

REGISTERED NUMBER: 00581658 (England and Wales)

**Report of the Directors and
Unaudited Financial Statements for the Year Ended 30 November 2018
for
Blackpole Trading Estate (1978) Limited**

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Blackpole Trading Estate (1978) Limited

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for the Year Ended 30 November 2018**

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Blackpole Trading Estate (1978) Limited

**Company Information
for the Year Ended 30 November 2018**

DIRECTORS:

G C Gusterson
R J Hudson

REGISTERED OFFICE:

Park Point
17 High Street
Longbridge
Birmingham
B31 2UQ

REGISTERED NUMBER:

00581658 (England and Wales)

Blackpole Trading Estate (1978) Limited

**Report of the Directors
for the Year Ended 30 November 2018**

The directors present their report with the financial statements of the company for the year ended 30 November 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property investment.

DIVIDENDS

No dividends will be distributed for the year ended 30 November 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2017 to the date of this report.

G C Gusterson
R J Hudson

Other changes in directors holding office are as follows:

R T Wood - appointed 15 March 2018

R T Wood ceased to be a director after 30 November 2018 but prior to the date of this report.

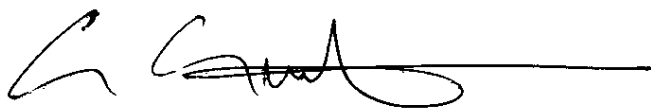
None of the directors had any interest in the shares of the company.

GOING CONCERN

The financial position of the company is set out in the Balance Sheet and the accompanying Notes to the Financial Statements.

The company is reliant on the support of its ultimate parent undertaking, St. Modwen Properties PLC, to be able to meet its liabilities as they fall due. However, the directors consider that the company is an integral part of St. Modwen Properties PLC's structure and strategy and this is evidenced by a letter of support from St. Modwen Properties PLC, which states its intent to provide the necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. In doing so, the directors have considered the latest guidelines from the Financial Reporting Council regarding the preparation of financial statements on a going concern basis.

ON BEHALF OF THE BOARD:



.....
G C Gusterson - Director

Date: 30th August 2019

Blackpole Trading Estate (1978) Limited

**Statement of Comprehensive Income
for the Year Ended 30 November 2018**

| | Notes | 2018 £ | 2017 £ |
|--|-------|------------------------|-------------------------|
| TURNOVER | 3 | 9,942 | 8,880 |
| Cost of sales | | <u>(76,232)</u> | <u>(152,069)</u> |
| GROSS LOSS | | (66,290) | (143,189) |
| Other operating income | | 33 | 33 |
| Gain/(loss) on revaluation of investment property | | <u>(2,000)</u> | <u>17,000</u> |
| OPERATING LOSS and LOSS BEFORE TAXATION | 5 | (68,257) | (126,156) |
| Tax on loss | 6 | <u>12,822</u> | <u>25,333</u> |
| LOSS FOR THE FINANCIAL YEAR | | (55,435) | (100,823) |
| OTHER COMPREHENSIVE INCOME | | <u>-</u> | <u>-</u> |
| TOTAL COMPREHENSIVE LOSS FOR THE YEAR | | <u>(55,435)</u> | <u>(100,823)</u> |

The notes form part of these financial statements

Blackpole Trading Estate (1978) Limited (Registered number: 00581658)

**Balance Sheet
30 November 2018**

| | Notes | 2018 £ | 2017 £ |
|--|-------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Investment property | 7 | 55,000 | 57,000 |
| CURRENT ASSETS | | | |
| Debtors | 8 | 3,222,737 | 3,274,023 |
| Cash at bank | | 815 | 4,028 |
| | | <u>3,223,552</u> | <u>3,278,051</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 9 | (14,478) | (15,174) |
| NET CURRENT ASSETS | | <u>3,209,074</u> | <u>3,262,877</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>3,264,074</u> | <u>3,319,877</u> |
| PROVISIONS FOR LIABILITIES | 10 | (6,022) | (6,390) |
| NET ASSETS | | <u><u>3,258,052</u></u> | <u><u>3,313,487</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 11 | 1,000 | 1,000 |
| Fair value reserve | | 39,990 | 41,622 |
| Retained earnings | | <u>3,217,062</u> | <u>3,270,865</u> |
| SHAREHOLDER FUNDS | | <u><u>3,258,052</u></u> | <u><u>3,313,487</u></u> |

