
WREXHAM POWER LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020

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WREXHAM POWER LIMITED

COMPANY INFORMATION

Directors	Daniel Chapman Mathew Clements Guy Gusterson Simon Keefe
Registered number	06762265
Registered office	Park Point 17 High Street Longbridge Birmingham B31 2UQ
Independent auditors	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH

WREXHAM POWER LIMITED

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WREXHAM POWER LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2020

The directors present their report and the financial statements for the year ended 30 November 2020.

Principal activity

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

Results and dividends

The loss for the year, after taxation, amounted to £5,736 (2019 - loss £86).

No dividends will be distributed for the year ended 30 November 2020 (2019: £nil).

Directors

The directors who served during the year were:

Daniel Chapman
Mathew Clements (appointed 17 April 2020)
Guy Gusterson
Simon Keefe (appointed 2 November 2020)
James Burns (resigned 2 November 2020)
Robert Hudson (resigned 17 April 2020)

Directors' responsibilities statement

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 applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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; and
- 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.

WREXHAM POWER LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2020

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 funding continued to be provided by its joint owners.

The company is reliant on the support of the parent company of one of its shareholders, St. Modwen Properties Limited, and on Bride Parks Industrial Limited, the subsidiary of its other principal shareholder Glenfinnan Properties Limited, to meet its liabilities as they fall due. This is evidenced by letters of support from both St. Modwen Properties Limited and Bride Parks Industrial Limited, which states their 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 auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

KPMG LLP, our appointed auditor, have conducted the audit for the year ended 30 November 2020 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.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 25 August 2021 and signed on its behalf.



Matthew Clements
Director

Independent Auditor's Report to the members of Wrexham Power Limited

Opinion

We have audited the financial statements of Wrexham Power Limited ("the company") for the year ended 30 November 2020 which comprise the Statement of Comprehensive Income, Balance Sheet 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 and of its loss;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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, and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

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.

Independent Auditor's Report to the members of Wrexham Power Limited *(continued)*

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. Based solely on that work:

- 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 we are 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, 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 controls 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.

Auditor's responsibilities

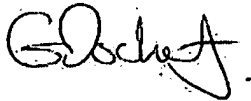
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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 fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the members of Wrexham Power Limited (*continued*)

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
Chartered Accountants
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH.

26 August 2021

WREXHAM POWER LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2020

	Note	2020 £	2019 £
Turnover		-	1,500
Cost of sales		(1,200)	(1)
Gross (loss)/profit		(1,200)	1,499
Administrative expenses		(5,200)	(1,000)
Operating (loss)/profit	3	(6,400)	499
Interest receivable and similar income		1,079	-
Interest payable and expenses		(415)	(585)
Loss before tax		(5,736)	(86)
Tax on loss	4	-	-
Loss for the financial year		(5,736)	(86)

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 8 to 13 form part of these financial statements.

WREXHAM POWER LIMITED
REGISTERED NUMBER: 06762265

BALANCE SHEET
AS AT 30 NOVEMBER 2020

	Note	2020 £	2019 £
Current assets			
Stocks	5	2,281,933	2,281,093
Debtors	6	743,152	743,446
Cash at bank and in hand		20,913	24,289
		<u>3,045,998</u>	<u>3,048,828</u>
Creditors: amounts falling due within one year	7	<u>(3,369,287)</u>	<u>(3,366,381)</u>
Net current liabilities		<u>(323,289)</u>	<u>(317,553)</u>
Total assets less current liabilities		<u>(323,289)</u>	<u>(317,553)</u>
Net liabilities		<u>(323,289)</u>	<u>(317,553)</u>
Capital and reserves			
Called up share capital	8	200	200
Profit and loss account		<u>(323,489)</u>	<u>(317,753)</u>
		<u>(323,289)</u>	<u>(317,553)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 August 2021.



Matthew Clements
Director

The notes on pages 8 to 13 form part of these financial statements.

WREXHAM POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020

1. General information

Wrexham Power 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

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. The accounting policies set out below have, unless stated otherwise, been applied consistently across all periods presented in these financial statements.

2.2 Going concern

Notwithstanding net current liabilities of £323,289 as at 30 November 2020 and a loss for the year then ended of £5,736, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have performed an assessment for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from Bride Parks Industrial Limited and St. Modwen Properties Limited, to meet its liabilities as they fall due for that period.

This assessment is dependent on the funding company's not seeking repayment of the amounts currently due to Bride Parks Industrial Limited and St. Modwen Properties Limited, which at 30 November 2020 amounted to £1,674,131 and £1,692,038 respectively, and providing additional financial support during that period. Bride Parks Industrial Limited and St. Modwen Properties Limited have indicated their intention to continue to make available such funds as are needed by the company, and that they do not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

WREXHAM POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020

2. Accounting policies (continued)

2.3 Stocks and work in progress

Stocks principally comprise properties previously developed and held for sale, properties under construction with a view to sale and land under option with a view to future sale. All stocks are carried at the lower of cost and realisable value.

