Unaudited Abbreviated Accounts North West Industrial Estates Limited

For the year ended 31 May 2016

Registered number: 03135216

Abbreviated accounts

Company Information

Directors	G O Mason P W Bullivant L Randle
Company secretary	B D Harvey
Registered number	03135216
Registered office	The Corn Exchange Brunswick Street Liverpool L2 0PJ
Accountants	Grant Thornton UK LLP Chartered Accountants Royal Liver Building Liverpool L3 1PS
Bankers	The Royal Bank of Scotland Plc 1 Dale Street Liverpool L2 2PP
Solicitors	Hill Dickinson LLP No 1 St Paul's Square Liverpool L3 9SL

Contents

Report to the directors on the preparation of the unaudited abbreviated financial statements of North West Industrial Estates Limited for the year ended 31 May 2016

We have compiled the accompanying financial statements of North West Industrial Estates Limited based on the information you have provided. These financial statements comprise the Abbreviated Balance Sheet of North West Industrial Estates Limited as at 31 May 2016 and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of North West Industrial Estates Limited, as a body, in accordance with the terms of our engagement letter dated 13 February 2017. Our work has been undertaken solely to prepare for your approval the financial statements of North West Industrial Estates Limited and state those matters that we have agreed to state to the Board of Directors of North West Industrial Estates Limited, as a body, in this report in accordance with our engagement letter dated 13 February 2017. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than North West Industrial Estates Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with section 444(3) of the Companies Act 2006, and the regulations under that section. (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with section 444(3) of the Companies Act 2006, and the regulations under that section.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Liverpool

Date: 27 February 2017

North West Industrial Estates Limited
Registered number: 03135216

Abbreviated balance sheet

As at 31 May 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	2		**358,425**		300,000
Investment properties	3		**37,815,000**		37,815,000
Investments	4		**1,605,372**		1,667,383
			39,778,797		39,782,383
Current assets					
Debtors: amounts falling due after more than one year	5	**472,050**		460,431	
Debtors: amounts falling due within one year	5	**1,535,028**		1,985,096	
Cash at bank		**1,016**		1,012	
		2,008,094		2,446,539	
Creditors: amounts falling due within one year	6	**(3,670,637)**		(3,629,197)	
Net current liabilities			**(1,662,543)**		(1,182,658)
Total assets less current liabilities			**38,116,254**		38,599,725
Creditors: amounts falling due after more than one year	7		**(20,978,573)**		(22,358,200)
Provisions for liabilities					
Deferred tax			**(9,119)**		-
Net assets			**17,128,562**		16,241,525
Capital and reserves					
Called up share capital	8		**1,000**		1,000
Revaluation reserve			**13,232,586**		13,239,291
Profit and loss account			**3,894,976**		3,001,234
Shareholders' funds			**17,128,562**		16,241,525

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 May 2016 and of its profit for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Abbreviated balance sheet (continued)

As at 31 May 2016

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf by:

GOMason

G O Mason
Director

Date: 27/2/17

The notes on pages 4 to 9 form part of these financial statements.

Notes to the abbreviated accounts
For the year ended 31 May 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The accounting policies of the company are set out below and remain unchanged from the previous year.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

Notwithstanding the net current liabilities position the directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

The company has a bank loan facility amounting to £21.2m which is due for repayment in full in October 2017 and has a bank overdraft facility of £400k which is due for review in July 2017. The company's forecasts and projections, taking into account reasonably possible changes in its trading performance illustrate that the company will be able to operate within the level of its current facilities and continue to meet its liabilities as they fall due. The directors are currently in negotiations with their bankers regarding the renewal of the bank loan facility and bank overdraft facility and no matters have been drawn to their attention to suggest that renewal may not be forthcoming on acceptable terms, which is subject to normal credit committee approval. The directors intend to borrow an extra £1m which will enable the company to repay the director and shareholder loans which are due for repayment in full including interest on 31 October 2017.

The directors are confident that the bank and its shareholders will continue to support the company and provide additional facilities to allow the company to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover is the total amount of rent receivable, service charge receivable and insurance receivable by the company, excluding VAT, and is attributable to the continuing activity of property investment. Turnover is recognised in the period to which it relates, taking into account provisions for lease incentives. Lease incentives are spread on a straight-line basis over the period to the first rent review date.

