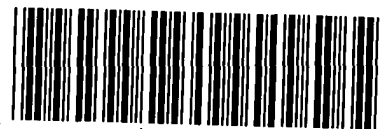


**Directors' Report and
Financial Statements for the year ended 30 September 2019
for
Conygar Nottingham Limited**

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Conygar Nottingham Limited
Contents of the Financial Statements
For the year ended 30 September 2019

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Conygar Nottingham Limited
Company Information
For the year ended 30 September 2019

DIRECTORS:

R T E Ware
R H McCaskill
C J D Ware

REGISTERED OFFICE:

1 Duchess Street
London
W1W 6AN

REGISTERED NUMBER:

10517596 (England and Wales)

INDEPENDENT AUDITORS:

Rees Pollock
Chartered Accountants & Statutory Auditors
35 New Bridge Street
London
EC4V 6BW

Conygar Nottingham Limited
Directors' Report
For the year ended 30 September 2019

The Directors present their report and the financial statements of the Company for the year ended 30 September 2019.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of property development.

REVIEW OF BUSINESS

As announced in April 2019, a resolution to grant planning permission was passed for our 37 acre mixed use scheme in Nottingham City Centre. We have worked closely with Nottingham City Council since our acquisition of the site in December 2016 to design a scheme which will regenerate this area of the City Centre that has been largely unused for over twenty-five years. This phased mixed-use scheme has permission for the development of over two million square feet to include offices, student housing, private residential and build to rent flats, a hotel and an associated food and beverage offering and potentially, an entertainment and leisure venue, which could have various uses. We are encouraged by the discussions we have had with potential occupants for all aspects of the scheme following the resolution to grant the planning permission and we are working with the Council to agree our section 106 obligations as quickly as possible. This will enable us to proceed with the first phase of this exciting development.

RESULTS

The profit for the year, after tax, amounted to £304,963 (2018: profit of £74,775).

DIRECTORS

The Directors who served during the year were:

R T E Ware
R H McCaskill
C J D Ware

DIRECTORS' INDEMNITIES

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

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 the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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
- 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. 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.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as each of the persons who is a Director at the date of this annual report is aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have 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.

Conygar Nottingham Limited
Directors' Report (continued)
For the year ended 30 September 2019

AUDITORS

The trade and assets of the incumbent auditor, Rees Pollock, were acquired by Blick Rothenberg Limited on 1 October 2019. Blick Rothenberg LLP, trading as Rees Pollock, was appointed to fill the casual vacancy arising. Under section 487(2) of the Companies Act 2006, Blick Rothenberg, trading as Rees Pollock 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 accounts with the registrar, whichever is earlier.

This report was approved by the board on 19 December 2019 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'R H McCaskill', is written over the printed name and title.

R H McCaskill
Director

Conygar Nottingham Limited
Independent Auditors' Report to the Shareholders of Conygar Nottingham Limited
For the year ended 30 September 2019

Opinion

We have audited the financial statements of Conygar Nottingham Limited (the 'Company') for the year ended 30 September 2019 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2019 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, 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 where:

- 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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter 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 Strategic report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

Conygar Nottingham Limited
Independent Auditors' Report to the Shareholders of Conygar Nottingham Limited (continued)
For the year ended 30 September 2019

Matters on which we are required to report by exception

In 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 Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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.

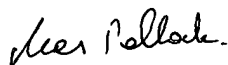
Auditors' responsibilities for the audit of the financial statements

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditors' 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 auditors' 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.



Alexander Macpherson (Senior Statutory Auditor)
for and on behalf of
Rees Pollock
Chartered Accountants
Statutory Auditor
35 New Bridge Street
London
EC4V 6BW

20 December 2019

Conygar Nottingham Limited
Profit and Loss Account
For the year ended 30 September 2019

| | | Year ended 30 September 2019 | Year ended 30 September 2018 |
|--|-------------|---|---|
| | Note | £ | £ |
| TURNOVER | 4 | 379,500 | 161,173 |
| Cost of sales | | <u>(74,537)</u> | <u>(86,398)</u> |
| GROSS PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAX | | 304,963 | 74,775 |
| Tax on profit on ordinary activities | 6 | <u>-</u> | <u>-</u> |
| PROFIT FOR THE YEAR | | <u>304,963</u> | <u>74,775</u> |

The notes on pages 12 to 16 form part of these financial statements.

Conygar Nottingham Limited
Statement of Comprehensive Income
For the year ended 30 September 2019

| | Year ended 30 September 2019 | Year ended 30 September 2018 £ |
|--|---|---|
| Profit for the financial year | <u>304,963</u> | <u>74,775</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | <u>304,963</u> | <u>74,775</u> |

The notes on pages 12 to 16 form part of these financial statements.

