

Company Registration No. 05772424 (England and Wales)

STORE FIRST MIDLANDS LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2017
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STORE FIRST MIDLANDS LIMITED

COMPANY INFORMATION

Directors	Mr T S Whittaker Ms R Almond Mrs L Gregson Mr J Slater	(Appointed 31 March 2016)
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Company number	05772424
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Registered office	Group First House 12a Mead Way Burnley BB12 7NG
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Accountants	Lopian Gross Barnett & Co 6th Floor Cardinal House St Mary's Parsonage Manchester M3 2LG
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STORE FIRST MIDLANDS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 2017

The directors present their annual report and financial statements for the period ended 30 June 2017.

Principal activities

The principal activity of the company continued to be that of the development and sale of commercial property together with commercial property investment and management.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Mr T S Whittaker

Ms R Almond

Mrs L Gregson

Mr J Slater

(Appointed 31 March 2016)

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

On behalf of the board


.....
Mr T S Whittaker

Director

Date:

29 mar 18

STORE FIRST MIDLANDS LIMITED

BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 £	£	2015 £	£
Fixed assets					
Tangible assets	3	-		3,669	
Investment properties	4	6,150,000		1,225,000	
		<u>6,150,000</u>		<u>1,228,669</u>	
Current assets					
Stocks		-	8,289,968		
Debtors	5	1,216,670	5,441,043		
Cash at bank and in hand		-	7,276		
		<u>1,216,670</u>	<u>13,738,287</u>		
Creditors: amounts falling due within one year	6	(15,283,539)	(18,096,650)		
Net current liabilities		<u>(14,066,869)</u>		<u>(4,358,363)</u>	
Total assets less current liabilities		<u>(7,916,869)</u>		<u>(3,129,694)</u>	
Capital and reserves					
Called up share capital	7	100		100	
Profit and loss reserves		(7,916,969)		(3,129,794)	
Total equity		<u>(7,916,869)</u>		<u>(3,129,694)</u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

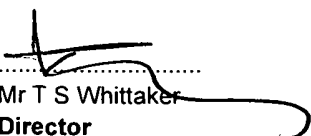
For the financial period ended 30 June 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 29 May 18 and are signed on its behalf by:


Mr T S Whittaker
Director

Company Registration No. 05772424

STORE FIRST MIDLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

1 Accounting policies

Company information

Store First Midlands Limited is a private company limited by shares incorporated in England and Wales. The registered office is Group First House, 12a Mead Way, Burnley, BB12 7NG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the period ended 30 June 2017 are the first financial statements of Store First Midlands Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 31 December 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The group of which Store First Midlands Limited is a subsidiary has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that group qualifies as a small group.

Store First Midlands Limited is a wholly owned subsidiary of Harley Scott Holdings Limited.

1.2 Change in accounting estimate

Due to newly available information the entity has lowered its deferred income estimate. The impact of this was £9,309,882.

1.3 Going concern

The directors are not aware of any material uncertainties affecting the company and consider that the company will have sufficient resources to continue trading for the foreseeable future. As a result the directors have continued to adopt the going concern basis in preparing the financial statement.

Further information relating to going concern status of Store First Midlands Limited can be found in note 1.12 relating to winding up petition.

1.4 Reporting period

The directors of Store First Midlands Limited present their complete set of financial statements including comparative information as set out in paragraph 3.14 of FRS 102 for the period ended 30 June 2017. This represents a period longer than one year, being 18 months which commenced on 31 December 2015. The reason the period extension occurred was to bring all group companies aligned to each other.

1.5 Turnover

Turnover represents amounts receivable for commercial property sales and related services net of VAT and trade discounts.

STORE FIRST MIDLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Revenue Recognition

Sale of storage units is recognised upon receipt of the 100% customer deposit when significant risks and rewards have been transferred to the customer.

Property revenue consists of gross rental income on an accrual basis. Rental income receivable in the period from lease commencement to the earlier of lease expiry and any tenant option to break is spread evenly over that period. Any incentive for lessees to enter in to lease agreement and any costs associated with entering in to the lease are spread over the same period.

A property is regarded as sold when the significant risks and returns have been transferred to the buyer. For conditional exchanges, sales are recognised as the conditions are satisfied.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Motor vehicles	25% reducing balance
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1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

STORE FIRST MIDLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

STORE FIRST MIDLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

1 Accounting policies (Continued)

1.11 Winding up petition

On 1 August 2017 a hearing was scheduled in High Court by the Insolvency Service calling for a petition to wind up Store First Midlands Limited. The result of this hearing led to an adjournment. Subsequently it remains uncertain whether Store First Midlands Limited will remain trading or enter into insolvency.

The outcome of this is likely to be reached after a period of 12 months and while this casts significant doubt on the entity's ability to continue as a going concern in the long term future, it does not cast significant doubt on the entity's ability to continue trading for the foreseeable future.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 4 (2015 - 3).

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 31 December 2015	15,460
Disposals	(15,460)
At 30 June 2017	-
Depreciation and impairment	
At 31 December 2015	11,791
Depreciation charged in the period	917
Eliminated in respect of disposals	(12,708)
At 30 June 2017	-
Carrying amount	
At 30 June 2017	-
At 30 December 2015	3,669

4 Investment property

	2017 £
Fair value	
At 31 December 2015	1,225,000
Transfers	5,000,000
Revaluations	(75,000)
At 30 June 2017	6,150,000

STORE FIRST MIDLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

4 Investment property

(Continued)

Investment property comprises of Units 1 to 5, Centurion Business Park Davyfield Road Blackburn BB1 2QY, Business First Davyfield Road Blackburn BB1 2QY, Business First Empire Business Park off Liverpool Road Burnley BB12 6HH and Business First Liverpool A & B 23-25 Goodlass Road Liverpool L25 8HJ. They were valued by the directors, based on professional advice, at £6,150,000. The fair value of the investment property has been arrived at on the basis of a valuation carried out by Lambert Smith Hampton, Commercial property consultants, who are not connected with the company. The valuation was made on an open market value.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2017 £	2015 £
Cost	7,752,843	2,752,843
Accumulated depreciation	-	-
Carrying amount	<u>7,752,843</u>	<u>2,752,843</u>

5 Debtors

	2017 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,124,684	134,239
Amounts owed by group undertakings	-	4,250,000
Other debtors	91,986	1,056,804
	<u>1,216,670</u>	<u>5,441,043</u>

6 Creditors: amounts falling due within one year

	2017 £	2015 £
Bank loans and overdrafts	2,400	-
Trade creditors	601,938	369,110
Amounts due to group undertakings	7,357,192	8,116,292
Other taxation and social security	31,661	228,884
Other creditors	7,290,348	9,382,364
	<u>15,283,539</u>	<u>18,096,650</u>

STORE FIRST MIDLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2017

7 Called up share capital

	2017 £	2015 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

8 Related party transactions

There were no related party transactions outside the normal course of business.