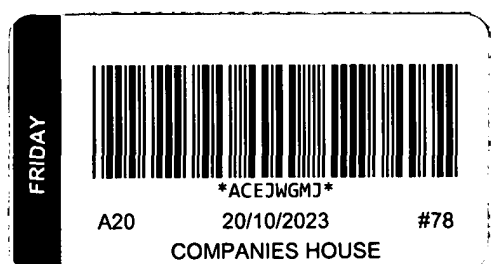


Registered number: 03246990

TRENTHAM LEISURE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



TRENTHAM LEISURE LIMITED

COMPANY INFORMATION

Directors	Sarwjit Sambhi Alastair Budd
Registered number	03246990
Registered office	Two Devon Way Longbridge Birmingham B31 2TS
Independent auditors	KPMG LLP One Snow Hill Snow Hill, Queensway Birmingham B4 6GH

TRENTAM LEISURE LIMITED

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TRENTHAM LEISURE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the company in the period under review was that of property investment in relation to the operating and management of the attraction Trentham Estate, including its buildings and infrastructure..

Results and dividends

The profit for the year, after taxation, amounted to £96,287 (2021 - £6,446,579).

No dividends will be distributed for the year ended 31 December 2022 (2021: £nil).

Directors

The directors who served during the year ended were:

Sarwjit Sambhi (appointed 31 March 2022)

Alastair Budd

Guy Gusterson (resigned 31 March 2022)

Going concern

Notwithstanding net current liabilities of £23,431,897 as at 31 December 2022, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company meets its day to day working capital requirements from operational cash flows together with intercompany loan and trading balances with the group headed by St Modwen Properties Limited. The directors have performed a going concern assessment which indicates that, in both the base and reasonably possible downside scenarios, the company will have sufficient funds to meet its liabilities as they fall due during the 12 month period ending 30 September 2024, the going concern assessment period. This assessment is dependent on its immediate parent company, St Modwen Properties Limited, not seeking repayment of the amounts currently due to the group, during the going concern assessment period, which at 31 December 2022 amounted to £23,511,234.

St Modwen Properties Limited has indicated its intention that they do not intend to seek repayment of the amounts due at the balance sheet date, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

TRENTHAM LEISURE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the board on 28th September 2023 and signed on its behalf.



Director
Alastair Budd

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRENTHAM LEISURE LIMITED

Opinion

We have audited the financial statements of Trentham Leisure Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are limited incentives, rationalizations and/or opportunities to fraudulently adjust revenue recognition.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management.
- Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to many other laws and regulations where the consequences of noncompliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, UK planning and building and fire safety regulations and certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and

- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Other matter - prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

Directors' responsibilities

As explained more fully in their statement set out on page 1, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 auditor's 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.



Michael Worn (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snow Hill
Snow Hill Queensway
Birmingham
B4 6GH
29 September 2023

TRENTHAM LEISURE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Year ended 31 December 2022 £	13 month period ended 31 December 2021 £
	Note		
Turnover	3	9,804,535	8,198,436
Cost of sales		(4,597,392)	(3,438,868)
Gross profit		5,207,143	4,759,568
Other operating income		-	30,000
Fair value movements		(4,216,306)	3,332,052
Operating profit	4	990,837	8,121,620
Interest receivable and similar income		6,288	1,647
Profit before tax		997,125	8,123,267
Tax on profit	6	(900,838)	(1,676,688)
Profit for the year		96,287	6,446,579

There was no other comprehensive income for 2022 (2021: £nil).

The notes on pages 9 to 22 form part of these financial statements.

