

REGISTERED NUMBER: 06163437 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 30 November 2017
for
St. Modwen Corporate Services Limited**



St. Modwen Corporate Services Limited

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for the Year Ended 30 November 2017**

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St. Modwen Corporate Services Limited

**Company Information
for the Year Ended 30 November 2017**

DIRECTORS:

R J Bannister
G C Gusterson
M W Herbert
R J Hudson
R Joseland
R S Powell
T A Seddon
D Smith
R T Wood
M C Allan
A D Eames

REGISTERED OFFICE:

Park Point
17 High Street
Longbridge
Birmingham
B31 2UQ

REGISTERED NUMBER:

06163437 (England and Wales)

AUDITOR:

KPMG LLP
Statutory Auditor
One Snowhill
Snow Hill Queensway
Birmingham
West Midlands
B4 6GH

St. Modwen Corporate Services Limited

Report of the Directors for the Year Ended 30 November 2017

The directors present their report with the financial statements of the company for the year ended 30 November 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review were that of property management.

DIVIDENDS

No dividends will be distributed for the year ended 30 November 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2016 to the date of this report.

R J Bannister
G C Gusterson
M W Herbert
R J Hudson
R Joseland
R S Powell
T A Seddon
D Smith
R T Wood

Other changes in directors holding office are as follows:

S J Burke - deceased 13 March 2017
S P Knowles - resigned 30 June 2017
S F Prosser - resigned 30 June 2017
T Stote - resigned 1 November 2017

M C Allan and A D Eames were appointed as directors after 30 November 2017 but prior to the date of this report.

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 made a loss in the year, however its cash funding is provided by its ultimate parent company.

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.

DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

St. Modwen Corporate Services Limited

**Report of the Directors
for the Year Ended 30 November 2017**

AUDITOR

KPMG LLP, our appointed auditor, who was appointed during the year have conducted the audit for the year ended 30 November 2017 and have expressed a willingness to remain in office. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed reappointed as auditor in the absence of an Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
R J Hudson - Director

Date: 30/05/2018

St. Modwen Corporate Services Limited

Statement of Directors' Responsibilities for the Year Ended 30 November 2017

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of
St. Modwen Corporate Services Limited

Opinion

We have audited the financial statements of St. Modwen Corporate Services Limited ("the company") for the year ended 30 November 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Opinion on other matters prescribed by the Companies Act 2006

Based solely on that work set out above:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which I am required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Responsibilities of directors

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of
St. Modwen Corporate Services Limited

My 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A further description of my 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 my Auditor's Report.

The purpose of our audit work and to whom we owe our responsibilities

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.



Gordon Docherty (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Statutory Auditor
One Snowhill
Snow Hill Queensway
Birmingham
West Midlands
B4 6GH

Date: 30 May 2018

St. Modwen Corporate Services Limited

**Statement of Comprehensive Income
for the Year Ended 30 November 2017**

	Notes	2017 £	2016 £
TURNOVER	3	4,053,207	45,987,624
Cost of sales		<u>(3,748,340)</u>	<u>(44,076,166)</u>
GROSS PROFIT		304,867	1,911,458
Administrative expenses		<u>(812,685)</u>	<u>(19,703,367)</u>
		(507,818)	(17,791,909)
Other operating income	4	<u>2</u>	<u>40</u>
OPERATING LOSS		(507,816)	(17,791,869)
Interest receivable and similar income		<u>20</u>	<u>315</u>
LOSS BEFORE TAXATION	6	(507,796)	(17,791,554)
Tax on loss	7	<u>98,165</u>	<u>3,558,052</u>
LOSS FOR THE FINANCIAL YEAR		(409,631)	(14,233,502)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(409,631)</u>	<u>(14,233,502)</u>

The notes form part of these financial statements

St. Modwen Corporate Services Limited (Registered number: 06163437)

Balance Sheet
30 November 2017

	Notes	2017 £	2016 £
CURRENT ASSETS			
Debtors	8	9,511,350	51,126,216
Cash at bank		32,333	187,499
		<u>9,543,683</u>	<u>51,313,715</u>
CREDITORS			
Amounts falling due within one year	9	(38,678,259)	(80,038,660)
NET CURRENT LIABILITIES		<u>(29,134,576)</u>	<u>(28,724,945)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(29,134,576)</u>	<u>(28,724,945)</u>
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Retained earnings		(29,134,577)	(28,724,946)
SHAREHOLDERS' FUNDS		<u>(29,134,576)</u>	<u>(28,724,945)</u>