Turnover also includes income in respect of dilapidations received and these are recognised on a received basis.

Notes to the abbreviated accounts
For the year ended 31 May 2016

1. Accounting policies (continued)

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	25% reducing balance
Office equipment	-	20% straight line

Freehold land is not depreciated.

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.6 Investment properties

Investment properties are revalued annually and are included in the balance sheet at their open market values. The surpluses or deficits on annual revaluation of such properties are transferred to the revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year. Depreciation is not provided in respect of freehold investment properties. Leasehold investment properties are not amortised where the unexpired term is over twenty years.

This policy is in accordance with the Financial Reporting Standard for Smaller Entities but represents a departure from the Companies Act 2006, which requires depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation.

1.7 Current tax

The current tax charge is based on the profit for the year and is measured at the amounts expected to be paid based on the tax rates and laws substantively enacted by the balance sheet date. Current and deferred tax is recognised in the profit and loss account for the year except to the extent that it is attributable to a gain or loss that is or has been recognised directly in the statement of total recognised gains and losses.

Notes to the abbreviated accounts
For the year ended 31 May 2016

1. Accounting policies (continued)

1.8 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability. Debt issue costs are offset against the debt and amortised over the term of the loan.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

1.9 Government grants

Government grants relating to tangible fixed assets are deducted from the cost of the relevant asset and released to the profit and loss account on disposal. Other grants are credited to the profit and loss account as the related expenditure is incurred.

This is a departure from the Companies Act 2006, which requires assets to be shown at their purchase price or production cost and hence grants to be presented as deferred income. This departure from the requirement of the Act is, in the opinion of the directors, necessary to give a true and fair view as no provision is made for depreciation of investment properties and accordingly no basis exists on which to recognise grants as deferred income. The effect of this departure is that the historical cost net book value of freehold investment properties is £1,714,800 lower than it would otherwise have been.

Notes to the abbreviated accounts
For the year ended 31 May 2016

2. Tangible fixed assets

	£
Valuation	
At 1 June 2015	300,000
Additions	80,486
Revaluation deficit	(6,705)
At 31 May 2016	373,781
Depreciation	
At 1 June 2015	-
Charge for the year	15,356
At 31 May 2016	15,356
Net book value	
At 31 May 2016	358,425
At 31 May 2015	300,000

3. Investment property

	£
Cost or valuation	
At 1 June 2015 and 31 May 2016	37,815,000

4. Fixed asset investments

	£
Cost	
At 1 June 2015	1,667,383
New loan in year	6,000
Repaid in year	(96,000)
Interest charged	27,989
At 31 May 2016	1,605,372
Net book value	
At 31 May 2016	1,605,372
At 31 May 2015	1,667,383

Notes to the abbreviated accounts
For the year ended 31 May 2016

4. Fixed asset investments (continued)

Subsidiary undertaking

The following is a subsidiary undertaking of the company:

Name	Class of shares	Holding
The Oaks Office Park (Little Stanney) Management Company Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 May 2016 and of the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

Name	Aggregate of share capital and reserves	Profit/(loss)
	£	£
The Oaks Office Park (Little Stanney) Management Company Limited	4	-

The company was dormant in the current and previous year.

5. Debtors

Debtors include £472,050 (2015 - £460,431) falling due after more than one year.

6. Creditors: Amounts falling due within one year

The bank loan and overdraft of £1,799,565 (2015: £1,800,085) are secured by a fixed and floating charge over the company's investment property assets.

7. Creditors: Amounts falling due after more than one year

The bank loan of £19,851,000 (2015: £21,251,000) is secured by a fixed and floating charge over the company's investment property assets.

Notes to the abbreviated accounts

For the year ended 31 May 2016

8. Share capital

	2016	2015
	£	£
Allotted, called up and fully paid		
500 Ordinary A shares of £1 each	**500**	500
500 Ordinary B shares of £1 each	**500**	500
	1,000	1,000

The rights of 'A' and 'B' shareholders are identical.