
NORTH WEST INDUSTRIAL ESTATES LIMITED

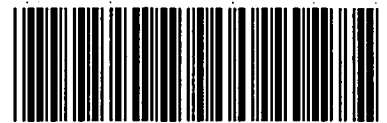
UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MAY 2022

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NORTH WEST INDUSTRIAL ESTATES LIMITED

COMPANY INFORMATION

Directors

L Randle
A P Mason
C I Mason

Company secretary

B D Harvey

Registered number

03135216

Registered office

C/o Mason & Partners
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

NORTH WEST INDUSTRIAL ESTATES LIMITED

CONTENTS

	Page
Accountant's Report	1
Statement of Financial Position	2 - 3
Statement of Changes in Equity	4
Notes to the Financial Statements	5 - 16



Report to the directors on the preparation of the unaudited statutory financial statements of North West Industrial Estates Limited for the year ended 31 May 2022

We have compiled the accompanying financial statements of North West Industrial Estates Limited (the 'company') based on the information you have provided. These financial statements comprise the Statement of Financial Position of North West Industrial Estates Limited as at 31 May 2022, the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

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 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). 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 United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the Company's directors, as a body, in accordance with the terms of our engagement letter dated 19 January 2022. Our work has been undertaken solely to prepare for your approval the financial statements of the company and state those matters that we have agreed to state to the Company's directors, as a body, in this report in accordance with our engagement letter dated 19 January 2022. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its directors, as a body, for our work or for this report.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Liverpool

Date: 3/3/2023

NORTH WEST INDUSTRIAL ESTATES LIMITED
REGISTERED NUMBER:03135216

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	-	2,600,000
Investments	6	521,004	510,004
Investment property	7	54,442,705	54,435,000
		<u>54,963,709</u>	<u>57,545,004</u>
Current assets			
Debtors: amounts falling due after more than one year	8	528,464	516,380
Debtors: amounts falling due within one year	8	3,450,398	3,024,759
Cash at bank and in hand		24,481	25,475
		<u>4,003,343</u>	<u>3,566,614</u>
Creditors: amounts falling due within one year	9	(1,952,877)	(2,532,595)
Net current assets		<u>2,050,466</u>	<u>1,034,019</u>
Total assets less current liabilities		<u>57,014,175</u>	<u>58,579,023</u>
Creditors: amounts falling due after more than one year	10	(25,500,000)	(25,392,632)
Provisions for liabilities			
Deferred tax	11	(2,176,297)	(2,779,683)
		<u>(2,176,297)</u>	<u>(2,779,683)</u>
Net assets		<u><u>29,337,878</u></u>	<u><u>30,406,708</u></u>
Capital and reserves			
Called up share capital		1,000	1,000
Fair value reserve		20,627,827	22,443,268
Profit and loss account		8,709,051	7,962,440
		<u><u>29,337,878</u></u>	<u><u>30,406,708</u></u>

NORTH WEST INDUSTRIAL ESTATES LIMITED
REGISTERED NUMBER:03135216

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2022

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

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with 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 by:



L Randle
Director

Date: 1/3/2023

The notes on pages 5 to 16 form part of these financial statements.

NORTH WEST INDUSTRIAL ESTATES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2022

	Called up share capital £	Fair value reserve £	Profit and loss account £	Total equity £
At 1 June 2020	1,000	16,907,311	7,522,383	24,430,694
Comprehensive income for the year				
Profit for the year	-	-	7,726,014	7,726,014
Surplus on revaluation of freehold land less deferred tax	-	(1,000,000)	-	(1,000,000)
Transfer to fair value reserve	-	-	(6,535,957)	(6,535,957)
Total comprehensive income for the year	-	(1,000,000)	1,190,057	190,057
Dividends: Equity capital	-	-	(750,000)	(750,000)
Transfer from profit and loss account	-	6,535,957	-	6,535,957
At 1 June 2021	1,000	22,443,268	7,962,440	30,406,708
Comprehensive income for the year				
Loss for the year	-	-	(318,830)	(318,830)
Transfer to fair value reserve	-	-	1,815,441	1,815,441
Total comprehensive income for the year	-	-	1,496,611	1,496,611
Dividends: Equity capital	-	-	(750,000)	(750,000)
Transfer from profit and loss account	-	(1,815,441)	-	(1,815,441)
At 31 May 2022	1,000	20,627,827	8,709,051	29,337,878

The notes on pages 5 to 16 form part of these financial statements.

NORTH WEST INDUSTRIAL ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

1. General information

The company is a private company limited by shares and is registered in England and Wales.

Registered Number: 03135216.

Registered Office: C/o Mason & Partners, The Corn Exchange, Brunswick Street, Liverpool, L2 0PJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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:

2.2 Going concern

The directors believe it is appropriate for the financial statements to be prepared on a going concern basis.

