, which have been applied consistently in both periods, is set out below.

**Going concern**

Notwithstanding the fact that at 30 September 2013 the company had net current liabilities, the accounts have been prepared on a going concern basis as the company has received confirmation from Countywide Developments Limited that they will not call for repayment of their inter company loan until the company has sufficient funds to repay it.

**Cash flow statement**

The company is a wholly-owned subsidiary of Countywide Developments Limited and is included in the consolidated accounts of Countywide Developments Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised) - 'Cash flow statements'.

**Turnover**

Turnover represents rental income receivable, service charges and other recoveries from investment properties in the United Kingdom.

In circumstances where a tenant has been given an incentive to enter into a lease by way of a payment the incentive is included in other debtors and treated as a reduction in rental income. It is amortised on a straight line basis over the period from term commencement to the date of the first rent review in accordance with UITF 28. Similarly, where an incentive is given to a tenant by way of a rent free period the total rental income receivable for the period to the first rent review is recognised on a straight line basis from term commencement to the date of the first rent review in accordance with UITF 28.

**Cost of sales**

Cost of sales represents expenses relating to the servicing of property and collection of rental income.

**Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Full provision is made on a non-discounted basis for deferred tax assets and liabilities arising due to timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation at the current rate of tax. Deferred tax assets are only recognised when it is considered more likely than not that they will be realised.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2013**

**1. ACCOUNTING POLICIES - continued**

**Investment property**

Until investment properties are completed they are included in the financial statements at cost. Once completed open market valuations are performed on an annual basis. The valuations are incorporated into these financial statements with the resulting revaluation adjustments taken to the revaluation reserve.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because these properties are not held for consumption but for their investment potential, to depreciate them would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount, which might otherwise have been shown, cannot reasonably be separately identified or quantified.

In accordance with SSAP19, where a property valuation at the balance sheet date is less than the historic cost of the property and the directors believe that the decline in value is temporary, then the reduction in value is taken as a deficit on revaluation reserve and is not charged to the profit and loss account.

**Amortisation of loan issue costs**

Costs incurred in respect of obtaining loan finance are disclosed against the bank loan creditor and the costs are amortised on a straight-line basis over the term of the loan.

**2. STAFF COSTS**

There were no direct staff costs for the year ended 30 September 2013 (2012: none).

The average monthly number of employees during the year was as follows:

	30.9.13 Number	30.9.12 Number
Directors	<u>2</u>	<u>2</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging:

	30.9.13 £	30.9.12 £
Auditors' remuneration	<u>1,500</u>	<u>1,500</u>
Directors' remuneration	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2013**

**3. OPERATING PROFIT - continued**

The Auditors' remuneration relates to fees payable to the Company's auditors for the audit of the Company's annual accounts. There were no non-audit services provided to this company in either period.

The directors are paid by Gallagher UK Limited, a company owned by the ultimate shareholder Mr A C Gallagher, and their emoluments are disclosed in the financial statements of that company.

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	30.9.13	30.9.12
	£	£
Bank interest	1,071,309	1,044,494
Interest payable on loans from group undertakings	284,502	340,226
Amortisation of loan issue costs	<u>63,922</u>	<u>3,524</u>
	<u><u>1,419,733</u></u>	<u><u>1,388,244</u></u>

**5. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows:

	30.9.13	30.9.12
	£	£
Current tax:		
UK corporation tax	355,393	6,479
Group relief	3,975	384,040
Prior year corporation tax	(6,479)	-
Group relief prior year	<u>6,312</u>	<u>-</u>
Total current tax	359,201	390,519
Deferred tax	<u>(5,425)</u>	<u>(2,934)</u>
Tax on profit on ordinary activities	<u><u>353,776</u></u>	<u><u>387,585</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2013**

**5. TAXATION - continued**

The current corporation tax charge differs from the standard UK corporation tax rate applied to the profit for the year. The differences are:

	30.9.13	30.9.12
	£	£
Profit on ordinary activities at the standard rate of 23.5% (2012: 25%)	217,249	233,368
Expenses not deductible for tax purposes	142,953	152,254
Capital allowances in excess of depreciation	(834)	(1,157)
Other timing differences	-	6,054
Prior year tax	<u>(167)</u>	<u>-</u>
	<u>359,201</u>	<u>390,519</u>

The amount of tax on the capital gain which would have become payable in the event of the sale of the investment property for the amount at which it is stated in Note 6 is in the region of £Nil (2012: £467,000).

Legislation reducing the main rate of corporation tax to 23% with effect from 1 April 2013 was substantively enacted on 17 July 2012. Accordingly, the current period tax charge has been provided for at an effective rate of 23.5% for the year ended 30 September 2013.

On 17 July 2013, legislation reducing the main rate of corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015 was enacted and therefore deferred tax assets and liabilities have been provided for at a rate of 20% in these financial statements.

**6. PRIOR YEAR ADJUSTMENT**

An accounting adjustment has been necessary to more accurately reflect a rent incentive offered in a prior year. This results in a £220,924 increase in 2011 profits and a corresponding loss in 2012. There is no effect on cumulative results or cash.

