

REGISTERED NUMBER: 05411348 (England and Wales)

**Report of the Directors and
Unaudited Financial Statements for the Year Ended 30 November 2019
for
St. Modwen Developments (Weston) Limited**

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St. Modwen Developments (Weston) Limited

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for the Year Ended 30 November 2019**

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St. Modwen Developments (Weston) Limited

**Company Information
for the Year Ended 30 November 2019**

DIRECTORS:

R Joseland
N Williams

REGISTERED OFFICE:

Park Point
17 High Street
Longbridge
Birmingham
B31 2UQ

REGISTERED NUMBER:

05411348 (England and Wales)

St. Modwen Developments (Weston) Limited

**Report of the Directors
for the Year Ended 30 November 2019**

The directors present their report with the financial statements of the company for the year ended 30 November 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property development.

DIVIDENDS

No dividends will be distributed for the year ended 30 November 2019 (2018: £nil).

DIRECTORS

R Joseland has held office during the whole of the period from 1 December 2018 to the date of this report.

Other changes in directors holding office are as follows:

R T Wood - resigned 31 July 2019

N Williams was appointed as a director after 30 November 2019 but prior to the date of this report.

R J Hudson ceased to be a director after 30 November 2019 but prior to the date of this report.

None of the directors had any interest in the shares of the company.

GOING CONCERN

The financial position of the company is set out in the Balance Sheet and the accompanying Notes to the Financial Statements.

The company is reliant on the support of its ultimate parent undertaking, St. Modwen Properties PLC, to be able to meet its liabilities as they fall due. However, the directors consider that the company is an integral part of St. Modwen Properties PLC's structure and strategy and this is evidenced by a letter of support from St. Modwen Properties PLC, which states its intent to provide the necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. In doing so, the directors have considered the latest guidelines from the Financial Reporting Council regarding the preparation of financial statements on a going concern basis.

ON BEHALF OF THE BOARD:



.....
R Joseland - Director

Date: 23rd July 2020

St. Modwen Developments (Weston) Limited

Statement of Comprehensive Income

for the Year Ended 30 November 2019

	Notes	2019 £	2018 £
TURNOVER	3	145,193	147,988
Cost of sales		<u>1,253</u>	<u>80,766</u>
GROSS PROFIT		146,446	228,754
Gain/(loss) on revaluation of investment property		<u>(5,904)</u>	<u>196,030</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	5	140,542	424,784
Tax on profit	6	<u>(31,407)</u>	<u>(88,392)</u>
PROFIT FOR THE FINANCIAL YEAR		109,135	336,392
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>109,135</u>	<u>336,392</u>

The notes form part of these financial statements

St. Modwen Developments (Weston) Limited (Registered number: 05411348)

**Balance Sheet
30 November 2019**

	Notes	2019 £	2018 £
FIXED ASSETS			
Investment property	7	2,010,000	2,010,000
CURRENT ASSETS			
Debtors	8	11,796	68,356
CREDITORS			
Amounts falling due within one year	9	<u>(1,231,340)</u>	<u>(1,397,035)</u>
NET CURRENT LIABILITIES		<u>(1,219,544)</u>	<u>(1,328,679)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>790,456</u>	<u>681,321</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Fair value reserve		(30,417)	(24,019)
Retained earnings		<u>820,872</u>	<u>705,339</u>
SHAREHOLDER FUNDS		<u>790,456</u>	<u>681,321</u>

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 30 November 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 November 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved and authorised for issue by the Board of Directors on 23rd July 2020 and were signed on its behalf by:



.....
R Joseland - Director

The notes form part of these financial statements

St. Modwen Developments (Weston) Limited

**Statement of Changes in Equity
for the Year Ended 30 November 2019**

	Called up share capital £	Retained earnings £	Fair value reserve £	Total equity £
Balance at 1 December 2017	1	520,845	(175,917)	344,929
Changes in equity				
Total comprehensive income	-	336,392	-	336,392
Transfer of net unrealised gains to fair value reserve	<u>-</u>	<u>(151,898)</u>	<u>151,898</u>	<u>-</u>
Balance at 30 November 2018	<u>1</u>	<u>705,339</u>	<u>(24,019)</u>	<u>681,321</u>
Changes in equity				
Total comprehensive income	-	109,135	-	109,135
Transfer of net unrealised losses to fair value reserve	<u>-</u>	<u>6,398</u>	<u>(6,398)</u>	<u>-</u>
Balance at 30 November 2019	<u><u>1</u></u>	<u><u>820,872</u></u>	<u><u>(30,417)</u></u>	<u><u>790,456</u></u>

The notes form part of these financial statements

St. Modwen Developments (Weston) Limited

Notes to the Financial Statements for the Year Ended 30 November 2019

1. STATUTORY INFORMATION

St. Modwen Developments (Weston) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company has taken advantage of the disclosure exemptions included within paragraph 8 of FRS 101. The main impact of these disclosure exemptions is that these financial statements do not include a cash flow statement, financial instruments, fair value and related party disclosures or comparative information in respect of certain assets. Where required, equivalent disclosures are given in the consolidated financial statements of St. Modwen Properties PLC.

