

**Report of the Directors and  
Unaudited Financial Statements for the Year Ended 30 November 2016  
for  
St. Modwen Developments (Eccles) Limited**

WEDNESDAY



\*A6AIVK10\*

A07

12/07/2017

#34

COMPANIES HOUSE

**Contents of the Financial Statements  
for the Year Ended 30 November 2016**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Statement of Comprehensive Income</b>	<b>3</b>
<b>Balance Sheet</b>	<b>4</b>
<b>Statement of Changes in Equity</b>	<b>5</b>
<b>Notes to the Financial Statements</b>	<b>6</b>
<b>Reconciliation of Equity</b>	<b>11</b>
<b>Reconciliation of Profit</b>	<b>13</b>

**St. Modwen Developments (Eccles) Limited**

**Company Information  
for the Year Ended 30 November 2016**

**DIRECTORS:**

R J Hudson  
S P Knowles

**REGISTERED OFFICE:**

Park Point  
17 High Street  
Longbridge  
Birmingham  
B31 2UQ

**REGISTERED NUMBER:**

05867740 (England and Wales)

**Report of the Directors  
for the Year Ended 30 November 2016**

The directors present their report with the financial statements of the company for the year ended 30 November 2016.

**PRINCIPAL ACTIVITY**

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

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 December 2015 to the date of this report.

R J Hudson  
S P Knowles

Other changes in directors holding office are as follows:

W A Oliver - resigned 30 November 2016  
S F Prosser - resigned 30 November 2016

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

**GOING CONCERN**

The company is reliant on the support of its parent company, 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.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**



.....  
R J Hudson - Director

Date: 25 May 2017

Statement of Comprehensive Income  
for the Year Ended 30 November 2016

	Notes	2016 £	2015 £
<b>TURNOVER</b>	2	249,000	642,226
Cost of sales		(10,914)	13,416
<b>GROSS PROFIT</b>		238,086	655,642
Gain on revaluation of investment property		498,148	1,702,471
<b>OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	736,234	2,358,113
Tax on profit on ordinary activities	5	(45,150)	(467,344)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		691,084	1,890,769
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		691,084	1,890,769

The notes form part of these financial statements

**Balance Sheet**  
**30 November 2016**

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Investment property	6	4,086,579	3,550,000
<b>CURRENT ASSETS</b>			
Debtors	7	2,619,001	2,404,808
<b>CREDITORS</b>			
Amounts falling due within one year	8	(225,441)	(165,753)
<b>NET CURRENT ASSETS</b>		<u>2,393,560</u>	<u>2,239,055</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,480,139</u>	<u>5,789,055</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1	1
Fair value reserve	10	660,754	158,975
Retained earnings	10	5,819,384	5,630,079
		<u>6,480,139</u>	<u>5,789,055</u>

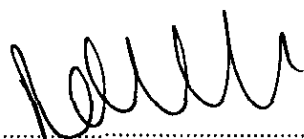
The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 30 November 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 November 2016 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 25 May 2017 and were signed on its behalf by:



R J Hudson - Director

Statement of Changes in Equity  
for the Year Ended 30 November 2016

	Called up share capital £	Retained earnings £	Fair value reserve £	Total equity £
<b>Balance at 1 December 2014</b>	1	4,433,065	(534,780)	3,898,286
<b>Changes in equity</b>				
Total comprehensive income	-	1,197,014	693,755	1,890,769
<b>Balance at 30 November 2015</b>	1	5,630,079	158,975	5,789,055
<b>Changes in equity</b>				
Total comprehensive income	-	189,305	501,779	691,084
<b>Balance at 30 November 2016</b>	1	5,819,384	660,754	6,480,139

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 30 November 2016**

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The company is incorporated in the United Kingdom under the Companies Act 2006. The company's financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council incorporating the Amendments to FRS 101 issued in July 2015 other than those relating to legal changes.

The financial statements have been prepared on the historical cost basis except for the revaluation of investment properties.

The company meets the definition of qualifying entity under FRS 100 'Application of Financial Reporting Requirements' as issued by the Financial Reporting Council. Accordingly, in the year ended 30 November 2016, the company has undergone a transition from reporting under old UK GAAP to FRS 101.

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 and financial instruments and related party disclosures. Where required, equivalent disclosures are given in the consolidated financial statements of St. Modwen Properties PLC.