**7. TANGIBLE FIXED ASSETS**

	Freehold investment property £
<b>COST OR VALUATION</b>	
At 1 October 2012	50,770,000
Additions	500
Revaluations	<u>89,500</u>
At 30 September 2013	<u>50,860,000</u>
<b>NET BOOK VALUE</b>	
At 30 September 2013	<u>50,860,000</u>
At 30 September 2012	<u>50,770,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2013**

**7. TANGIBLE FIXED ASSETS - continued**

The carrying value of fixed asset properties was reviewed by the directors in accordance with the group's accounting policy.

The historic cost of tangible fixed assets is £37,446,782 (2012: £37,446,282).

Freehold investment properties are held for letting.

**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.9.13	30.9.12
	£	£
Trade debtors	105,780	699,674
Amounts owed by group undertakings	3,676,168	-
Prepayments and accrued income	<u>1,521,352</u>	<u>2,283,621</u>
	<u>5,303,300</u>	<u>2,983,295</u>

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

	30.9.13	30.9.12
	£	£
Bank loans and overdrafts (see note 11)	524,526	22,653,972
Trade creditors	-	7,076
Amounts owed to group undertakings	18,179,578	22,795,858
Corporation tax	275,393	6,479
Accruals and deferred income	<u>896,251</u>	<u>830,496</u>
	<u>19,875,748</u>	<u>46,293,881</u>

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

	30.9.13	30.9.12
	£	£
Bank loans (see note 11)	<u>28,861,000</u>	<u>-</u>

The bank loan is on normal commercial terms and is secured by a fixed and floating charge over the assets of the company. Associated interest is payable at a fixed rate of 1.31%. The company is a joint borrower and party to a £60 million bank loan facility with Countywide J9 M6 Limited and a cross guarantee with both companies has been put in place. The loan apportioned to the company amounting to £30 million is being amortised by £600,000 per annum and has a loan expiry in November 2017.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2013**

**11. LOANS**

An analysis of the maturity of loans is given below:

	30.9.13 £	30.9.12 £
Amounts falling due within one year or on demand:		
Bank loans	600,000	22,655,000
Deferred issue costs	<u>(75,474)</u>	<u>(1,028)</u>
	<u>524,526</u>	<u>22,653,972</u>
Amounts falling due between one and two years:		
Bank loans	600,000	-
Deferred issue costs	<u>(75,474)</u>	<u>-</u>
	<u>524,526</u>	<u>-</u>
Amounts falling due between two and five years:		
Bank loans	28,500,000	-
Deferred issue costs	<u>(163,526)</u>	<u>-</u>
	<u>28,336,474</u>	<u>-</u>
Totals:		
Bank loans	29,700,000	22,655,000
Deferred issue costs	<u>(314,474)</u>	<u>(1,028)</u>
	<u>29,385,526</u>	<u>22,653,972</u>

**12. PROVISIONS FOR LIABILITIES**

	30.9.13 £	30.9.12 £
Deferred tax	<u>41,613</u>	<u>47,038</u>
		Deferred tax
		£
Balance at 1 October 2012		47,038
Accelerated capital allowances		834
Rate change charge		<u>(6,259)</u>
Balance at 30 September 2013		<u>41,613</u>

**COUNTYWIDE J9 M6 (NO.2) LIMITED (REGISTERED NUMBER: 04604119)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2013**

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	30.9.13	30.9.12
Number:	Class:			
			£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

**14. RESERVES**

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 October 2012	(5,790,719)	13,323,718	7,532,999
Profit for the year	570,743	-	570,743
Revaluation	-	89,500	89,500
At 30 September 2013	<u>(5,219,976)</u>	<u>13,413,218</u>	<u>8,193,242</u>

An accounting adjustment has been necessary to more accurately reflect a rent incentive offered in a prior year. This results in a £220,924 increase in previous year profits, being an increase in turnover of £302,636 and an increase in taxation of £81,712. There is no effect on cumulative results or cash.

**15. RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption in FRS 8 - 'Related party disclosures', not to disclose transactions with other group companies, as it is a wholly owned subsidiary within a consolidated group.

There are no other related party disclosures to be made concerning the year ended 30 September 2013 (2012: None).

**16. POST BALANCE SHEET EVENTS**

In February 2014 the company sold its freehold property investment in line with its carrying value as stated at the year end.

**17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30.9.13	30.9.12
	£	£
Profit for the financial year	570,743	545,888
Other recognised gains and losses relating to the year (net)	<u>89,500</u>	<u>(7,636,183)</u>
<b>Net addition/(reduction) to shareholders' funds</b>	660,243	(7,090,295)
Opening shareholders' funds	<u>7,533,001</u>	<u>14,623,296</u>
<b>Closing shareholders' funds</b>	<u>8,193,244</u>	<u>7,533,001</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 30 September 2013**

**18. CONTROLLING PARTY**

Countywide J9 M6 (No.2) Limited is a wholly owned subsidiary of Countywide Developments Limited (incorporated in England and Wales). The ultimate controlling party of the company is Mr A C Gallagher by virtue of his ownership of the entire share capital of the parent undertaking.