Conygar Nottingham Limited
Registered number: 10517596
Balance Sheet
As at 30 September 2019

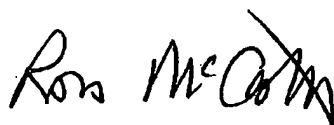
| | Note | 30 September 2019 £ | 30 September 2018 £ |
|--|------|---------------------------|---------------------------|
| NON-CURRENT ASSETS | | | |
| Investment properties under construction | 7 | - | 15,004,132 |
| CURRENT ASSETS | | | |
| Development and trading properties | 8 | 15,516,896 | - |
| Debtors | 9 | 123,663 | 127,181 |
| | | <u>15,640,559</u> | <u>127,181</u> |
| TOTAL ASSETS | | 15,640,559 | 15,131,313 |
| CREDITORS | | | |
| Amounts falling due within one year | 10 | (15,283,625) | (15,079,342) |
| NET ASSETS | | <u>356,934</u> | <u>51,971</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 12 | 2 | 2 |
| Retained earnings | | <u>356,932</u> | <u>51,969</u> |
| | | <u>356,934</u> | <u>51,971</u> |

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 December 2019.



R T E Ware
Director



R H McCaskill
Director

The notes on pages 12 to 16 form part of these financial statements.

Conygar Nottingham Limited
Statement of Changes in Equity
As at 30 September 2019

| | Share capital £ | Retained earnings £ | Total equity £ |
|----------------------|--------------------------------|------------------------------------|-------------------------------|
| At 1 October 2018 | 2 | 51,969 | 51,971 |
| Profit for the year | - | 304,963 | 304,963 |
| At 30 September 2019 | <u>2</u> | <u>356,932</u> | <u>356,934</u> |

Statement of Changes in Equity
As at 30 September 2018

| | Share capital £ | Retained earnings £ | Total equity £ |
|----------------------|--------------------------------|------------------------------------|-------------------------------|
| At 1 October 2017 | 2 | (22,806) | (22,804) |
| Profit for the year | - | 74,775 | 74,775 |
| At 30 September 2018 | <u>2</u> | <u>51,969</u> | <u>51,971</u> |

The notes on pages 12 to 16 form part of these financial statements.

1. GENERAL INFORMATION

Conygar Nottingham Limited is a private limited company incorporated in the United Kingdom and domiciled in England and Wales. The address of the registered office and principal place of business is 1 Duchess Street, London W1W 6AN.

The principal activity of the Company is that of property development.

2. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The principal activity of the Company is set out in the Directors' Report.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

Financial reporting standard 102 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17 (d);
- the requirements of Section 33 Related Party Disclosures;

This information is included in the consolidated financial statements of The Conygar Investment Company Plc as at 30 September 2018 and these financial statements may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

Turnover

Turnover represents rents receivable during the year at invoiced amounts, excluding value added tax.

Investment properties under construction

Investment properties under construction are reported in the Balance Sheet at fair value, and the lower of cost or net realisable value is deemed by the directors to equate to fair value. This methodology has been adopted because the value of these properties is dependent upon a detailed knowledge of the planning status, the competitive position of the assets and a range of complex development appraisals. The fair value of these properties rests in the planned developments, and is difficult to estimate pending confirmation of designs and planning permission, and hence has been estimated by the Board at the lower of cost or net realisable value as an approximation to fair value.

Development and trading properties

Development and trading properties are reported in the Balance Sheet at the lower of cost and net realisable value. Cost comprises the original purchase price of the property together with directly attributable costs. Net realisable value represents the estimated selling price less all estimated costs of completion.

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. ACCOUNTING POLICIES (continued)

Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other amounts receivable and payable, are initially measured at present value of 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 payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangement of a short-term instrument constitutes 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 is measured, initially at present value of the future cash flow discounted at market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

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.

Tax

Tax is recognised in the profit and loss account, 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.

3. JUDGEMENTS IN APPLYING KEY ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements required the Directors to make judgements, estimates and assumptions that may affect the reported amounts of asset and liabilities at each balance sheet date and the reported amounts of revenue and expenses during the year. These estimates are based on historical experience and various other assumptions that management and the Board of directors believe are reasonable under the circumstances.

The principal area of estimation uncertainty that has a significant risk of causing material adjustment to the carrying amount of assets within the next financial year is the net realisable value of properties held for development, which requires an assessment of fair value for the underlying assets using property appraisal techniques and other valuation methods. Such estimates are inherently subjective and actual values can only be determined in a sales transaction.