**Turnover**

Turnover represents sales from rental income receivable on a straight-line basis over the lease term.

**Investment property**

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 surplus or deficit arising is recognised in the profit and loss account for the year. Investment properties are not depreciated.

**Financial instruments**

**Trade and other debtors**

Trade and other debtors are recognised and carried at the lower of their original invoiced value or recoverable amount. Provision is made when there is evidence that the company will not be able to recover balances in full. 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 recorded at amortised cost. 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.



Notes to the Financial Statements - continued  
for the Year Ended 30 November 2016

1. **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.

2. **TURNOVER**

The total turnover of the company for the year has been derived wholly in the UK. The turnover is derived from the principal activity of the company.

3. **EMPLOYEES AND DIRECTORS**

The company had no employees (2015: nil) and is managed by its ultimate parent company, St. Modwen Properties PLC.

	2016	2015
	£	£
Directors' remuneration	-	-

4. **PROFIT BEFORE TAXATION**

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

5. **TAXATION**

**Analysis of tax expense**

	2016	2015
	£	£
Current tax:		
Tax	48,781	133,220
Deferred tax	(3,631)	334,124
Total tax expense in statement of comprehensive income	45,150	467,344

Notes to the Financial Statements - continued  
for the Year Ended 30 November 2016

5. **TAXATION - continued**

**Factors affecting the tax expense**

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

	2016 £	2015 £
Profit on ordinary activities before income tax	<u>736,234</u>	<u>2,358,113</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.330%)	147,247	479,404
Effects of:		
Impact of current year revaluations and indexation	(103,261)	(11,968)
Adjustments in respect of prior years	<u>1,164</u>	<u>(92)</u>
Tax expense	<u>45,150</u>	<u>467,344</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

Legislation substantively enacted at 30 November 2016 included provisions which reduced the main rate of corporation tax from 20% to 19% from 1 April 2017 and 17% from 1 April 2020. Current tax has therefore been provided at 20% and deferred tax at rates from 17% to 20%.

6. **INVESTMENT PROPERTY**

	Total £
<b>FAIR VALUE</b>	
At 1 December 2015	3,550,000
Additions	38,431
Revaluations	<u>498,148</u>
At 30 November 2016	<u>4,086,579</u>
<b>NET BOOK VALUE</b>	
At 30 November 2016	<u>4,086,579</u>
At 30 November 2015	<u>3,550,000</u>

7. **DEBTORS**

	2016 £	2015 £
Amounts owed by group undertakings	2,615,369	2,404,808
Deferred tax asset - Property revaluations	3,631	-
Other debtors	<u>1</u>	<u>-</u>
	<u>2,619,001</u>	<u>2,404,808</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 November 2016

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	2,379	2,262
Amounts owed to parent undertaking	134,316	-
Corporation tax	47,617	133,312
Other tax and social security	13,157	13,008
Accruals and deferred income	27,972	17,171
	<u>225,441</u>	<u>165,753</u>

9. CALLED UP SHARE CAPITAL

	2016	2015
	£	£
Allotted, called up and nil paid equity		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

10. RESERVES

	Retained earnings	Fair value reserve	Totals
	£	£	£
At 1 December 2015	5,630,079	158,975	5,789,054
Profit for the year	691,084	-	691,084
Tax on realised revaluation	(3,631)	3,631	-
Revaluation of property	(498,148)	498,148	-
	<u>5,819,384</u>	<u>660,754</u>	<u>6,480,138</u>
At 30 November 2016			

11. ULTIMATE PARENT COMPANY

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

12. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose related party transactions with wholly owned subsidiaries within the group.

**Notes to the Financial Statements - continued  
for the Year Ended 30 November 2016**

**13. CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES**

In the application of the company's accounting policies outlined above, the directors are required to make judgements relating to the carrying amounts of assets and liabilities that are not readily apparent from other sources.

**Going concern**

The directors have prepared the financial statements on a going concern basis for the reasons set out in the paragraph headed "Going concern" in the report of the directors.

**Valuation of investment properties**

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.

**14. 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.

**Taxation**

As a property company, tax and its treatment is often an integral part of transactions. The outcome of tax treatments are recognised by the company to the extent the outcome is reasonably certain. The tax currently payable is based on the taxable result for the year. The taxable result may differ from the result 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 will not be taxable or deductible. In particular, as a property company, the effective tax rate for the year may reflect the benefit of certain investment gains not being taxable because of indexation, capital allowances, land remediation and other reliefs on certain property expenditure or the utilisation of capital tax losses brought forward.