TRENTHAM LEISURE LIMITED
REGISTERED NUMBER: 03246990

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	7	1,310,522	1,102,330
Investment property	8	58,975,255	62,284,989
		<u>60,285,777</u>	<u>63,387,319</u>
Current assets			
Stocks	9	-	35,155
Debtors: amounts falling due within one year	10	2,246,465	1,287,310
Cash at bank and in hand		1,047,926	2,708,275
		<u>3,294,391</u>	<u>4,030,740</u>
Creditors: amounts falling due within one year	11	(26,726,288)	(30,569,038)
Net current liabilities		<u>(23,431,897)</u>	<u>(26,538,298)</u>
Total assets less current liabilities		<u>36,853,880</u>	<u>36,849,021</u>
Provisions for liabilities			
Deferred taxation	12	(3,380,430)	(3,471,858)
		<u>(3,380,430)</u>	<u>(3,471,858)</u>
Net assets		<u><u>33,473,450</u></u>	<u><u>33,377,163</u></u>
Capital and reserves			
Called up share capital	13	100,000	100,000
Revaluation reserve		20,472,902	24,593,174
Profit and loss account		12,900,548	8,683,989
		<u><u>33,473,450</u></u>	<u><u>33,377,163</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities 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 28th September 2023



Alastair Budd
Director

The notes on pages 9 to 22 form part of these financial statements.

TRENTHAM LEISURE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 December 2020	100,000	21,895,199	4,935,385	26,930,584
Changes in equity				
Profit for the period	-	-	6,446,579	6,446,579
Transfer of net realised gains from fair value reserve	-	2,697,975	(2,697,975)	-
Total comprehensive income for the period	-	2,697,975	3,748,604	6,446,579
Total transactions with owners	-	-	-	-
At 31 December 2021	100,000	24,593,174	8,683,989	33,377,163
Changes in equity				
Profit for the Year	-	-	96,287	96,287
Transfer of net unrealised losses to fair value reserve	-	(4,120,272)	4,120,272	-
Total comprehensive income for the Year	-	(4,120,272)	4,216,559	96,287
Total transactions with owners	-	-	-	-
At 31 December 2022	100,000	20,472,902	12,900,548	33,473,450

The notes on pages 9 to 22 form part of these financial statements.

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

1. General information

Trentham Leisure Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies**2.1 Basis of preparation of financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101"). The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK-adopted international accounting standards ("UK-adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company has taken advantage of the disclosure exemptions included within paragraph 8 of FRS 101. The main impact of these disclosure exemptions is that these financial statements do not include a cash flow statement, financial instruments, fair value and related party disclosures, the effects of new but not yet effective IFRSs, disclosures regarding compensation of Key Management Personnel, disclosures of transactions with a management entity that provides key management personnel services to the company or comparative information in respect of certain assets. Where required, equivalent disclosures are given in the consolidated financial statements of St. Modwen Properties Limited. The accounting policies set out below have, unless stated otherwise, been applied consistently across all periods presented within these financial statements.

2.2 Going concern

Notwithstanding net current liabilities of £23,431,897 as at 31 December 2022, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company meets its day to day working capital requirements from operational cash flows together with intercompany loan and trading balances with the group headed by St Modwen Properties Limited. The directors have performed a going concern assessment which indicates that, in both the base and reasonably possible downside scenarios, the company will have sufficient funds to meet its liabilities as they fall due during the 12 month period ending 30 September 2024, the going concern assessment period. This assessment is dependent on its immediate parent company, St Modwen Properties Limited, not seeking repayment of the amounts currently due to the group, during the going concern assessment period, which at 31 December 2022 amounted to £23,511,234.

St Modwen Properties Limited has indicated its intention that they do not intend to seek repayment of the amounts due at the balance sheet date, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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

2. Accounting policies (continued)**2.3 Turnover**

Turnover is recognised when performance obligations are satisfied by transferring a promised good or service to a customer. Turnover is measured at the fair value of the consideration received excluding discounts, VAT and other sales taxes or duty.

2.4 Rental income

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

2.5 Management fee income

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

2.6 Leisure activities income

Leisure and activities income largely consists of garden admissions income, special events income and outdoor pursuits income. Revenue is recognised at the point of sale to the customer for single-day tickets and on a straight-line basis over the ticket's valid period for annual tickets. Special events income is recognised on conclusion of the event when all the risks and rewards have been transferred.