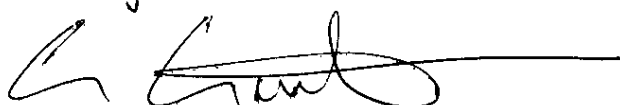
The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 30 November 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 November 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved and authorised for issue by the Board of Directors on 30th August 2019 and were signed on its behalf by:



.....
G C Gusterson - Director

The notes form part of these financial statements

Blackpole Trading Estate (1978) Limited

**Statement of Changes in Equity
for the Year Ended 30 November 2018**

| | Called up share capital £ | Retained earnings £ | Fair value reserve £ | Total equity £ |
|--|--|------------------------------------|---|-------------------------------|
| Balance at 1 December 2016 | 1,000 | 3,386,347 | 26,963 | 3,414,310 |
| Changes in equity | | | | |
| Total comprehensive loss | - | (100,823) | - | (100,823) |
| Transfer of net unrealised gains to fair value reserve | - | (14,659) | 14,659 | - |
| Balance at 30 November 2017 | <u>1,000</u> | <u>3,270,865</u> | <u>41,622</u> | <u>3,313,487</u> |
| Changes in equity | | | | |
| Total comprehensive loss | - | (55,435) | - | (55,435) |
| Transfer of net unrealised losses to fair value reserve | - | 1,632 | (1,632) | - |
| Balance at 30 November 2018 | <u><u>1,000</u></u> | <u><u>3,217,062</u></u> | <u><u>39,990</u></u> | <u><u>3,258,052</u></u> |

The notes form part of these financial statements

Blackpole Trading Estate (1978) Limited

Notes to the Financial Statements for the Year Ended 30 November 2018

1. STATUTORY INFORMATION

Blackpole Trading Estate (1978) 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

Basis of preparation

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 International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the 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 or comparative information in respect of certain assets. Where required, equivalent disclosures are given in the consolidated financial statements of St. Modwen Properties PLC.

Going concern

The company is reliant on the support of its ultimate parent undertaking, St. Modwen Properties PLC, to be able to meet its liabilities as they fall due. However, the directors consider that the company is an integral part of St. Modwen Properties PLC's structure and strategy and this is evidenced by a letter of support from St. Modwen Properties PLC, which states its intent to provide the necessary financial support to ensure that the company is a going concern for at least twelve months from the date of signing of these financial statements. After making enquiries and taking account of the factors noted above, the directors have a reasonable expectation that the company will have access to adequate resources to continue in existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. In doing so, the directors have considered the latest guidelines from the Financial Reporting Council regarding the preparation of financial statements on a going concern basis.

Turnover

Turnover is recognised to the extent that it is probable that economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured at the fair value of the consideration received excluding discounts, VAT and other sales taxes or duty.

Rental income

Rental income arising from investment properties is accounted for on a straight-line basis over the lease term.

Management fee income

Management fees are recognised when the company 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 company.

Blackpole Trading Estate (1978) Limited

Notes to the Financial Statements - continued for the Year Ended 30 November 2018

2. ACCOUNTING POLICIES - continued

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.

Financial instruments

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

Trade and other debtors

Trade and other debtors are recognised and carried at the lower of their original invoiced value or recoverable amount. Provision is made when there is evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Cash and cash equivalents

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

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.

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.

Blackpole Trading Estate (1978) Limited

Notes to the Financial Statements - continued for the Year Ended 30 November 2018

2. ACCOUNTING POLICIES - continued

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 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, are discussed below.

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.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

| | 2018 | 2017 |
|-----------------------|--------------|--------------|
| | £ | £ |
| Rental income | 4,106 | 4,032 |
| Management fee income | 5,836 | 4,848 |
| | <u>9,942</u> | <u>8,880</u> |

An analysis of turnover by geographical market is given below:

| | 2018 | 2017 |
|----------------|--------------|--------------|
| | £ | £ |
| United Kingdom | 9,942 | 8,880 |
| | <u>9,942</u> | <u>8,880</u> |

4. EMPLOYEES AND DIRECTORS

The company had no employees or staff costs for the current financial year or the prior financial year.

