

Clifton Moor Limited

Annual Report and Financial Statements

Year Ended

31 March 2019

Company Number 05268531

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Clifton Moor Limited

Report and financial statements for the year ended 31 March 2019

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Directors

P G Meads
Noe Group (Corporate Services) Limited

Registered office

4th Floor, 30 Market Place, London, England, W1W 8AP

Company number

05268531

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Clifton Moor Limited

Report of the directors for the year ended 31 March 2019

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2019.

Directors

The directors of the company during the year were:

P G Meads
Noe Group (Corporate Services) Limited

Results

The results for the year are set out in the statement of comprehensive income on page 5.

Dividends

The directors do not recommend the payment of a dividend (period ended 31 March 2018 - £Nil).

Principal activity

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

Directors' responsibilities

The directors are responsible for preparing financial statements which 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 and are in accordance with applicable laws. Under that law the directors have elected to prepare the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. In preparing those financial statements the directors are required to:

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

Clifton Moor Limited

Report of the directors for the year ended 31 March 2019 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

Approval

This Directors' Report was approved by order of the Board on

21/08/19



P-G Meads
Director

Clifton Moor Limited

Independent auditor's report to members of Clifton Moor Limited

Opinion

We have audited the financial statements of Clifton Moor Limited ("the Company") for the year ended 31 March 2019, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standards 102 The Financial Reporting Standards applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Clifton Moor Limited

Independent auditor's report to members of Clifton Moor Limited (*continued*)

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:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alexander Tapp (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date **5 SEPTEMBER 2019**

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Clifton Moor Limited

Statement of comprehensive income for the year ended 31 March 2019

	Note	Year ended 31 March 2019 £'000	Period 11 January 2017 to 31 March 2018 £'000
Rental income		5,771	6,717
Other operating revenue		9	-
Property expenses		(358)	(834)
Gross profit		5,422	5,883
Administrative expenses		(25)	(26)
Gain from changes in fair value of investment property		(27)	7,537
Operating profit	3	5,370	13,394
Interest receivable	6	3	1
Profit on ordinary activities before taxation		5,373	13,395
Tax on profit for the year/period	7	41	(585)
Profit ordinary activities after taxation		5,414	12,810

All amounts relate to continuing activities.

There are no other items of recognised gains or losses other than those shown above and there is no other comprehensive income for the year/period.

The notes on pages 8 to 13 form part of these financial statements.

Clifton Moor Limited

Statement of financial position at 31 March 2019

<i>Company number 05268531</i>	<i>Note</i>	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Investment properties	8		95,000		95,000
Current assets					
Debtors	9	262		338	
Cash held by property agents		1,482		2,396	
		<u>1,744</u>		<u>2,734</u>	
Creditors: amounts falling due within one year	10	<u>(73,008)</u>		<u>(79,412)</u>	
Net current liabilities			<u>(71,264)</u>		<u>(76,678)</u>
Total assets less current liabilities			<u>23,736</u>		<u>18,322</u>
Net assets			<u>23,736</u>		<u>18,322</u>
Capital and reserves					
Called up share capital	12		1		1
Profit and loss account			23,735		18,321
Shareholders' funds			<u>23,736</u>		<u>18,322</u>

The financial statements were approved by the Board of Directors and authorised for issue on

21/08/19


P G Meads
Director

The notes on pages 8 to 13 form part of these financial statements.

Clifton Moor Limited

Statement of changes in equity for the year ended 31 March 2019

	Share capital £'000	Profit and loss account £'000	Total £'000
At 11 January 2017	1	5,511	5,512
Profit for the period	-	12,810	12,810
At 31 March 2018	1	18,321	18,322
Profit for the year	-	5,414	5,418
At 31 March 2019	1	23,735	23,740

The notes on pages 8 to 13 form part of these financial statements.

Clifton Moor Limited

Notes forming part of the financial statements for the year ended 31 March 2019

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying accounting policies. There were significant judgements or estimates required for the reporting year and see note 2 for further discussion on this area.

The following principal accounting policies have been applied:

Going concern

The directors have made an assessment of the company's ability to continue as a going concern and are satisfied that the company has the resources to continue in business for the foreseeable future. Furthermore the directors are not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. In addition the company has received an undertaking from its parent entity that no amounts owed by the company will be called for repayment for a period of at least 12 months from the date of approval of these financial statements unless the company is in a position to make payments without adversely affecting its ability to continue to trade and settle any future obligations.

The parent entity also undertakes to continue to provide such financial support as the company requires for its continued operation for a period of not less than 12 months from the approval of the company's financial statements for the year ended 31 March 2019.

Investment properties

Investment properties are carried at fair value based on internal valuation by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

Clifton Moor Limited

Notes forming part of the financial statements for the year ended 31 March 2019 (*continued*)

1 Accounting policies (*continued*)

Current and deferred taxation (continued)

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Leased assets: Lessor

Where assets are leased to a third party give rights approximating to ownership (finance leases), the assets are treated as if they have been sold outright. The amount removed from the fixed assets is the net book value on disposal of the asset. The profit on disposal, being the excess of the present value of the minimum lease payments over net book value is credited to profit or loss.

Lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts owed by the lessee.

Lease incentives

Incentive payments to new tenants to occupy the group's investment properties are treated as a reduction in revenue and initially recorded as prepayments. The payments are charged to profit or loss over the term of the lease. Where such prepayments relate to investment properties, the properties are carried at open market value less the amount of the unamortised incentive.

Rental income

Rental income represents rent receivable from the letting of commercial space in the United Kingdom. Rental income is recognised on an accruals basis.

Cashflow statement

The company has taken the cashflow statement exemption under FRS 102 and consequently has not presented a cashflow statement as the company represents a small company under small companies regime.

Clifton Moor Limited

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty

- *Investment property (see note 8)*

Investment properties are valued annually using a yield methodology. This uses market rental values capitalised at a market capitalisation rate but there is an inevitable degree of judgement involved in that each property is unique and value can only ultimately be reliably tested in the market itself.

3 Operating profit

	Year ended 31 March 2019 £'000	Period 11 January 2017 to 31 March 2018 £'000
This is arrived at after charging:		
Audit fees	10	7

4 Employees

The company had no employees during the year (period ended 31 March 2018 - Nil).

5 Directors' remuneration

No remuneration was paid to directors during the year, in respect of their services in relation to the company (period ended 31 March 2018 - £Nil).

6 Interest receivable

	Year ended 31 March 2019 £'000	Period 11 January 2017 to 31 March 2018 £'000
Interest income	3	1

Clifton Moor Limited

Notes forming part of the financial statements for the year ended 31 March 2019 (*continued*)

7 Taxation on profit on ordinary activities

	Year ended 31 March 2019 £'000	Period 11 January 2017 to 31 March 2018 £'000
Current tax on profit for the year/period	198	585
Adjustment in respect of prior period	(239)	-
	<u>(41)</u>	<u>585</u>

The tax assessed for the year differs from the standard rate of income tax applied to profit before tax. The differences are explained below:

	Year ended 31 March 2019 £'000	Period 11 January 2017 to 31 March 2018 £'000
Profit on ordinary activities before tax	5,373	13,395
Profit on ordinary activities at the standard rate of income tax in the UK of 19% (2018 – 20%)	1,021	2,679
Effects of:		
Capital allowances	(30)	(242)
Revaluation of investment property	5	(1,507)
Tax losses utilised (Income not taxable)/expenses not deductible for tax purposes	(39)	(345)
Group relief received	(759)	-
Adjustment in respect of prior period	(239)	-
Total tax (refund)/charge for year/period	<u>(41)</u>	<u>585</u>

Clifton Moor Limited

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

8 Investment property

	Fair value £'000	Lease incentives £'000	Total £'000
At 1 April 2018	95,237	(237)	95,000
Movement in lease incentives	15	(15)	-
Additions	27	-	27
Revaluation	(27)	-	(27)
At 31 March 2019	95,252	(252)	95,000

The Company's freehold investment property is valued by the directors on 31 March 2019 at their estimate of fair value. Details on the assumptions made and the key sources of estimation uncertainty are given in note 1 and note 2.

The company's property is used as security for a bank loan taken out by the parent entity, CD9 (York Bidco) Limited.

The (loss)/gain on revaluation of investment property arising of £0.03m (period ended 31 March 2018: £7.5m) has been credited to the statement of comprehensive income.

9 Debtors

	2019 £'000	2018 £'000
Trade debtors	10	101
Lease incentive debtor	252	237
	262	338

10 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	208	664
Amounts owed to parent undertakings	70,968	76,726
Deferred income	890	890
VAT payables	257	244
Other creditors	141	303
Tax payable	544	585
	73,008	79,412

Clifton Moor Limited

Notes forming part of the financial statements for the year ended 31 March 2019 (continued)

11 Financial instruments

The company's financial instruments may be analysed as follows:

	2019 £'000	2018 £'000
Financial assets		
Financial assets measured at amortised cost	1,738	2,734
Financial liabilities		
Financial liabilities measured at amortised cost	71,311	77,693

Financial assets measured at amortised cost comprise cash, trade debtors, amounts due from group and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to parent undertakings and accruals.

12 Share capital

	2019 £	2018 £
<i>Allotted, called up and fully paid</i>		
Share capital classified as equity: 1,001 ordinary shares of £1 each	1,001	1,001

13 Leasing agreements

Future total minimum lease receivables under non-cancellable operating leases on the company are as follows:

	2019 £'000	2018 £'000
Less than a year	5,724	5,738
Between one and five years	22,372	22,633
More than five years	36,724	42,188
	64,820	70,559

14 Ultimate controlling party

The immediate parent company is CD9 (York Bidco) Limited, a company registered in England and the ultimate controlling party is Club Deals 9 LP, a partnership registered in Guernsey.