

Registered number: 10198479

S.A.B PROPERTY COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 SEPTEMBER 2018

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S.A.B PROPERTY COMPANY LIMITED

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S.A.B PROPERTY COMPANY LIMITED

COMPANY INFORMATION

Directors	C N Brain M S Reed J F W Rhys J S Waddington (resigned 26 October 2018) A W Darby (appointed 26 October 2018)
Company secretary	C N Brain
Registered number	10198479
Registered office	Dragon Brewery Pacific Road Cardiff United Kingdom CF24 5HJ
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

S.A.B PROPERTY COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 29 SEPTEMBER 2018

The directors present their annual report and the audited financial statements of S.A.B Property Company Limited (the "Company") for the year ended 29 September 2018.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

C N Brain
M S Reed
J F W Rhys
J S Waddington (resigned 26 October 2018)
A W Darby (appointed 26 October 2018)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising section 1A of FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

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 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.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

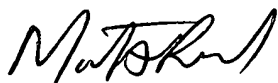
S.A.B PROPERTY COMPANY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 29 SEPTEMBER 2018**

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. In addition, the Company has taken advantage of the exemption available and has not presented a Strategic Report.

This report was approved by the board and signed on its behalf by:



M S Reed
Director

Date: 26th June 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S.A.B PROPERTY COMPANY LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, S.A.B Property Company Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 29 September 2018 and of its profit the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 29 September 2018; the Statement of Income and Retained Earnings for the period then ended; the accounting policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

S.A.B PROPERTY COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S.A.B PROPERTY COMPANY LIMITED (CONTINUED)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 29 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

S.A.B PROPERTY COMPANY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S.A.B PROPERTY COMPANY LIMITED
(CONTINUED)**

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jason Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
Date:

26 June 2019.

S.A.B PROPERTY COMPANY LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 29 SEPTEMBER 2018**

	Year ended 29 September 2018 £	16 month period ended 30 September 2017 £
Other operating income	970,000	-
Operating profit	970,000	-
Interest payable and similar expenses	(631,000)	(511,210)
Profit/(loss) before taxation	339,000	(511,210)
Tax on profit/(loss)	220,295	(2,744,650)
Profit/(loss) for the financial year/period	559,295	(3,255,860)
Accumulated losses		
Accumulated losses at the beginning of the financial year/period	(2,950,047)	-
Profit/(loss) for the financial year/period	559,295	(3,255,860)
Transfer from capital contribution reserve	-	305,813
Accumulated losses at the end of the financial year/period	(2,390,752)	(2,950,047)

S.A.B PROPERTY COMPANY LIMITED
REGISTERED NUMBER: 10198479

BALANCE SHEET
AS AT 29 SEPTEMBER 2018

	Note	29 September 2018 £	30 September 2017 £
Current assets			
Stocks	5	20,172,000	20,142,345
Debtors	6	794	-
Creditors: amounts falling due within one year	7	(3,202,345)	(3,392,345)
Total assets less current liabilities		16,970,449	16,750,000
Creditors: amounts falling due after more than one year	8	(15,622,754)	(15,961,600)
Deferred tax	9	(2,744,650)	(2,744,650)
Net liabilities		(1,396,955)	(1,956,250)
Capital and reserves			
Called up share capital		100	100
Capital contribution reserve		993,697	993,697
Accumulated losses		(2,390,752)	(2,950,047)
Total shareholders' deficit		(1,396,955)	(1,956,250)

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 on pages 7 to 12 were approved and authorised for issue by the board and were signed on its behalf by:



M S Reed
Director

Date: 26th June 2019

The notes on pages 9 to 12 form part of these financial statements.

S.A.B PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 SEPTEMBER 2018

1. General information

S.A.B Property Company Limited (the "Company") is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Dragon Brewery, Pacific Road, Cardiff, United Kingdom, CF24 5HJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on going concern basis, under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied consistently throughout the year:

2.2 Stocks

Work in progress comprise land held for development. Stocks are stated at lower of cost and net realisable value, being the estimated selling price less costs to complete the sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of Income and Retained Earnings.

2.3 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.4 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.5 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

S.A.B PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 SEPTEMBER 2018

2. Accounting policies (continued)

2.6 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.8 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

S.A.B PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 SEPTEMBER 2018

3. Auditors' remuneration

All auditors' remuneration was borne by the Company's ultimate parent company, S A Brain & Company Limited, and no recharge has been made. Details of the auditors' remuneration can be found in the financial statements of S A Brain & Company Limited.

4. Employees

The Company does not have any employees with all administration performed by the ultimate parent company. All contracts of employment are with the Company's ultimate parent company.

5. Stocks

	29 September 2018 £	30 September 2017 £
Work in progress	20,172,000	20,142,345

6. Debtors

	29 September 2018 £	30 September 2017 £
Other debtors	794	-
	794	-

7. Creditors: amounts falling due within one year

	29 September 2018 £	30 September 2017 £
Amounts owed to group undertakings	3,202,345	3,392,345

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

S.A.B PROPERTY COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 SEPTEMBER 2018

8. Creditors: amounts falling due after more than one year

	29 September 2018 £	30 September 2017 £
Other loans	7,450,000	7,205,397
Amounts owed to group undertakings	8,172,754	8,756,203
	<u>15,622,754</u>	<u>15,961,600</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

During the prior year the Company secured a £7,000,000 loan from Rightacres Property Co Limited in relation to the redevelopment of the brewery site. Interest is payable at 3.5% per annum and is repayable in line with the development agreement.

9. Deferred tax

	2018 £
At beginning of year	(2,744,650)
Charged to profit or loss	-
At end of year	<u>(2,744,650)</u>

The provision for deferred taxation is made up as follows:

	29 September 2018 £	30 September 2017 £
Deferred gain	<u>(2,744,650)</u>	<u>(2,744,650)</u>

10. Ultimate parent undertaking and controlling party

The immediate and ultimate parent company is S A Brain & Company Limited, which is incorporated and registered in England and Wales.

S A Brain & Company Limited is the parent of both the smallest and largest group in respect of which group financial statements are prepared. Copies of the Group financial statements are held at Dragon Brewery, Pacific Road, Cardiff, United Kingdom, CF24 5HJ.

There is no ultimate controlling party in the opinion of the directors.