The company's bank loan facilities have been extended to December 2026. The company's forecast and projections, taking into account reasonably possible changes in the company's trading performance show that the company should be able to operate for the foreseeable future.

Although there are inevitably inherent uncertainties in the foreseeable future, the directors believe that the company's financial statements should be prepared on the going concern basis.

2.3 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.

2.4 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation.

Freehold land is not depreciated.

NORTH WEST INDUSTRIAL ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

2. Accounting policies (continued)**2.4 Tangible fixed assets (continued)**

Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Office equipment	- 20% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit or loss.

2.5 Investment property

Investment property is carried at fair value determined annually by the directors guided by external valuations and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 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 and loans to related parties.

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.

NORTH WEST INDUSTRIAL ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

2. Accounting policies (continued)**2.9 Financial instruments (continued)**

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 or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

2.10 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.

2.11 Government grants

Government grants relating to tangible fixed assets are deducted from the cost of the relevant asset and released to the profit or loss on disposal. Other grants are credited to the profit or loss 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 £1,368,422 lower than it would otherwise have been.

2.12 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.13 Borrowing costs

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

NORTH WEST INDUSTRIAL ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 reporting 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 reporting 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 reporting date.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The Company has no employees other than the 3 directors (2021: 3) who did not receive any remuneration (2021: £Nil)

4. Dividends

	2022 £	2021 £
Dividends paid of £750.00 per A Ordinary share (2021: £750.00)	375,000	375,000
Dividends paid of £750.00 per B Ordinary share (2021: £750.00)	375,000	375,000
	<u>750,000</u>	<u>750,000</u>

NORTH WEST INDUSTRIAL ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

5. Tangible fixed assets

	Freehold land £	Office equipment £	Total £
Cost or valuation			
At 1 June 2021	2,600,000	61,781	2,661,781
Disposals	(2,600,000)	-	(2,600,000)
At 31 May 2022	-	61,781	61,781
Depreciation			
At 1 June 2021	-	61,781	61,781
At 31 May 2022	-	61,781	61,781
Net book value			
At 31 May 2022	-	-	-
At 31 May 2021	2,600,000	-	2,600,000

The 2021 valuation of the freehold land was made by L Randle, a director and qualified chartered surveyor on a fair value for existing use basis. The freehold land was disposed on 13 June 2022.

If the freehold land had not been included at valuation they would have been included under the historical cost convention as follows:

	2022 £	2021 £
Cost less accumulated depreciation	-	239,531

NORTH WEST INDUSTRIAL ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

6. Fixed asset investments

	Investments in subsidiary companies £	Loans to related companies £	Total £
Cost or valuation			
At 1 June 2021	4	510,000	510,004
Additions	-	11,000	11,000
	<hr/>	<hr/>	<hr/>
At 31 May 2022	4	521,000	521,004
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 May 2022	4	521,000	521,004
	<hr/>	<hr/>	<hr/>
At 31 May 2021	4	510,000	510,004
	<hr/>	<hr/>	<hr/>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

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

NORTH WEST INDUSTRIAL ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

7. Investment property

	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 June 2021	13,390,000	41,045,000	54,435,000
Additions at cost	7,705	63,758	71,463
Deficit on revaluation	-	(63,758)	(63,758)
At 31 May 2022	13,397,705	41,045,000	54,442,705

The 2021 valuations were made by an independent third party, on a fair value for existing use basis. The directors consider the fair value of investment property to remain consistent as at 31 May 2022.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2022 £	2021 £
Historic cost less any permanent diminution	31,718,569	31,647,107

NORTH WEST INDUSTRIAL ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

8. Debtors

	2022	2021
	£	£
Due after more than one year		
Amounts owed by related parties	528,464	516,380
	<u>528,464</u>	<u>516,380</u>
Due within one year		
Trade debtors	598,112	783,179
Amounts owed by related parties	1,741,004	1,585,028
Other debtors	-	49,605
Prepayments and accrued income	1,111,282	606,947
	<u>3,450,398</u>	<u>3,024,759</u>

9. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	355,610	391,262
Amounts owed to related parties	3,655	-
Corporation tax	505,302	583,673
Other taxation and social security	163,502	332,877
Other creditors	333,903	330,152
Accruals and deferred income	590,905	894,631
	<u>1,952,877</u>	<u>2,532,595</u>

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

	2022	2021
	£	£
Bank loans	25,500,000	25,392,632
	<u>25,500,000</u>	<u>25,392,632</u>

The bank loans are secured by a fixed and floating charge over the company's investment property assets and negative pledge.