Going concern

The company is reliant on the support of its ultimate parent undertaking, St. Modwen Properties PLC, to be able to meet its liabilities as they fall due. However, the directors consider that the company is an integral part of St. Modwen Properties PLC's structure and strategy and this is evidenced by a letter of support from St. Modwen Properties PLC, which states its intent to provide the necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. In doing so, the directors have considered the latest guidelines from the Financial Reporting Council regarding the preparation of financial statements on a going concern basis.

Turnover

Turnover is recognised when performance obligations are satisfied by transferring a promised good or service to a customer. Turnover is measured at the fair value of the consideration received excluding discounts, VAT and other sales taxes or duty.

Rental Income

Rental income arising from investment properties is accounted for on a straight-line basis over the lease term.

St. Modwen Developments (Weston) Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2019**

2. ACCOUNTING POLICIES - continued

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or both. Investment properties are carried at fair value following initial recognition at the present value of the consideration payable. To establish fair value, investment properties are independently valued on the basis of market value. Any unrealised surplus or deficit arising is recognised in the profit and loss account for the year and subsequently transferred to the fair value reserve. Investment properties are not depreciated.

Once classified as an investment property, a property remains in this category until development with a view to sale commences, at which point the asset is transferred to inventories at current valuation.

Where an investment property is being redeveloped for continued use as an investment property, the property remains within investment property and any movement in valuation is recognised in the profit and loss account. Capital expenditure, including capitalised interest on qualifying assets and labour costs where applicable, that is directly attributable to the redevelopment or refurbishment of investment property, up to the point of it being completed for its intended use, is included in the carrying value of the property.

Investment property disposals are recognised on completion. Profits and losses arising are recognised through the profit and loss account and the profit or loss on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and subsequently carried at amortised cost less any allowance for expected credit losses. The expected credit losses on trade and other debtors are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the individual debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Balances are written off when the probability of recovery is assessed as being remote.

Cash and cash equivalents

Cash and cash equivalents comprises cash balances and short-term deposits with banks with initial maturity less than three months.

Trade and other creditors

Trade and other creditors are initially recognised at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method. Where payment is on deferred terms the liability is initially recorded by discounting the nominal amount payable to net present value. The discount to nominal value is amortised over the period of the deferred arrangement and charged to finance costs.

St. Modwen Developments (Weston) Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2019**

2. ACCOUNTING POLICIES - continued

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Full payment is made for transfer pricing adjustments and group relief surrendered between group undertakings.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, using the rates of tax expected to apply based on legislation enacted or substantively enacted at the balance sheet date.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws substantively enacted at the balance sheet date.

Leases

Rental income from leases granted, adjusted for the impact of any cash incentives given to the lessee and to reflect any rent-free incentive periods, is recognised on a straight-line basis over the lease term.

Key sources of estimation uncertainty

In the application of the company's accounting policies outlined above, the directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and so actual results may differ from these estimates. The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of investment property

The company adopts the valuation performed by its independent valuers as the fair value of its investment properties, following review by management. The valuation is performed according to RICS rules, using appropriate levels of professional judgement for the prevailing market conditions. Professional judgement is applied in determining such things as an appropriate yield for a given property, estimated rental values and the appropriateness of remediation expenditure and costs to complete.

St. Modwen Developments (Weston) Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2019**

2. ACCOUNTING POLICIES - continued

New accounting standards

The impacts of adopting IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers and IFRS 16 Leases is set out below, with consequential amendments to the accounting policies made as required. The adoption of the other interpretations and amendments has had no material impact to the financial statements.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments, which is effective for the company's year ending 30 November 2019, concerns the classification, measurement and disclosure of financial instruments. The classification of all financial assets of the company will change from loans and receivables to amortised cost, but this has not had a quantitative impact on the financial statements as loans and receivables have previously, subsequent to initial recognition, measured at amortised cost. The classification of all other financial instruments has remained unchanged.

The introduction of an expected credit loss model requires the company to evaluate its provision against trade and other debtors using a probability-weighted approach of a range of possible outcomes, which differs from the existing approach of providing against estimated irrecoverable trade and other debtors past due. The new standard has not had a material impact on the financial statements of the company as at 30 November 2019.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers, which is effective for the company's year ending 30 November 2019, replaces a number of existing standards and interpretations and introduces a five-step, principles-based, model for the recognition of turnover.

