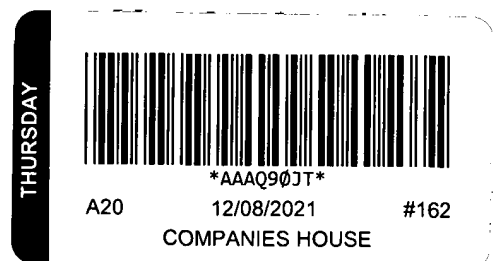

ST. MODWEN DEVELOPMENTS (KIRKBY 2) LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2020



ST. MODWEN DEVELOPMENTS (KIRKBY 2) LIMITED

COMPANY INFORMATION

Directors	Robert Evans Guy Gusterson
Registered number	09746395
Registered office	Park Point 17 High Street Longbridge Birmingham West Midlands B31 2UQ

ST. MODWEN DEVELOPMENTS (KIRKBY 2) LIMITED

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ST. MODWEN DEVELOPMENTS (KIRKBY 2) 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 activities of the company in the year under review were those of property development.

Results and dividends

The loss for the year, after taxation, amounted to £178,874 (2019 - loss £5,696,005).

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

Directors

The directors who served during the year were:

Robert Evans (appointed 22 April 2020)

Guy Gusterson

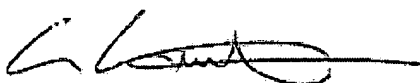
Robert Hudson (resigned 22 April 2020)

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 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.

This report was approved by the board on 5 August 2021 and signed on its behalf.



Guy Gusterson
Director

ST. MODWEN DEVELOPMENTS (KIRKBY 2) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2020**

	Note	2020 £	2019 £
Turnover	3	9,323,150	8,248,723
Cost of sales		(9,554,541)	(6,877,271)
Gross (loss)/profit		(231,391)	1,371,452
Other operating expense	4	(2,712)	(2,620,509)
Loss on revaluation of investment property		-	(5,945,257)
Operating loss		(234,103)	(7,194,314)
Interest receivable and similar income		76	-
Loss before tax		(234,027)	(7,194,314)
Tax on loss	6	55,153	1,498,309
Loss for the financial year		(178,874)	(5,696,005)

The notes on pages 6 to 13 form part of these financial statements.

ST. MODWEN DEVELOPMENTS (KIRKBY 2) LIMITED
REGISTERED NUMBER: 09746395

BALANCE SHEET
AS AT 30 NOVEMBER 2020

	Note	2020 £	2019 £
Current assets			
Debtors	7	3,465,611	7,205,834
		<u>3,465,611</u>	<u>7,205,834</u>
Creditors: amounts falling due within one year	8	(9,729,330)	(13,290,679)
		<u>(9,729,330)</u>	<u>(13,290,679)</u>
Net current liabilities		(6,263,719)	(6,084,845)
Total assets less current liabilities		(6,263,719)	(6,084,845)
Net liabilities		<u>(6,263,719)</u>	<u>(6,084,845)</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(6,263,720)	(6,084,846)
		<u>(6,263,719)</u>	<u>(6,084,845)</u>

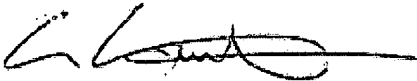
The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 30 November 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 November 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) 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 and were signed on its behalf on 5 August 2021.



Guy Gusterson
Director

ST. MODWEN DEVELOPMENTS (KIRKBY 2) LIMITED
REGISTERED NUMBER: 09746395

BALANCE SHEET (CONTINUED)
AS AT 30 NOVEMBER 2020

The notes on pages 6 to 13 form part of these financial statements.

ST. MODWEN DEVELOPMENTS (KIRKBY 2) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2020

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 December 2018	1	(5,374,399)	4,985,558	(388,840)
Changes in equity				
Loss for the year	-	-	(5,696,005)	(5,696,005)
Transfer of net realised gains from fair value reserve	-	5,374,399	(5,374,399)	-
At 1 December 2019	1	-	(6,084,846)	(6,084,845)
Changes in equity				
Loss for the year	-	-	(178,874)	(178,874)
At 30 November 2020	1	-	(6,263,720)	(6,263,719)

The notes on pages 6 to 13 form part of these financial statements.

ST. MODWEN DEVELOPMENTS (KIRKBY 2) LIMITED

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

1. General information

St. Modwen Developments (Kirkby 2) 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 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.

2.2 Going concern

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.

2.3 Turnover

The accounting policies for revenue, set out below, reflect the company's application of IFRS 15 Revenue from contracts with Customers on its different revenue streams. In each case below, turnover is recognised when performance obligations are satisfied by transferring a promised good or service to a customer. Turnover is measured at the fair value of the consideration received excluding discounts, VAT and other sales taxes or duty. Any non-cash consideration is measured at fair value and any deferred consideration is measured at present value, unless the deferral is for a period of one year or less, in which case no adjustment is made to the consideration. The specific performance obligations identified for each of the company's significant revenue streams (other than rental income, which is accounted for under IFRS 16 Leases) are set out below.