Cost comprises land, direct materials and, where applicable, capitalised interest on qualifying assets and direct labour costs that have been incurred in bringing the inventories to their present location and condition. When inventory includes a transfer from investment properties, cost is recorded as the book value at the date of transfer. Net realisable value represents the estimated selling price less any further costs expected to be incurred to completion and disposal. Inventory is transferred to investment properties only when the asset meets the definition of an investment property and there is evidence of a change in use, for example, the inception of an operating lease.

2.4 Financial instruments

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

2.5 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.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 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.

2.8 Current tax

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.

WREXHAM POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020

2. Accounting policies (continued)

2.9 Deferred tax

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.

2.10 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.

2.11 Net realisable value of inventories

The company has ongoing procedures for assessing the carrying value of inventories and identifying where this is in excess of net realisable value. The estimates and judgements for both revenue and costs were based on information available at, and pertaining to, the balance sheet date, with reference to recent experience on similar properties and site-specific knowledge.

3. Operating (loss)/profit

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 during the current financial year and the prior financial year. The remuneration of the directors is paid by other group undertakings for both the current financial year and the prior financial year and no part of their remuneration is specifically attributable to their services to this company.

Auditor remuneration was borne by the ultimate parent company, St. Modwen Properties PLC. The fee payable for the audit of the financial statement was £1,000 (2019: £1,000) and the fee payable for tax compliance services was £1,000 (2019: £1,000).

4. Taxation

No liability to UK corporation tax arose for the year ended 30 November 2020 nor for the year ended 30 November 2019.

WREXHAM POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020

4. Taxation (continued)

Reconciliation of total tax charge included in the Statement of Comprehensive Income

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(5,736)	(86)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,090)	(16)
Effects of:		
Movement in recognition of deferred tax on loss	1,090	16
Total tax charge for the year	-	-

Factors that may affect future tax charges

Legislation enacted during the year ended 30 November 2020 included provisions which reversed a proposed reduction in the main rate of corporation tax from 19% to 17% with effect from 1 April 2020. Current tax and deferred tax have therefore been provided at 19%.

5. Stocks

	2020 £	2019 £
Work-in-progress	2,281,933	2,281,093
	2,281,933	2,281,093

There was no impairment of stocks to net realisable value or reversal of impairments in the current or previous financial years.

6. Debtors

	2020 £	2019 £
Other debtors	743,152	743,446
	743,152	743,446

WREXHAM POWER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

6. Debtors (continued)

£743,152 (2019: £743,446) within other debtors relates to amount owed by related parties (see note 9) and is repayable on demand.

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	12	12
Other creditors	3,369,275	3,366,369
	<u>3,369,287</u>	<u>3,366,381</u>

£3,365,875 (2019: £3,363,169) within other creditors relates to amount owed to related parties (see note 9) and is repayable on demand.

8. Share capital

	2020 £	2019 £
Authorised, issued and fully paid		
100 (2019 - 100) Ordinary 'A' shares of £1.00 each	100	100
100 (2019 - 100) Ordinary 'B' shares of £1.00 each	100	100
	<u>200</u>	<u>200</u>

The ordinary 'A' and ordinary 'B' shares rank parri passu in all respects.

WREXHAM POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020

9. Related party transactions

The company is provided loan funding by Bride Parks Industrial Limited. No interest is chargeable on this funding. The company received no additional funding this year (2019: £nil). At the year end the company had amounts owing to Bride Parks Industrial Limited of £1,674,131 (2019: £1,671,131). One of the company's shareholders, Glenfinnan Properties Limited, is the immediate parent undertaking of Bride Parks Industrial Limited.

The company is provided loan funding from the ultimate parent undertaking of St. Modwen Developments Limited, St. Modwen Properties Limited. The company received no additional funding this year (2019: £nil). The balance owing to St. Modwen Properties Limited at the year end was £1,691,744 (2019: £1,692,038).

Amounts receivable from Wrexham Land Limited at the year end were £66,960 (2019: £67,254). Amounts receivable from Meaford Energy Limited at the year end were £676,192 (2019: £676,192). Amounts receivable from Meaford Land Limited at the year end were £nil (2019: £nil). These related parties all have the same ownership structure as the company, which is outlined in note 10.

There were no income statement transactions (2019: £nil) with related parties during the period.

10. Ultimate controlling party

The company is a joint venture between St. Modwen Developments Limited (50%), a company registered in England and Wales, Glenfinnan Properties Limited (32.5%), a company registered in Bermuda and Mr Daniel Chapman (17.5%), an individual. In determining the ultimate controlling party of the company the directors have considered that since Daniel Chapman and Glenfinnan have agreed to act collectively the company is subject to joint control.

The ultimate parent undertaking of St. Modwen Developments Limited is The Blackstone Group Inc., a company incorporated in the state of Delaware, USA. Copies of the annual report and financial statements of The Blackstone Group Inc. are available online at: <https://ir.blackstone.com/sec-filings-annual-letters/>

The ultimate parent undertaking of Glenfinnan Properties Limited is Glenfinnan Trading Company Limited, a company incorporated in Bermuda.