The new standard does not apply to the rental income turnover stream, which is accounted for under IFRS 16.

IFRS 16 Leases

IFRS 16 Leases is not mandatorily effective for the company until the year ending 30 November 2020, but the company has early adopted the standard at the same time as IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers in the year ending 30 November 2019.

The company is not party to any lease contracts where it acts as a lessee and has concluded there is no impact on its lessor accounting.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2019	2018
	£	£
Rental Income	<u>145,193</u>	<u>147,988</u>
	<u>145,193</u>	<u>147,988</u>

An analysis of turnover by geographical market is given below:

	2019	2018
	£	£
United Kingdom	<u>145,193</u>	<u>147,988</u>
	<u>145,193</u>	<u>147,988</u>

4. EMPLOYEES AND DIRECTORS

St. Modwen Developments (Weston) Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2019**

The company had no employees or staff costs for the current financial year or the prior financial year.

None of the directors received any remuneration paid by the company during the current financial year or the prior financial year. The remuneration of the directors is paid by other group undertakings and no part of their remuneration is specifically attributable to their services to this company.

5. PROFIT BEFORE TAXATION

The company has no profits or losses other than those recognised in the Statement of Comprehensive Income for the current or previous year.

6. TAXATION

Analysis of tax expense

	2019	2018
	£	£
Current tax:		
Tax	(14,766)	89,938
Deferred tax	<u>46,173</u>	<u>(1,546)</u>
Total tax expense in statement of comprehensive income	<u>31,407</u>	<u>88,392</u>

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Profit before income tax	<u>140,542</u>	<u>424,784</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	26,703	80,709
Effects of:		
Taxation on investment property	1,617	6,886
Adjustments in respect of prior years	<u>3,087</u>	<u>797</u>
Tax expense	<u>31,407</u>	<u>88,392</u>

Legislation substantively enacted at 30 November 2019 included provisions which reduced the main rate of corporation tax from 19% to 17% with effect from 1 April 2020. Current tax has therefore been provided at 19% and deferred tax at 17%.

St. Modwen Developments (Weston) Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2019**

7. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 December 2018	2,010,000
Additions	(2,911)
Revaluations	(5,904)
Lease incentives	<u>8,815</u>
At 30 November 2019	<u><u>2,010,000</u></u>
NET BOOK VALUE	
At 30 November 2019	<u><u>2,010,000</u></u>
At 30 November 2018	<u><u>2,010,000</u></u>

Freehold investment properties were revalued as at 30 November 2019 and 30 November 2018 by Cushman & Wakefield, Chartered Surveyors in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, on the basis of market value. The independent valuers provide the fair value of the company's properties every 6 months.

The investment property balance includes the impact of cumulative revaluation movements and would have been included on a historical cost basis at £2,048,588 (2018: £2,042,684).

8. DEBTORS

	2019 £	2018 £
Trade debtors	2,938	14,013
Deferred tax asset	8,170	54,343
Prepayments and accrued income	<u>688</u>	<u>-</u>
	<u><u>11,796</u></u>	<u><u>68,356</u></u>

Deferred tax asset

	2019 £	2018 £
Other timing differences	-	45,678
Property revaluations	<u>8,170</u>	<u>8,665</u>
	<u><u>8,170</u></u>	<u><u>54,343</u></u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	-	21,142
Amounts owed to group undertakings	1,190,303	1,319,800
Corporation tax	27,825	43,463
Other tax and social security	1,839	2,336
Other creditors	-	1,253
Accruals and deferred income	<u>11,373</u>	<u>9,041</u>
	<u><u>1,231,340</u></u>	<u><u>1,397,035</u></u>

All amounts owed to group undertakings are interest free and repayable on demand.

St. Modwen Developments (Weston) Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2019**

10. DEFERRED TAX

	£
Balance at 1 December 2018	(54,343)
Provided during year	<u>46,173</u>
Balance at 30 November 2019	<u>(8,170)</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
1	Ordinary	£1	<u>1</u>	<u>1</u>

12. ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent company is St. Modwen Properties PLC, a company registered in England and Wales. Copies of the group annual report and financial statements of St. Modwen Properties PLC are available from the registered office of Park Point, 17 High Street, Longbridge, B31 2UQ. This is the smallest and largest group into which this company is consolidated.

13. RELATED PARTY DISCLOSURES

As the company is wholly owned by the group, it has taken advantage of the exemption under FRS 8 "Related Party Disclosures" not to disclose transactions with other companies in the group.