2.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all operating property, plant and equipment at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

- plant, machinery and equipment - over two to five years; and
- freehold land is held at cost and not depreciated.

TRENTHAM LEISURE LIMITED

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

2. Accounting policies (continued)

2.8 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or both. Investment properties are carried at fair value following initial recognition at the present value of the consideration payable. To establish fair value, investment properties are independently valued on the basis of market value. Any unrealised surplus or deficit arising is recognised in the profit and loss account for the year and subsequently transferred to the fair value reserve. Investment properties are not depreciated.

Once classified as an investment property, a property remains in this category until development with a view to sale commences, at which point the asset is transferred to inventories at current valuation.

Where an investment property is being redeveloped for continued use as an investment property, the property remains within investment property and any movement in valuation is recognised in the profit and loss account. Capital expenditure, including capitalised interest on qualifying assets and labour costs where applicable, that is directly attributable to the redevelopment or refurbishment of investment property, up to the point of it being completed for its intended use, is included in the carrying value of the property.

Investment property disposals are recognised on completion. Profits and losses arising are recognised through the profit and loss account and the profit or loss on disposal is determined as the difference between the sales proceeds and the carrying amount of the asset.

2.9 Financial instruments

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

2.10 Trade and other debtors

Trade and other debtors are initially recognised at fair value and subsequently carried at amortised cost less any allowance for expected credit losses. The expected credit losses on trade and other debtors are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the individual debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. Balances are written off when the probability of recovery is assessed as being remote.

2.11 Cash and cash equivalents

Cash and cash equivalents comprises cash balances and short-term deposits with banks with initial maturity less than three months.

2.12 Trade and other creditors

Trade and other creditors are initially recognised at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method. Where payment is on deferred terms the liability is initially recorded by discounting the nominal amount payable to net present value. The discount to nominal value is amortised over the period of the deferred arrangement and charged to finance costs.

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

2. Accounting policies (continued)**2.13 Stocks**

Stocks principally comprise properties previously developed and held for sale, properties under construction with a view to sale and land under option with a view to future sale. All stocks are carried at the lower of cost and realisable value.

Cost comprises land, direct materials and, where applicable, capitalised interest on qualifying assets and direct labour costs that have been incurred in bringing the inventories to their present location and condition. When inventory includes a transfer from investment properties, cost is recorded as the book value at the date of transfer. Net realisable value represents the estimated selling price less any further costs expected to be incurred to completion and disposal. Inventory is transferred to investment properties only when the asset meets the definition of an investment property and there is evidence of a change in use, for example, the inception of an operating lease.

2.14 Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date. Full payment is made for transfer pricing adjustments and group relief surrendered between group undertakings.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, using the rates of tax expected to apply based on legislation enacted or substantively enacted at the balance sheet date.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws substantively enacted at the balance sheet date.

2.15 Interest

Interest income and expense are recognised in the statement of comprehensive income using the effective interest method.

2.16 Leases

Rental income from leases granted, adjusted for the impact of any cash incentives given to the lessee and to reflect any rent-free incentive periods, is recognised on a straight-line basis over the lease term.

TRENTHAM LEISURE LIMITED

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

2. Accounting policies (continued)

2.17 Key sources of estimation uncertainty

In the application of the company's accounting policies outlined above, the directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and so actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.18 Valuation of investment property

Investment properties are held at fair value, which is determined by independent valuations undertaken by external valuation experts in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. These valuations are based on prevailing market conditions and evidence of transaction prices for similar properties together with assumptions including yields, estimated rental values, gross development values and the appropriateness of remediation expenditure and costs to complete. Market conditions and assumptions are expected to change over time and any increase in yields or costs to complete or any decreases in estimated rental values or gross development values in subsequent periods would result in a decrease in the fair value of investment properties. The company adopts the valuation performed by its independent valuers as the fair value of its investment properties, following review by management.