NORTH WEST INDUSTRIAL ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

11. Deferred taxation

	2022 £	2021 £
At beginning of year	(2,779,683)	(768,349)
Charged to profit or loss	603,386	(2,011,334)
At end of year	<u>(2,176,297)</u>	<u>(2,779,683)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	(89,490)	(84,089)
Capital losses/(gain)	(2,096,307)	(2,705,094)
Short term timing differences	9,500	9,500
	<u>(2,176,297)</u>	<u>(2,779,683)</u>

NORTH WEST INDUSTRIAL ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

12. Financial commitments

The company has a contingent liability to the European Regional Development Fund for £719,135 (2021: £719,135) in respect of a grant received for the development of a certain investment property. This amount is repayable in the event the company ceases to comply with certain criteria within a 20 year period from December 2005.

The company has a contingent liability to the North West Development Agency for £649,287 (2021: £649,287) in respect of a grant received for the development of a certain investment property. This amount is repayable in the event the company ceases to comply with certain criteria within a 20 year period from December 2006.

In addition, during the year ended 31 May 2006, the company disposed of two properties, for which grant funding totalling £346,378 had been received. Under the terms of the agreement, the grant funding received can be recalled by the grant body as the company no longer owns the assets and, as such, a provision of £108,456 (2021: £108,456) has been made within the financial statements and is included within other creditors. The remaining amount may be recalled if further conditions are not met.

The operating leases represent leases of investment property to third parties. The leases are negotiated over various terms of the lease.

At 31 May 2022 the Company had future minimum lease rental receipts under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
Not later than 1 year	3,293,927	3,037,338
Later than 1 year and not later than 5 years	7,051,464	7,397,689
Later than 5 years	1,335,199	2,050,999
	<u>11,680,590</u>	<u>12,486,026</u>

NORTH WEST INDUSTRIAL ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

13. Related party transactions

Each of the directors have a controlling or other related interest in one or more of the following entities, with which the following transactions with North West Industrial Estates Limited are noted.

	Services provided to North West Industrial Estates Limited £	Services provided by North West Industrial Estates Limited £	Owed by North West Industrial Estates Limited £	Owed to North West Industrial Estates Limited £
31 May 2022				
Mason Partners LLP	744,662	-	-	1,139,776
Liverpool Film Studios Limited	-	-	-	209,228
North West Retail Investments Limited	-	-	-	528,464
Brunswick Business Park Limited	86,920	-	3,655	-
The Corn Exchange Consortium	-	-	-	218,000
Perrers Properties Limited	-	-	-	175,000
The Oaks Management Company Ltd	12,715	-	-	-
	844,297	-	3,655	2,270,468
Business Homes Cardonald Park Limited	-	-	-	521,000
Total	844,297	-	3,655	2,791,468
31 May 2021				
Mason Partners LLP	497,075	-	-	951,678
Liverpool Film Studios Limited	-	-	-	87,830
North West Retail Investments Limited	-	-	-	516,380
Chase Property Developments Limited	-	-	-	23,000
The Corn Exchange Consortium	-	-	-	218,000
Brunswick Business Park Limited	57,733	-	-	120
Foregate Street Developments LLP	-	-	-	48,000
Perrers Properties Limited	-	-	-	175,000
Anlo Properties LLP	-	-	-	70,000
Northern Industrial Estates Limited	-	-	-	10,000
The Oaks Management Company Ltd	9,171	-	-	1,400
	563,979	-	-	2,101,408
Business Homes Cardonald Park Limited	-	-	-	510,000
Total	563,979	-	-	2,611,408

NORTH WEST INDUSTRIAL ESTATES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

13. Related party transactions (continued)

A provision for bad debts has been included, amounting to £1,302,709 (2021: £1,302,709) in relation to monies owed from Liverpool Film Studios Limited. The balance of £209,228 (2021: £87,830) payable noted on the previous page is stated after the provision has been made.

The balance owed from North West Retail Investments Limited includes an unsecured loan amounting to £386,000 (2021: £386,000) provided to the company. There is no fixed repayment date and interest is charged at 2% above the bank's base rate. Interest receivable from North West Retail Investments Limited during the year amounted to £12,084 (2021: £10,690) which remains unpaid at 31 May 2022. The loan and interest receivable has been disclosed as repayable after one year.

Included within amounts owed by related parties is a client account due from Mason Partners LLP amounting to £1,139,776 (2021: £951,678). There is no fixed repayment date and interest is charged from 1 June 2009 at 2% above the bank's base rate. Interest receivable from Mason Partners LLP during the year amounted to £9,544 (2021: £11,591) which remains unpaid at 31 May 2022.

The balance owed from Business Homes Cardonald Park Limited includes a loan made by North West Industrial Estates Limited, which total £521,000 (2021: £510,000). The balance is disclosed as an investment in the notes to the financial statements. The loan is unsecured.