The financial statements were approved by the Board of Directors on 30/05/2018 and were signed on its behalf by:



R J Hudson - Director

The notes form part of these financial statements

St. Modwen Corporate Services Limited

**Statement of Changes in Equity
for the Year Ended 30 November 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 December 2015	1	(14,491,444)	(14,491,443)
Changes in equity			
Total comprehensive loss	-	(14,233,502)	(14,233,502)
Balance at 30 November 2016	1	(28,724,946)	(28,724,945)
Changes in equity			
Total comprehensive loss	-	(409,631)	(409,631)
Balance at 30 November 2017	1	(29,134,577)	(29,134,576)

The notes form part of these financial statements

St. Modwen Corporate Services Limited

Notes to the Financial Statements for the Year Ended 30 November 2017

1. STATUTORY INFORMATION

St. Modwen Corporate Services 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.

Turnover

Turnover is recognised to the extent that it is probable that economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured at the fair value of the consideration received excluding discounts, VAT and other sales taxes or duty.

Management fee income

Where the company is solely providing development management services (without being responsible for the performance of the underlying construction), management fees receivable are recognised over time as the service is performed in the period to which they relate. Performance fees are recognised when the company has substantially fulfilled its obligations in respect of the transaction and hence the amount of turnover can be measured reliably and it is probable that economic benefits will flow to the company.

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. 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 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 Corporate Services Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2017**

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.

3. TURNOVER

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

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

	2017 £	2016 £
Management fee income	4,053,207	45,987,624
	<u>4,053,207</u>	<u>45,987,624</u>

An analysis of turnover by geographical market is given below:

	2017 £	2016 £
United Kingdom	3,748,340	44,076,165
Luxembourg	304,867	1,911,459
	<u>4,053,207</u>	<u>45,987,624</u>

4. OTHER OPERATING INCOME

	2017 £	2016 £
Other income	2	40
	<u>2</u>	<u>40</u>

5. EMPLOYEES AND DIRECTORS

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.

St. Modwen Corporate Services Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2017**

6. LOSS BEFORE TAXATION

Auditor remuneration was borne by the ultimate parent company, St. Modwen Properties PLC. No amount of this fee has been specifically attributed to the audit of the company (2016: £2,000).

7. TAXATION

Analysis of tax income

	2017 £	2016 £
Current tax:		
Tax	(98,165)	(3,558,052)
Total tax income in statement of comprehensive income	<u>(98,165)</u>	<u>(3,558,052)</u>

Factors affecting the tax expense

The tax assessed for the year is lower (2016 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Loss before income tax	<u>(507,796)</u>	<u>(17,791,554)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19.330% (2016 - 20%)	(98,157)	(3,558,311)
Effects of:		
Non-deductible or taxable expenses and credits	(8)	-
Adjustments in respect of prior years	-	259
Tax income	<u>(98,165)</u>	<u>(3,558,052)</u>

Legislation substantively enacted at 30 November 2017 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 19.3% and deferred tax at rates between 17% and 19%.

8. DEBTORS

	2017 £	2016 £
Amounts owed by group undertakings	9,406,246	46,153,437
Other debtors	6,939	1,286,841
Corporation tax	98,165	3,558,311
Other tax and social security	-	127,627
	<u>9,511,350</u>	<u>51,126,216</u>

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

St. Modwen Corporate Services Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2017**

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Bank loans and overdrafts (see note 10)	13,457	-
Trade creditors	29,800	26,344
Amounts owed to group undertakings	38,633,603	80,008,653
Social security and other taxes	1	-
Other creditors	1,398	3,663
	<u>38,678,259</u>	<u>80,038,660</u>

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

10. FINANCIAL LIABILITIES - BORROWINGS

	2017	2016
	£	£
Current:		
Bank overdrafts	<u>13,457</u>	<u>-</u>
Terms and debt repayment schedule		
		1 year or less
		£
Bank overdrafts		<u>13,457</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2017	2016
Number:	Class:	Nominal value:	£	£
1	Ordinary Share	£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.