

Registered number: 05303263

REDGLADE ASSOCIATES LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2019



REDGLADE ASSOCIATES LIMITED

COMPANY INFORMATION

Directors	Stephen King Russell Jukes
Registered number	05303263
Registered office	1 Kimpton Road Luton Bedfordshire LU1 3LD
Independent auditor	Grant Thornton UK LLP The Colmore Building 20 Colmore Circus Birmingham B4 6AT
Bankers	National Westminster Bank PLC 1st Floor Silbury House 300 Silbury Boulevard Central Milton Keynes Milton Keynes MK9 2AZ
Solicitors	Shakespeares Martineau LLP No 1 Colmore Square Birmingham B4 6AT

REDGLADE ASSOCIATES LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditor's Report	3 - 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 17

REDGLADE ASSOCIATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2019

The Directors present their report and the financial statements for the year ended 31 May 2019.

Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 judgments 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 to 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.

Principal activity

The principal business activity of the Company is the holding of property for rental income.

Results and dividends

The profit for the year, after taxation, amounted to £93,198 (2018 - £125,145).

The Directors have not recommended a dividend for the year (2018: £nil).

Directors

The Directors who served during the year were:

Stephen King
Russell Jukes

Going concern

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.

REDGLADE ASSOCIATES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2019**

Future developments

The Company intends to continue holding property for rental income.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 16/12/19 and signed on its behalf.



Russell Jukes
Director

REDGLADE ASSOCIATES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REDGLADE ASSOCIATES LIMITED

Opinion

We have audited the financial statements of Redglade Associates Limited (the 'company') for the year ended 31 May 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 Standard 101 'Reduced Disclosure Framework' (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 May 2019 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.

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.

REDGLADE ASSOCIATES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REDGLADE ASSOCIATES LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.
- the directors were entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 1, 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 determine 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.

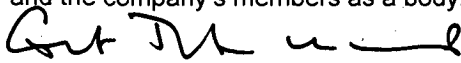
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

REDGLADE ASSOCIATES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF REDGLADE ASSOCIATES LIMITED

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



David White (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

The Colmore Building
20 Colmore Circus
Birmingham
B4 6AT

Date: 16/12/19

REDGLADE ASSOCIATES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2019

	Note	12 months ended 31 May 2019 £	14 months ended 31 May 2018 £
Turnover	4	134,229	150,605
Gross profit		134,229	150,605
Administrative expenses		(7,385)	(8,611)
Operating profit	5	126,844	141,994
Interest payable and expenses	7	(9,896)	(16,849)
Profit before tax		116,948	125,145
Tax on profit	8	(23,750)	-
Profit for the financial year		93,198	125,145

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 9 to 17 form part of these financial statements.

REDGLADE ASSOCIATES LIMITED
REGISTERED NUMBER: 05303263

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	1,033,767	1,041,087
		<u>1,033,767</u>	<u>1,041,087</u>
Current assets			
Cash at bank and in hand	10	185,644	94,356
		<u>185,644</u>	<u>94,356</u>
Creditors: amounts falling due within one year	11	(243,750)	(252,980)
Net current liabilities		<u>(58,106)</u>	<u>(158,624)</u>
Total assets less current liabilities		<u>975,661</u>	<u>882,463</u>
Net assets excluding pension asset		<u>975,661</u>	<u>882,463</u>
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account	15	975,660	882,462
		<u>975,661</u>	<u>882,463</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

16/12/19



Russell Jukes
Director

The notes on pages 9 to 17 form part of these financial statements.

REDGLADE ASSOCIATES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2016	1	757,317	757,318
Profit for the period	-	125,145	125,145
	<hr/>	<hr/>	<hr/>
At 1 June 2018	1	882,462	882,463
Profit for the year	-	93,198	93,198
	<hr/>	<hr/>	<hr/>
At 31 May 2019	1	975,660	975,661

The notes on pages 9 to 17 form part of these financial statements.

REDGLADE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

1. General information

Redglade Associates Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is 1 Kimpton Road, Luton, Bedfordshire, LU1 3LD. The Company's operations and principal activities can be found in the Directors Report on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2.3 Revenue

Revenue represents income recognised on operating lease rentals. Rental income is recognised on a straight line basis over the lease term.

REDGLADE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

2. Accounting policies (continued)

2.4 Investment property

Investment properties under the cost model are stated at historic cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure directly attributable to bringing the asset to the condition necessary for it to be capable of operating in a manner intended by management.

Land is not depreciated. Depreciation on buildings is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis:

Freehold buildings - 4% (over 25 years).