TRENTHAM LEISURE LIMITED

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

3. Turnover

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

	Year ended 31 December 2022 £	13 month period ended 31 December 2021 £
Rental income	5,505,957	4,044,352
Management fee income	46,971	41,268
Leisure activities income	4,251,608	4,112,816
	<u>9,804,536</u>	<u>8,198,436</u>

Analysis of turnover by country of destination:

	Year ended 31 December 2022 £	13 month period ended 31 December 2021 £
United Kingdom	9,804,535	8,198,436
	<u>9,804,535</u>	<u>8,198,436</u>

4. Operating profit

The audit fee was borne by the intermediate parent company St. Modwen Properties Limited and not recharged. £28,350 of the audit fee was specifically attributable to the company (2021: £0).

None of the directors received any remuneration paid by the company during the current year or the prior financial period. The remuneration of the directors is paid by other group undertakings and no part of their remuneration is specifically attributable to their services to this company.

TRENTHAM LEISURE LIMITED

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

5. Staff Costs

	Year ended 31 December 2022 £	<i>13 month period ended 31 December 2021 £</i>
Wages and salaries	1,997,445	1,631,139
Social security costs	183,720	150,875
Pension costs	84,362	82,472
	<u>2,265,527</u>	<u>1,864,486</u>

The average monthly number of employees, including directors, during the year ended 31 December 2022 was as follows:

	Year ended 31 December 2022 £	<i>13 month period ended 31 December 2021 £</i>
Leisure and other activities	49	45
	<u>49</u>	<u>45</u>

TRENTHAM LEISURE LIMITED

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

6. Taxation

	Year ended 31 December 2022 £	13 month period ended 31 December 2021 £
Corporation tax		
Current tax on profits for the year	992,266	923,478
Total current tax	<u>992,266</u>	<u>923,478</u>
Deferred tax		
Property revaluations	(1,066,260)	634,077
Capital allowances	31,917	32,296
Financial instruments	15,602	11,857
Change in rate used in the provision for deferred tax	955,753	99,320
Adjustments in respect of prior year	(28,440)	(24,340)
Total deferred tax	<u>(91,428)</u>	<u>753,210</u>
Taxation on profit on ordinary activities	<u>900,838</u>	<u>1,676,688</u>

TRENTHAM LEISURE LIMITED

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

6. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher (2021 - higher) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	Year ended 31 December 2022 £	13 month period ended 31 December 2021 £
Profit before tax	997,125	8,123,267
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	189,454	1,543,421
Effects of:		
Non-deductible expenses	3,373	31,443
Capital allowances for year/period in excess of depreciation	7,660	-
Other property differences	(265,162)	-
Changes in rate used in the provision of deferred tax	955,753	99,320
Adjustments to tax charge in respect of prior periods	9,760	2,504
Total tax charge for the year/period	900,838	1,676,688

Factors that may affect future tax charges

Since 1 April 2020, the UK corporation tax rate applicable has been at 19%. A change to the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023 was announced in the Budget on 3 March 2021, and was substantively enacted on 24 May 2021. Accordingly, UK deferred tax has been provided at a rates between 19% and 25% (2021:19% and 25%), reflecting the applicable tax rate at the point when the timing difference is expected to reverse.

TRENTHAM LEISURE LIMITED

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

7. Tangible fixed assets

	Plant and machinery £	Freehold investment property £	Total £
Cost or valuation			
At 1 January 2022	2,417,415	300,000	2,717,415
Additions	399,986	-	399,986
At 31 December 2022	<u>2,817,401</u>	<u>300,000</u>	<u>3,117,401</u>
Depreciation			
At 1 January 2022	1,615,085	-	1,615,085
Charge for the Year on owned assets	191,794	-	191,794
At 31 December 2022	<u>1,806,879</u>	<u>-</u>	<u>1,806,879</u>
Net book value			
At 31 December 2022	<u>1,010,522</u>	<u>300,000</u>	<u>1,310,522</u>
At 31 December 2021	<u>802,330</u>	<u>300,000</u>	<u>1,102,330</u>

TRENTHAM LEISURE LIMITED

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

8. Investment property

	Freehold investment property £
Valuation	
At 1 January 2022	62,284,989
Additions at cost	875,336
Surplus on revaluation	(4,216,306)
Transfers from work in progress	31,236
At 31 December 2022	58,975,255

Freehold investment properties were revalued as at 31 December 2022 by Jones Lang LaSalle (JLL), Chartered Surveyors in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, on the basis of market value. The independent valuers provide the fair value of the company's properties every 6 months.