ST. MODWEN DEVELOPMENTS (KIRKBY 2) LIMITED

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

2. Accounting policies (continued)

2.4 Rental income

Rental income from leases granted is accounted for under IFRS 16 Leases. Rental income is adjusted for the impact of any cash incentives given to the lessee and to reflect any rent free incentive periods, is recognised in the Profit and Loss Account on a straight- line basis over the lease term.

2.5 Management fee income

Management fees are recognised when the group has substantially fulfilled its obligations in respect of the transaction and hence the amount of revenue can be measured reliably and it is probable that economic benefits will flow to the group.

2.6 Development sales

Turnover arising from the sale of property inventory is recognised on legal completion of the sale. Such disposals are typically for a fixed consideration received on completion, although part of this consideration may be on deferred terms. Development sales also includes contract income. Contract income is recognised by reference to the stage of completion of contract activity where the outcome of the construction contract can be estimated reliably, otherwise revenue is recognised only to the extent of recoverable contract costs incurred.

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2.7 Financial instruments

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

2.8 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.

2.9 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 DEVELOPMENTS (KIRKBY 2) LIMITED

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

2. Accounting policies (continued)

2.10 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.

2.11 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. There are no key assumptions concerning the future, or other key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.12 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

ST. MODWEN DEVELOPMENTS (KIRKBY 2) LIMITED

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

3. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Development sales	9,331,123	5,947,000
Management fee income	(437)	165,224
Rental income	(7,536)	2,136,499
	<u>9,323,150</u>	<u>8,248,723</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	9,323,150	8,248,723
	<u>9,323,150</u>	<u>8,248,723</u>

4. Other operating income

	2020 £	2019 £
Other income	-	11,304
Loss on sale of investment property	(2,712)	(2,631,813)
	<u>(2,712)</u>	<u>(2,620,509)</u>

5. Employees

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 DEVELOPMENTS (KIRKBY 2) LIMITED

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

6. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	(54,835)	(2,558,829)
	<u>(54,835)</u>	<u>(2,558,829)</u>
Total current tax	<u>(54,835)</u>	<u>(2,558,829)</u>
Deferred tax		
Impact of revaluations and indexation	-	1,060,425
Temporary differences	50	(117)
Adjustments in respect of previous years	(329)	212
Change in rate for provision of deferred tax	(39)	-
	<u>(318)</u>	<u>1,060,520</u>
Total deferred tax	<u>(318)</u>	<u>1,060,520</u>
Taxation on loss on ordinary activities	<u>(55,153)</u>	<u>(1,498,309)</u>

ST. MODWEN DEVELOPMENTS (KIRKBY 2) LIMITED

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

6. Taxation (continued)

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2019 - lower 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	<u>(234,027)</u>	<u>(7,194,314)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19 %)	(44,465)	(1,366,920)
Effects of:		
Non-deductible or taxable expenses and credits	(228)	101
Taxation on investment property	-	(127,710)
Capital allowances for year in excess of depreciation	-	(3,780)
Other property differences	(1,849)	-
Change in rate used for provision of deferred tax	(39)	-
Adjustments in respect of previous years	(8,572)	-
Total tax credit for the year	<u><u>(55,153)</u></u>	<u><u>(1,498,309)</u></u>

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%.

7. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	1,802,000	1,802,000
	<u>1,802,000</u>	<u>1,802,000</u>
Due within one year		
Trade debtors	123,295	459,125
Other debtors	46,609	346,215
Prepayments and accrued income	81,850	43,657
Corporation tax	46,592	2,554,837
Deferred taxation	318	-

ST. MODWEN DEVELOPMENTS (KIRKBY 2) LIMITED

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

7. Debtors (continued)

Amounts recoverable on contract	1,364,947	2,000,000
	<u>3,465,611</u>	<u>7,205,834</u>

All amounts due from group undertakings are interest free and repayable on demand.

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts (see note 9)	-	50
Trade creditors	1,544,886	174,662
Amounts owed to group undertakings	7,991,205	12,501,980
Other taxation and social security	176,153	-
Other creditors	4,834	190,853
Accruals and deferred income	12,252	423,134
	<u>9,729,330</u>	<u>13,290,679</u>

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

9. Financial liabilities - borrowings

	2020 £	2019 £
Current:		
Bank overdrafts	-	50
	<u>-</u>	<u>50</u>

All bank overdrafts are repayable in 1 year or less.

10. Deferred taxation

ST. MODWEN DEVELOPMENTS (KIRKBY 2) LIMITED

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

10. Deferred taxation (continued)

	2020 £
Charged to profit or loss	(11)
Adjustment in respect of prior years	329
At end of year	318

The deferred tax asset is made up as follows:

	2020 £	2019 £
Capital allowances	318	-
	318	-

11. Share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
1 (2019 - 1) Ordinary share of £1.00	1	1

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.

13. Related party transactions

As the company is wholly owned by the group, it has taken the exemption under paragraph 8 FRS 101 not to disclose transactions with other companies in the group.