**15. TRANSITION TO FRS 101 NOTE**

Under UK GAAP, the revaluation of investment properties was taken to the revaluation reserve and deferred tax on property revaluations was not recognised. Under FRS 101, such revaluations are debited or credited to the profit and loss account and included within retained earnings together with their associated deferred tax, therefore the impact of these current year and cumulative revaluations is transferred from the revaluation reserve to the profit and loss account and retained earnings respectively.

Under FRS 101, any cumulative retained earnings that have been derived from revaluations of investment properties (including associated deferred tax) are considered to represent unrealised reserves. As a result, these have been transferred from retained earnings to a separate fair value reserve to better distinguish those retained earnings that are realised.

**Reconciliation of Equity**  
**1 December 2014**  
**(Date of Transition to FRS 101)**

	Notes	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
<b>FIXED ASSETS</b>				
Tangible assets		9,860,000	(9,860,000)	-
Investment property		-	9,860,000	9,860,000
		<u>9,860,000</u>	<u>-</u>	<u>9,860,000</u>
<b>CURRENT ASSETS</b>				
Debtors		-	334,125	334,125
Cash in hand		160	-	160
		<u>160</u>	<u>334,125</u>	<u>334,285</u>
<b>CREDITORS</b>				
Amounts falling due within one year		(6,060,220)	-	(6,060,220)
<b>NET CURRENT LIABILITIES</b>		<u>(6,060,060)</u>	<u>334,125</u>	<u>(5,725,935)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,799,940	334,125	4,134,065
<b>CREDITORS</b>				
Amounts falling due after more than one year		(218,608)	-	(218,608)
<b>ACCRUALS AND DEFERRED INCOME</b>		<u>(17,172)</u>	<u>-</u>	<u>(17,172)</u>
<b>NET ASSETS</b>		<u>3,564,160</u>	<u>334,125</u>	<u>3,898,285</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		1	-	1
Fair value reserve		(868,905)	334,125	(534,780)
Retained earnings		4,433,064	-	4,433,064
		<u>3,564,160</u>	<u>334,125</u>	<u>3,898,285</u>

The notes form part of these financial statements

Reconciliation of Equity - continued  
30 November 2015

	Notes	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
<b>FIXED ASSETS</b>				
Tangible assets		3,550,000	(3,550,000)	-
Investment property		-	3,550,000	3,550,000
		<u>3,550,000</u>	<u>-</u>	<u>3,550,000</u>
<b>CURRENT ASSETS</b>				
Debtors		2,404,808	-	2,404,808
		<u>2,404,808</u>	<u>-</u>	<u>2,404,808</u>
<b>CREDITORS</b>				
Amounts falling due within one year		(165,753)	-	(165,753)
		<u>(165,753)</u>	<u>-</u>	<u>(165,753)</u>
<b>NET CURRENT ASSETS</b>		<u>2,239,055</u>	<u>-</u>	<u>2,239,055</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,789,055</u>	<u>-</u>	<u>5,789,055</u>
<b>NET ASSETS</b>		<u>5,789,055</u>	<u>-</u>	<u>5,789,055</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		1	-	1
Fair value reserve		833,567	(674,592)	158,975
Retained earnings		4,955,487	674,592	5,630,079
		<u>5,789,055</u>	<u>-</u>	<u>5,789,055</u>

The notes form part of these financial statements

**Reconciliation of Profit  
for the Year Ended 30 November 2015**

	UK GAAP £	Effect of transition to FRS 101 £	FRS 101 £
<b>TURNOVER</b>	642,226	-	642,226
Cost of sales	13,416	-	13,416
<b>GROSS PROFIT</b>	655,642	-	655,642
Gain on revaluation of investment property	-	1,702,471	1,702,471
<b>OPERATING PROFIT</b>	655,642	1,702,471	2,358,113
and			
<b>PROFIT ON ORDINARY ACTIVITIES</b>			
<b>BEFORE TAXATION</b>	655,642	1,702,471	2,358,113
Tax on profit on ordinary activities	(133,221)	(334,123)	(467,344)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	522,421	1,368,348	1,890,769

The notes form part of these financial statements