The investment property balance includes the impact of cumulative revaluation movements and would have been included on a historical cost basis at £35,525,228 (2021: £34,849,891).

Income-producing assets

Income-producing assets have been valued using the investment method which involves applying a yield to rental income streams. Inputs include equivalent yields, current rent and estimated rental value (ERV). The resulting valuations are cross-checked against the resulting initial yields and, for certain assets, the land value underpin if the assets were to be redeveloped.

Sensitivity analysis on key sources of estimation uncertainty in relation to income-producing assets and the resulting impact on fair value indicated that a change in rental value of 5% would result in an increase/(decrease) in sensitivity of £2.9m/(£2.9m). A change in equivalent yields of 50 basis points would result in an (increase)/decrease in sensitivity by (£3.2m)/£3.6m.

TRENTHAM LEISURE LIMITED

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

9. Stocks

	2022	2021
	£	£
Raw materials and consumables	-	3,920
Long-term contract balances	-	31,235
	<hr/>	<hr/>
	-	35,155
	<hr/>	<hr/>

There was no impairment of stocks to net realisable value or reversal of impairments in the current or previous financial years.

Raw materials, consumables and changes in long-term contract balances recognised as cost of sales in the year amounted to £3,920 (2021: £nil).

TRENTHAM LEISURE LIMITED

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

10. Debtors

	2022 £	2021 £
Trade debtors	1,260,258	359,690
Amounts owed by group undertakings	-	133
Other debtors	-	130,375
Prepayments and accrued income	986,207	797,112
	<u>2,246,465</u>	<u>1,287,310</u>

11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank overdrafts	224,560	-
Trade creditors	374,739	156,522
Amounts owed to group undertakings	23,511,234	27,959,056
Corporation tax	954,066	896,634
Other creditors	97,930	266,881
Accruals and deferred income	1,563,759	1,289,945
	<u>26,726,288</u>	<u>30,569,038</u>

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

12. Deferred taxation

	2022 £	2021 £
At beginning of year	(3,471,858)	(2,718,648)
Charged to profit or loss	62,988	(777,550)
Utilised in year	28,440	24,340
At end of year	<u>(3,380,430)</u>	<u>(3,471,858)</u>

TRENTHAM LEISURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

12. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(448,785)	(446,128)
Property revaluations	(2,977,125)	(3,073,159)
Financial Instruments	45,480	47,429
	<u>(3,380,430)</u>	<u>(3,471,858)</u>

13. Share capital

	2022 £	2021 £
Allotted, issued and fully paid		
75,000 (2021 - 75,000) Ordinary 'A' shares of £1.00 each	75,000	75,000
25,000 (2021 - 25,000) Ordinary 'B' shares of £1.00 each	25,000	25,000
	<u>100,000</u>	<u>100,000</u>

The ordinary 'A' and ordinary 'B' shares rank parri passu in all respects.

14. Ultimate controlling party

The company's immediate parent company is St. Modwen Properties Limited, a company registered in England and Wales. Copies of the group annual report and financial statements of St. Modwen Properties Limited are available from the registered office Two Devon Way, Longbridge, Birmingham, B31 2TS. This is the smallest group into which this company is consolidated.

The company's ultimate parent undertaking is Blackstone Inc., a company incorporated in the state of Delaware, US. Copies of the annual report and financial statements of Blackstone Inc. are available online at <https://ir.blackstone.com/sec-filings-annual-letters/>.

15. Related party transactions

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