

**CALTHORPE EDGBASTON MILL LIMITED
Annual Report and Financial Statements
For the financial year ended 05 April 2022**

CALTHORPE EDGBASTON MILL LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the financial year ended 05 April 2022

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CALTHORPE EDGBASTON MILL LIMITED
COMPANY INFORMATION
For the financial year ended 05 April 2022

DIRECTORS

G A Allison
H J Cooper
P M Hay-Plumb
A J Parker
D I Wooldridge

SECRETARY

D I Wooldridge

REGISTERED OFFICE

76 Hagley Road
Birmingham
B16 8LU
United Kingdom

COMPANY NUMBER

05648676 (England and Wales)

AUDITOR

Dixon Wilson Audit Services LLP
22 Chancery Lane
London
WC2A 1LS

BANKERS

Lloyds Bank Plc
3rd Floor
125 Colmore Row
Birmingham
B3 2DS

CALTHORPE EDGBASTON MILL LIMITED
DIRECTORS' REPORT
For the financial year ended 05 April 2022

The directors present their annual report and the audited financial statements of the Company for the financial year ended 05 April 2022.

GOING CONCERN

The directors have prepared the financial statements on the going concern basis. Further details are provided in the notes to the financial statements.

DIRECTORS

The directors, who served during the financial year and to the date of this report except as noted, were as follows:

G A Allison
H J Cooper
P M Hay-Plumb
A J Parker
D I Wooldridge

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption provided by section 415A of the Companies Act 2006.

Approved by the Board of Directors and signed on its behalf by:

D I Wooldridge
Director

76 Hagley Road
Birmingham
B16 8LU
United Kingdom

14 July 2022

CALTHORPE EDGBASTON MILL LIMITED
DIRECTORS' RESPONSIBILITIES STATEMENT
For the financial year ended 05 April 2022

The directors acknowledge their responsibilities for preparing the Annual 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 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;
- * state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALTHORPE EDGBASTON MILL LIMITED
For the financial year ended 05 April 2022

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Calthorpe Edgbaston Mill (the 'company') for the year ended 5 April 2022, which comprise the Profit and Loss Account, Balance Sheet, 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 102 'The Financial Reporting Standard 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 5 April 2022 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

Responsibilities of directors

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALTHORPE EDGBASTON MILL LIMITED
(CONTINUED)**

For the financial year ended 05 April 2022

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company by considering, amongst other things, the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the assessed level of risk, but recognised that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, UK Company Law, UK tax legislation and property related laws.

Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management, reviewing minutes of meetings of those charged with governance and assessment of service organisation controls.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALTHORPE EDGBASTON MILL LIMITED
(CONTINUED)**

For the financial year ended 05 April 2022

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

- * The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- * The Directors' Report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 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.

We have nothing to report in respect of these matters.

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 Mellor(Senior Statutory Auditor)
For and on behalf of Dixon Wilson Audit Services LLP
Statutory Auditor

22 Chancery Lane
London
WC2A 1LS

14 July 2022

CALTHORPE EDGBASTON MILL LIMITED
PROFIT AND LOSS ACCOUNT
For the financial year ended 05 April 2022

	2022	2021
	£	£
Turnover	586,566	444,459
Administrative expenses	(185,468)	(252,320)
Gain/(loss) on fair value movement of investment property	330,704	(496,361)
Other operating income	32,801	29,703
	<hr/>	<hr/>
Operating profit/(loss)	764,603	(274,519)
Interest receivable and similar income	0	11
Interest payable and similar expenses	(175,270)	(237,078)
	<hr/>	<hr/>
Profit/(loss) before taxation	589,333	(511,586)
Tax on profit/(loss)	6,301	12,756
	<hr/>	<hr/>
Profit/(loss) for the financial year	595,634	(498,830)

CALTHORPE EDGBASTON MILL LIMITED
STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 05 April 2022

	2022	2021
	£	£
Profit/(loss) for the financial year	595,634	(498,830)
Gain on hedging	294,316	80,672
Other comprehensive income	294,316	80,672
Total comprehensive income/(loss) for the financial year	889,950	(418,158)

CALTHORPE EDGBASTON MILL LIMITED
BALANCE SHEET
As at 05 April 2022

	Note	2022	2021
		£	£
Fixed assets			
Tangible assets	3	8,092,000	7,682,000
		8,092,000	7,682,000
Current assets			
Debtors			
- due within one year	4	50,768	120,848
- due after more than one year	4	123,800	0
Cash at bank and in hand		406,534	148,137
		581,102	268,985
Creditors			
Amounts falling due within one year	5	(270,459)	(189,570)
Net current assets		310,643	79,415
Total assets less current liabilities		8,402,643	7,761,415
Creditors			
Amounts falling due after more than one year	6	(6,192,140)	(6,440,862)
Net assets		2,210,503	1,320,553
Capital and reserves			
Called-up share capital		2,500,001	2,500,001
Equity reserve		225,394	225,394
Other reserves		92,851	(201,465)
Profit and loss account		(607,743)	(1,203,377)
Total shareholders' funds		2,210,503	1,320,553

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

The financial statements of Calthorpe Edgbaston Mill Limited (registered number: 05648676) were approved and authorised for issue by the Board of Directors on 14 July 2022. They were signed on its behalf by:

D I Wooldridge
Director

H J Cooper
Director

CALTHORPE EDGBASTON MILL LIMITED
STATEMENT OF CHANGES IN EQUITY
For the financial year ended 05 April 2022