The principal area of judgement is the reclassification during the year of the Company's investment property under construction to a trading property as set out in notes 7 and 8. During the year, the directors have reconsidered their intentions, as well as the best use, for this early stage property development such that the planned development of this assets is, at the balance sheet date, with the intention of realising value in the short to medium term rather than for earning long term rental income or for capital appreciation (or both).

Conygar Nottingham Limited
Notes to the financial statements (continued)
For the year ended 30 September 2019

4. TURNOVER

All turnover arose from the Company's principal activity and within the United Kingdom.

5. OPERATING PROFIT

The auditors' remuneration is borne by a fellow group company. Fees for the audit of the Company were £1,000 (2018: £1,000).

The Company has no employees and no Director received any remuneration during the year (2018: £nil).

6. TAX

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|--------------------------------------|---|---|
| Tax on profit on ordinary activities | - | - |

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.0% (2018: 19.0%). The differences are explained below:

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|---|---|---|
| Profit on ordinary activities before tax | 304,963 | 74,775 |
| Profit on ordinary activities multiplied by standard rate of UK corporation tax | 57,943 | 14,207 |
| Effects of: Group relief | (57,943) | (14,207) |
| Tax charge for the year | - | - |

7. INVESTMENT PROPERTIES UNDER CONSTRUCTION

| | Year ended 30 September 2019 £ | Year ended 30 September 2018 £ |
|--|---|---|
| At the start of the year | 15,004,132 | 14,011,735 |
| Additions in the year | 280,666 | 992,397 |
| Reclassification to trading properties | (15,284,798) | - |
| At the end of the year | - | 15,004,132 |

Investment properties under construction comprised freehold land and buildings under development or landholdings for current or future development as investment properties which are reported in the Balance Sheet at fair value, and the lower of cost or net realisable value is deemed by the directors to equate to fair value.

Conygar Nottingham Limited
Notes to the financial statements (continued)
For the period ended 30 September 2019

8. DEVELOPMENT AND TRADING PROPERTIES

| | 30 September 2019 £ | 30 September 2018 £ |
|--|---------------------------|---------------------------|
| At the start of the year | - | - |
| Reclassification from investment properties under construction | 15,284,798 | - |
| Additions in the year | 232,098 | - |
| At the end of the year | <u>15,516,896</u> | <u>-</u> |

The net realisable value of properties held for development requires an assessment of the underlying assets using property appraisal techniques and other valuation methods. Such estimates are inherently subjective as they are made on assumptions which may not prove to be accurate and which can only be determined in a sales transaction.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30 September 2019 £ | 30 September 2018 £ |
|---------------|---------------------------|---------------------------|
| Trade debtors | 33,907 | 53,453 |
| Other debtors | 89,756 | 73,728 |
| | <u>123,663</u> | <u>127,181</u> |

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30 September 2019 £ | 30 September 2018 £ |
|------------------------------------|---------------------------|---------------------------|
| Trade creditors | 8,424 | 7,104 |
| Amounts due to a group undertaking | 15,224,784 | 15,024,198 |
| Deferred income | 50,417 | 48,040 |
| | <u>15,283,625</u> | <u>15,079,342</u> |

11. FINANCIAL INSTRUMENTS

| | 30 September 2019 £ | 30 September 2018 £ |
|--|---------------------------|---------------------------|
| Financial assets | | |
| Financial assets measured at amortised cost | <u>123,663</u> | <u>127,181</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>15,233,208</u> | <u>15,031,302</u> |

Financial assets measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors and amounts due to a group undertaking.

Conygar Nottingham Limited
Notes to the financial statements (continued)
For the period ended 30 September 2019

12. SHARE CAPITAL

| | 30 September 2019 £ | 30 September 2018 £ |
|------------------------------------|------------------------------------|------------------------------------|
| Allotted, called up and fully paid | | |
| 2 Ordinary shares of £1 | <u>2</u> | <u>2</u> |

13. RELATED PARTY TRANSACTIONS

The ultimate parent undertaking, The Conygar Investment Company PLC, has provided a loan to the Company and the outstanding balance at 30 September 2019 was £15,224,784 (2018: £15,024,198).

14. CONTROLLING PARTY

The Company's immediate parent undertaking is Conygar Holdings Limited and the ultimate parent undertaking is The Conygar Investment Company PLC. The consolidated financial statements of The Conygar Investment Company Plc are available to the public and may be obtained from Companies House, Crown Way, Cardiff CF14 3UZ or from www.conygar.com.