

Shaftesbury AV Investment Limited

Annual Report for the year ended 30 September 2020



Shaftesbury AV Investment Limited

Annual Report

For the year ended 30 September 2020

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Shaftesbury AV Investment Limited

Directors and Officers

Directors

B Bickell

S J Quayle

T J C Welton

C P A Ward

Company Secretary

D Martin

Registered office

22 Ganton Street

Carnaby

London

W1F 7FD

United Kingdom

Shaftesbury AV Investment Limited

Directors' Report

Registered No. 9379555

The directors present their report and the audited financial statements of Shaftesbury AV Investment Limited (the "Company") for the year ended 30 September 2020.

Principal activity

The principal activity of the Company is that of a holding company. The directors envisage no changes to its current activity.

Business review

The Company is managed as part of the Shaftesbury PLC Group (the "Group"). The Group's Strategic Report is on pages 1 to 79 of the Group's 2020 annual report, which is publically available at www.shaftesbury.co.uk.

The Company, together with other members of the Group, is subject to taxation as a Real Estate Investment Trust (REIT).

Dividends

The directors expect to receive a dividend of £5,411,862 (2019: £11,399,454) from a subsidiary undertaking following that company's annual general meeting on 26 March 2021. On receipt of that dividend, the directors expect to declare a dividend of 1.88p per £1 ordinary share (2019: 3.96p per ordinary share), amounting to £5,411,862 (2019: £11,399,454).

Directors

The directors who served during the year were as follows:

B Bickell
S J Quayle
T J C Welton
C P A Ward

None of the directors who served during the year had any interests in the share capital of the Company. The interests of the directors in the share capital of Shaftesbury PLC, the ultimate parent undertaking, are disclosed in the financial statements of that company.

Directors' indemnities and directors' and officers' liability insurance

Shaftesbury PLC indemnifies each director against any liability incurred by the director in the course of their duties to the extent permitted by law. The third party indemnity was in force during the financial year and also up to the date of signing the financial statements. The Group maintains Directors' and Officers' Liability Insurance which covers subsidiary companies.

Going concern

The Company adopts the going concern basis in preparing its financial statements.

The Company's going concern assessment covers the period from the date of authorisation of these financial statements to 31 March 2022 (the "going concern period").

The Company is a holding company with no committed expenditure or ongoing costs. The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the duration of the going concern period. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable UK 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

Shaftesbury AV Investment Limited

Directors' Report (continued)

Statement of directors' responsibilities (continued)

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 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 United Kingdom Accounting Standards, including FRS 101 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

Ernst & Young LLP have indicated their willingness to continue in office and a resolution to reappoint them as auditor will be proposed at the next annual general meeting.

Disclosure of information to auditors

The directors who were members of the Board at the time of approving the Directors' Report are listed on page 2. Having made enquiries of fellow directors and of the Company's auditor, each of these directors confirms that:

- a. To the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware; and
- b. Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

Small company exemptions

In preparing this report, the directors have taken advantage of the small company exemptions within Part 15 of the Companies Act 2006.

By order of the Board


D Martin
Company Secretary
26 March 2021

Independent auditor's report to the members of Shaftesbury AV Investment Limited

Opinion

We have audited the financial statements of Shaftesbury AV Investment Limited (the 'Company') for the year ended 30 September 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 8, 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 FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 September 2020 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 below. 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 the provisions available for small entities, in the circumstances set out in Directors report, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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.

Independent auditor's report to the members of Shaftesbury AV Investment Limited (continued)

Matters on which we are required to report by exception

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 material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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
- 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.

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

Ernst & Young LLP

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Daniel Saunders (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
London
26 March 2021

Shaftesbury AV Investment Limited

Statement of Comprehensive Income For the year ended 30 September 2020

	Notes	2020 £	2019 £
Revenue – dividend income	2	<u>11,399,454</u>	<u>8,060,220</u>
Profit before tax		11,399,454	8,060,220
Tax charge for the year	4	<u>-</u>	<u>-</u>
Profit and total comprehensive income for the year		<u>11,399,454</u>	<u>8,060,220</u>

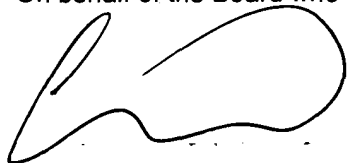
Shaftesbury AV Investment Limited

Balance Sheet At 30 September 2020

Registered No. 9379555

	Notes	2020 £	2019 £
Fixed assets			
Investment in subsidiary	6	<u>287,865,000</u>	<u>287,865,000</u>
Net assets		<u>287,865,000</u>	<u>287,865,000</u>
Equity			
Share capital	7	<u>287,865,000</u>	<u>287,865,000</u>
Total shareholder's equity		<u>287,865,000</u>	<u>287,865,000</u>

On behalf of the Board who approved the financial statements on pages 7 to 13 on 26 March 2021.



C P A Ward
Director

Shaftesbury AV Investment Limited

Statement of Changes in Equity For the year ended 30 September 2020

	Notes	Share capital £	Retained earnings £	Total £
At 1 October 2019		287,865,000	-	287,865,000
Profit and total comprehensive income for the year		-	11,399,454	11,399,454
Transactions with owners:				
Dividends paid	5	-	(11,399,454)	(11,399,454)
At 30 September 2020		287,865,000	-	287,865,000
At 1 October 2018		287,865,000	-	287,865,000
Profit and total comprehensive income for the year		-	8,060,220	8,060,220
Transactions with owners:				
Dividends paid	5	-	(8,060,220)	(8,060,220)
At 30 September 2019		287,865,000	-	287,865,000

Shaftesbury AV Investment Limited

Notes to the financial statements

1. Accounting policies

Basis of preparation

Shaftesbury AV Investment Limited (the "Company") is a limited company and is incorporated and domiciled in the UK, and registered in England and Wales. The address of the registered office is given on page 2. The nature of the Company's operations is set out in the Directors' Report on page 3.