	Called-up share capital	Equity reserve	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 06 April 2020	1	219,685	(282,137)	(704,547)	(766,998)
Loss for the financial year	0	0	0	(498,830)	(498,830)
Gain on hedging	0	0	80,672	0	80,672
Total comprehensive loss	0	0	80,672	(498,830)	(418,158)
Issue of share capital	2,500,000	0	0	0	2,500,000
Capital contribution	0	5,709	0	0	5,709
At 05 April 2021	2,500,001	225,394	(201,465)	(1,203,377)	1,320,553
At 06 April 2021	2,500,001	225,394	(201,465)	(1,203,377)	1,320,553
Profit for the financial year	0	0	0	595,634	595,634
Gain on hedging	0	0	294,316	0	294,316
Total comprehensive income	0	0	294,316	595,634	889,950
At 05 April 2022	2,500,001	225,394	92,851	(607,743)	2,210,503

CALTHORPE EDGBASTON MILL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 05 April 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Calthorpe Edgbaston Mill Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 76 Hagley Road, Birmingham, B16 8LU, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

The financial statements have been prepared on a going concern basis which is dependent upon the continued support of the company's controlling party. The controlling party has committed to continue to provide this support for at least a period of twelve months from the date of approval of these financial statements. The impact of the COVID-19 pandemic (coronavirus) and uncertain economic outlook on the ability of the company to continue as a going concern has been assessed by the directors, and they have undertaken stress testing of the company's cash flows and covenant compliance taking account of reduced and deferred rental collections through to March 2024. Accordingly, the directors are satisfied the company can continue to operate for at least twelve months from the date of approval of these financial statements.

Turnover

Rents are brought into account on an accruals basis. The rental income is matched to the days of the period. Rent free periods and rent incentives are spread over the term of the lease.

Taxation

Current tax

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

The current 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 taxable income.

Deferred tax

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

CALTHORPE EDGBASTON MILL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 05 April 2022

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Investment property

Investment properties are carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Disposals of investment properties are recognised on the exchange of unconditional contracts or on the satisfaction of the relevant conditions when conditional contracts have been exchanged.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual agreement, as financial assets, financial liabilities or equity instruments.

Derivative financial instruments

The company uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. The interest rate swap is an effective hedge and the company has chosen to adopt hedge accounting. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value through other comprehensive income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of interest rate swap contracts is determined by calculating the present value of the estimated future cash flows based on observable yield curves.

2. Employees

	2022	2021
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	18	18

CALTHORPE EDGBASTON MILL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 05 April 2022

3. Tangible assets

	Land and buildings	Total
	£	£
Cost		
At 06 April 2021	7,682,000	7,682,000
Additions	9,009	9,009
Revaluations	330,704	330,704
Movement on tenant lease incentives	70,287	70,287
At 05 April 2022	8,092,000	8,092,000
Accumulated depreciation		
At 06 April 2021	0	0
At 05 April 2022	0	0
Net book value		
At 05 April 2022	8,092,000	8,092,000
At 05 April 2021	7,682,000	7,682,000

Revaluation of tangible assets

The investment properties class of fixed assets was revalued as at 5 April 2022 by Cushman & Wakefield Debenham Tie Leung Limited, professionally qualified external valuers, in accordance with the RICS Valuation Professional Standards published by the Royal Institution of Chartered Surveyors. The basis of this valuation was open market value. This class of assets has a current value of £8,092,000 (2021 - £7,682,000) and a carrying amount at historical cost of £10,978,392 (2021 - £10,969,923).

4. Debtors

	2022	2021
	£	£
Debtors: amounts falling due within one year		
Trade debtors	48,919	60,613
Prepayments and accrued income	163	247
Deferred tax asset	0	26,864
Other debtors	1,686	33,124
	50,768	120,848
Debtors: amounts falling due after more than one year		
Derivative financial instruments	123,800	0

CALTHORPE EDGBASTON MILL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 05 April 2022

5. Creditors: amounts falling due within one year

	2022	2021
	£	£
Other creditors	29,783	0
Accruals and deferred income	167,243	151,561
Corporation tax	45,865	7,172
Other taxation and social security	27,568	30,837
	270,459	189,570

6. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	5,000,000	5,000,000
Amounts owed to related parties	1,192,140	1,192,140
Derivative financial instruments	0	248,722
	6,192,140	6,440,862

The company has an interest rate swap in place with Handelsbanken plc secured on properties held by the company at a value of £7.95m (2021 - £7.54m). The interest rate swap is for a nominal value of £5m with a maturity date of 29 November 2026. The company pays interest at 1.47% and Handelsbanken plc pays interest at the 3 month LIBOR.

Loans totalling £4.05m were made available by the shareholder. At 5 April 2022, £1,220,000 (2021 - £1,220,000) had been drawn down. The loans are interest free, and are repayable in full upon twelve calendar months prior notice in writing.

As the shareholder loans are at a rate of interest below the market rate, they constitute a financing transaction under FRS102. The loans have been measured at the present value of future payments discounted at 2% + LIBOR being the market rate of interest available to the group on other commercial loans and borrowings. The difference between the cash value of the loans and the present value has been recognised as a capital contribution by the shareholders in other reserves. To the extent to which the loans were repaid during the year, the discount on the balance repaid has been unwound and recognised as an interest expense.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.