None of the directors received any remuneration paid by the company during the current financial year or the prior financial year. 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.

5. LOSS BEFORE TAXATION

The company has no profits or losses other than those recognised in the Statement of Comprehensive Income for the current or previous year.

Blackpole Trading Estate (1978) Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2018**

6. TAXATION

Analysis of tax income

| | 2018 | 2017 |
|---|------------------------|------------------------|
| | £ | £ |
| Current tax: | | |
| Tax | (12,454) | (27,674) |
| Deferred tax | (368) | 2,341 |
| Total tax income in statement of comprehensive income | <u>(12,822)</u> | <u>(25,333)</u> |

Factors affecting the tax expense

The tax assessed for the year is higher (2017 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2018 | 2017 |
|---|------------------------|-------------------------|
| | £ | £ |
| Loss before income tax | <u>(68,257)</u> | <u>(126,156)</u> |
| Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.330%) | (12,969) | (24,386) |
| Effects of: | | |
| Non-deductible or taxable expenses and credits | - | (2) |
| Taxation on investment property | 12 | (519) |
| Change in rate used for provision of deferred tax | - | (426) |
| Adjustments in respect of prior years | 135 | - |
| Tax income | <u>(12,822)</u> | <u>(25,333)</u> |

Legislation substantively enacted at 30 November 2018 included provisions which reduced the main rate of corporation tax from 19% to 17% with effect from 1 April 2020. Current tax has therefore been provided at 19% and deferred tax at 17%.

7. INVESTMENT PROPERTY

| | Total |
|-----------------------|-----------------------|
| | £ |
| FAIR VALUE | |
| At 1 December 2017 | 57,000 |
| Revaluations | <u>(2,000)</u> |
| At 30 November 2018 | <u>55,000</u> |
| NET BOOK VALUE | |
| At 30 November 2018 | <u>55,000</u> |
| At 30 November 2017 | <u>57,000</u> |

Blackpole Trading Estate (1978) Limited

Notes to the Financial Statements - continued for the Year Ended 30 November 2018

7. INVESTMENT PROPERTY - continued

Freehold investment properties were revalued as at 30 November 2018 and 30 November 2017 by Cushman & Wakefield, 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 £8,988 (2017: £8,988).

8. DEBTORS

| | 2018 | 2017 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 25,032 | 8,041 |
| Amounts owed by group undertakings | 3,185,116 | 3,234,538 |
| Other debtors | - | 3,770 |
| Corporation tax | 12,589 | 27,674 |
| | <u>3,222,737</u> | <u>3,274,023</u> |

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

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2018 | 2017 |
|-------------------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 10,694 | 11,152 |
| Other tax and social security | 2,429 | 2,270 |
| Other creditors | 955 | 51 |
| Accruals and deferred income | 400 | 1,701 |
| | <u>14,478</u> | <u>15,174</u> |

10. PROVISIONS FOR LIABILITIES

| | 2018 | 2017 |
|-----------------------------|--------------|---------------------|
| | £ | £ |
| Deferred tax | | |
| Property revaluations | 6,022 | 6,390 |
| | <u>6,022</u> | <u>6,390</u> |
| | | Deferred tax |
| | | £ |
| Balance at 1 December 2017 | | 6,390 |
| Provided during year | | (368) |
| Balance at 30 November 2018 | | <u>6,022</u> |

11. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | | 2018 | 2017 |
|----------------------------------|----------|----------------|--------------|--------------|
| Number: | Class: | Nominal value: | £ | £ |
| 1,000 | Ordinary | £1 | <u>1,000</u> | <u>1,000</u> |

Blackpole Trading Estate (1978) Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 November 2018**

12. ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent company is St. Modwen Properties PLC, a company registered in England and Wales. Copies of the group annual report and financial statements of St. Modwen Properties PLC are available from the registered office of Park Point, 17 High Street, Longbridge, B31 2UQ. This is the smallest and largest group into which this company is consolidated.