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular, Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. The financial statements are presented in Pounds Sterling.

The Company is a qualifying entity for the purposes of FRS 101. Note 8 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

Disclosure exemptions, as permitted by FRS 101, have been taken in respect of:

- Cash flow statement;
- Related party transactions between the parent and subsidiaries;
- Reconciliation of ordinary share capital movements for the comparative year;
- Management of financial risk disclosures including management of credit, liquidity, and market risk and interest rate sensitivity analysis;
- Capital management disclosures;
- Disclosures around financial instruments; and
- Disclosure of new accounting standards and interpretations that have been issued but are not yet effective.

Where required, equivalent disclosures are given in the consolidated financial statements of Shaftesbury PLC, in which the Company is consolidated.

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

A summary of the significant accounting policies and methods of computation, which have been applied and used consistently in all years presented, unless otherwise stated, is set out below.

New standards adopted during the year

There were no standards or interpretations that were relevant to the Company and mandatory for the first time for the financial year ended 30 September 2020.

Going concern

The Company adopts the going concern basis in preparing its financial statements.

The Company's going concern assessment covers the period from the date of authorisation of these financial statements to 31 March 2022 (the "going concern period").

The Company is a holding company with no committed expenditure or ongoing costs. The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least the duration of the going concern period. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

Shaftesbury AV Investment Limited

Notes to the financial statements (continued)

1. Accounting policies (continued)

Accounting estimates and judgements

The preparation of financial statements requires management to make judgements, assumptions and estimates that affect the amounts reported in the Statement of Comprehensive Income and Balance Sheet. Such decisions are made at the time the financial statements are prepared and adopted based on historical experience and other factors that are believed to be reasonable at the time. Actual outcomes may be different from initial estimates and are reflected in the financial statements as soon as they become apparent.

Consolidation

The Company is a wholly-owned subsidiary of Shaftesbury PLC. It is included in the consolidated financial statements of Shaftesbury PLC which are publically available. Therefore, the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

Dividends

Dividend income is recognised when the right to receive payment is established.

Interim dividends are recognised in the Company's financial statements when they are paid. Final dividends are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the shareholder.

Investments in subsidiaries

Subsidiaries are those entities controlled by the Company. Control exists when the Company is exposed to variable returns and has the ability to affect those returns through its power over the entity.

In the Company's Balance Sheet, investments in subsidiaries are included at cost less any provision in respect of impairment loss.

Trade receivables and payables

Trade receivables and trade payables are recognised at fair value and subsequently held at amortised cost, less any provision for impairment in respect of trade receivables.

2. Revenue – dividend income

	2020 £	2019 £
Dividend received from subsidiary undertaking	11,399,454	8,060,220
	<u>11,399,454</u>	<u>8,060,220</u>

3. Administrative expenses

Audit fees amounting to £4,000 (2019: £1,200) were borne and paid for by the ultimate parent undertaking.

The four directors (2019: four) who served during the year received no remuneration for services as director of the Company (2019: £nil). The directors all served as directors of the Group during the year. Remuneration received for services to the Group is borne by the ultimate parent undertaking, as the directors do not believe it is practical to apportion an amount to the Company for qualifying services. This is disclosed on page 107 of the Shaftesbury PLC 2020 annual report.

Shaftesbury AV Investment Limited

Notes to the financial statements (continued)

4. Tax charge for the year

	2020 £	2019 £
Factors affecting the current tax charge:		
Profit before tax	<u>11,399,454</u>	8,060,220
Tax at standard corporation tax rate of 19% (2019: 19%)	<u>2,165,896</u>	1,531,442
Dividend receivable from subsidiary not liable to corporation tax	<u>(2,165,896)</u>	(1,531,442)
Tax charge for the year	<u>-</u>	-

The Company, together with other members of the Group, is subject to taxation as a Real Estate Investment Trust (REIT).

5. Dividends paid

	2020 £	2019 £
Final dividend for:		
Year ended 30 September 2019 at 3.96p per share	11,399,454	-
Year ended 30 September 2018 at 2.8p per share	-	8,060,220
	<u>11,399,454</u>	<u>8,060,220</u>

A final dividend of 1.88p per ordinary share in respect of the year ended 30 September 2020, amounting to £5,411,862 will be proposed at the 2020 annual general meeting.

6. Investment in subsidiary

	2020 £	2019 £
Shares at cost		
At 1 October and 30 September	<u>287,865,000</u>	<u>287,865,000</u>

At 30 September 2020 the Company owned the entire issued ordinary share capital of:

	Ordinary shares of £1 each held	Principal activity
Shaftesbury AV Limited	287,865,000	Property investment

Shaftesbury AV Limited is incorporated in Great Britain and registered in England and Wales. The registered office of Shaftesbury AV Limited is the same as the Company, as set out on page 2.

7. Share capital

	Number	£
Allotted and fully paid ordinary shares of £1 each		
At 1 October 2019 and 30 September 2020	<u>287,865,000</u>	<u>287,865,000</u>

The Company has one class of ordinary shares which have equal voting rights, rights to dividends and rights on winding up of the Company.

Shaftesbury AV Investment Limited

Notes to the financial statements (continued)

8. Ultimate and immediate parent company

The ultimate and immediate parent undertaking and controlling party is Shaftesbury PLC (registered number 1999238), which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the financial statements of Shaftesbury PLC are available from the Company Secretary at the registered office at 22 Ganton Street, Carnaby, London, W1F 7FD. They are also available on the Group's website at www.shaftesbury.co.uk.