The property is held to earn rental income, so on this basis falls under the scope of IAS40 Investment Property. Previously the asset was held as a tangible fixed asset under the cost model. Cost model treatment for investment property and tangible fixed assets are consistent.

As an investment property, we are initially required to recognise at cost, and subsequently have a choice of treatment using the cost model or fair value model. Management have elected to use the cost model in order to match a portion of the cost of the building with the related revenue.

2.5 Impact of new international reporting standards, amendments and interpretations

IFRS 9

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 9 from 01 June 2018.

IFRS 15

From 01 June 2018, the Company has applied IFRS 15 using the cumulative effect method.

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 15 from 01 June 2018.

2.6 Operating leases: the Company as lessor

Rentals income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

2.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest 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.

REDGLADE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and 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 operates and generates income.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business

REDGLADE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

2. Accounting policies (continued)

2.11 Financial instruments (continued)

combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Impairment and life of investment property

The most significant judgement relates to any impairment and depreciable life of the investment property.

4. Turnover

An analysis of turnover by class of business is as follows:

	12 months ended 31 May 2019 £	14 months ended 31 May 2018 £
Rental income from operating lease	134,229	150,605
	134,229	150,605

All turnover arose within the United Kingdom.

REDGLADE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

5. Operating profit

The operating profit is stated after charging:

	12 months ended 31 May 2019 £	14 months ended 31 May 2018 £
Depreciation of investment property	7,320	8,542
	<u>7,320</u>	<u>8,542</u>

The auditor remuneration has been borne by a fellow group undertaking, but amounted to £750 (2018: £750).

6. Employees

No other employees other than Directors who were not remunerated.

Directors remuneration in the period was £nil (2018: £nil).

7. Interest payable

	12 months ended 31 May 2019 £	14 months ended 31 May 2018 £
Bank interest payable	-	8,812
Loans from group undertakings	9,896	8,037
	<u>9,896</u>	<u>16,849</u>

REDGLADE ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

8. Taxation

	12 months ended 31 May 2019 £	14 months ended 31 May 2018 £
Corporation tax		
Current tax on profits for the year	23,750	-
	23,750	-
Total current tax	23,750	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	23,750	-

Factors affecting tax charge for the year/period

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	12 months ended 31 May 2019 £	14 months ended 31 May 2018 £
Profit on ordinary activities before tax	116,948	125,145
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	22,220	23,778
Effects of:		
Expenses not deductible for tax purposes	1,530	1,622
Group relief	-	(25,400)
Total tax charge for the year/period	23,750	-

REDGLADE ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

9. Investment property

	Freehold property £
Cost	
At 1 June 2018	1,122,000
At 31 May 2019	<u>1,122,000</u>
Depreciation	
At 1 June 2018	80,913
Charge for the year on owned assets	7,320
At 31 May 2019	<u>88,233</u>
Net book value	
At 31 May 2019	<u><u>1,033,767</u></u>
At 31 May 2018	<u><u>1,041,087</u></u>

10. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	185,644	94,356
	<u>185,644</u>	<u>94,356</u>

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	243,750	220,000
Accruals and deferred income	-	32,980
	<u>243,750</u>	<u>252,980</u>

REDGLADE ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019

12. Financial instruments

	2019 £	2018 £
Financial assets		
Cash and cash equivalents	<u>185,644</u>	<u>94,356</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(243,750)</u>	<u>(220,000)</u>

Cash represents amounts held in bank accounts.

Financial liabilities measured at amortised cost comprise of bank loans and loans payable to group undertakings.

13. Operating leases

At the balance sheet date, the Company had contracted with tenants for the following future minimum lease payments:

	2019 £	2018 £
Not later than 1 year	136,537	132,000
Later than 1 year and not later than 5 years	546,149	528,000
Later than 5 years	1,155,890	1,249,000
	<u>1,838,576</u>	<u>1,909,000</u>

Redglade Associates Limited has a single lease which is contracted with another fellow subsidiary within AVG. The lease agreement runs to 13 November 2032 and rent is increased annually at the preceding.

14. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
1 (2018 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

REDGLADE ASSOCIATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

15. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses

16. Controlling party

The Company is a wholly owned subsidiary of Southbank UK Limited for which consolidated accounts are not prepared. The ultimate parent company is Avingtrans plc ("AVG") which is registered in England and Wales. AVG also prepares consolidated financial statements for which the Company is a member. Copies of the consolidated financial statements can be obtained from the AVG website www.avg.plc.uk