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Stadium Property Asset Management (No.3) Limited

Report and Financial Statements

31 December 2011

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COMPANIES HOUSE

Stadium Property Asset Management (No 3) Limited

Directors

E D Healey
P D Healey
M C Crooks
A S Fish
S Willox
P N Swales

Secretary

M C Crooks

Auditors

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds LS11 5QR

Solicitors

Addleshaw Goddard
Sovereign House
Sovereign Street
Leeds LS1 1HQ

Registered Office

Welton Grange
Welton
Brough
East Yorkshire HU15 1NB

Registered No 3027012

Directors' report

The directors present their report and financial statements for the year ended 31 December 2011

Results and dividends

The profit for the year after taxation amounted to £114,709 (2010 – profit of £199,801) The directors paid a dividend during the year of £275,017 (2010 – £nil)

Principal activities and review of the business

The principal activity of the company is that of a property investment company. The directors are satisfied with the result for the year and the future prospects

Directors

The directors who served the company during the year were as follows

E D Healey
P D Healey
M C Crooks
A S Fish
S Willox
P N Swales

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the Board



A S Fish
Director

25 September 2012

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgments 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Stadium Property Asset Management (No.3) Limited

We have audited the financial statements of Stadium Property Asset Management (No 3) Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended, .
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Stadium Property Asset Management (No.3) Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Stuart Watson (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Leeds

28 September 2012

Profit and loss account

for the year ended 31 December 2011

	Notes	2011 £	2010 £
Turnover	2	204,628	259,548
Administrative expenses		(36,922)	(4,975)
Operating profit	3	167,706	254,573
Interest payable and similar charges	5	(57,542)	(56,803)
Profit on ordinary activities before taxation		110,164	197,770
Tax	6	4,545	2,031
Profit for the financial year	11	114,709	199,801

All amounts relate to continuing activities

Statement of total recognised gains and losses

for the year ended 31 December 2011

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £114,709 in the year ended 31 December 2011 (2010 – profit of £199,801)

Stadium Property Asset Management (No 3) Limited

Balance sheet

at 31 December 2011

	Notes	2011 £	2010 £
Fixed assets			
Tangible assets	7	2,486,792	2,486,792
Current assets			
Debtors	8	68,793	64,293
Creditors: amounts falling due within one year	9	(2,385,786)	(2,216,433)
Net current liabilities		(2,316,993)	(2,152,140)
Total assets less current liabilities		169,799	334,652
Provisions for liabilities			
Deferred tax		(54,806)	(59,351)
Net assets		114,993	275,301
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	114,992	275,300
Shareholders' funds	12	114,993	275,301

The financial statements were approved by the Board on and signed on its behalf by

25 September 2012



A S Fish

Director

Notes to the financial statements

at 31 December 2011

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, modified by revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards. Compliance with SSAP 19 'Accounting for Investment Properties' requires departure from the requirements of the Companies Act 2006 relating to depreciation and an explanation of the departure is given below.

Going Concern

The financial statements have been prepared on the going concern basis because a company under common control has given the necessary assurances that sufficient resources will be made available so that the company can meet its liabilities as and when they fall due, for at least twelve months from the date of approval of these financial statements.

Statement of cash flows

The company is exempt from the requirement of FRS 1 (revised) for preparing a statement of cash flows as the company is a wholly owned subsidiary undertaking of SPH 2011 Limited and is included in the publicly available group financial statements of SPH 2011 Limited.

Turnover

Turnover comprises the value of rentals receivable by the company exclusive of VAT. Turnover is recognised on an accruals basis.

Investments

Investment properties are revalued annually. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve, unless a deficit (or its reversal) is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, in which case it is charged (or credited) to the profit and loss account. Depreciation is not provided in respect of freehold investment properties or of leasehold investment properties where the unexpired term of the lease is more than 20 years. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules is necessary to provide a true and fair view as required under SSAP 19.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 December 2011

2. Turnover

All of the company's turnover arose in the UK from the company's principal activity

3. Operating profit

The audit fee of £1,500 (2010 – £1,600) has been borne by the ultimate parent company SPH 2011 Limited, (2010 – CentrO Asset Management Limited a fellow SPH 2011 Limited group company)

4. Staff costs and directors' remuneration

The company has no employees other than the directors. The directors received remuneration for the year of £12,934 (2010 – £15,522) in relation to qualifying services as director of this company, all of which was paid by CentrO Asset Management Limited, or Stadium Welton Limited, both of which are companies within the SPH 2011 Limited group

5. Interest payable and similar charges

	2011 £	2010 £
Inter-company loan interest	57,542	56,803

6. Tax

(a) Tax on profit on ordinary activities

The tax credit is made up as follows

	2011 £	2010 £
Current tax:		
UK corporation tax on the profit for the year	-	-
Total current tax (note 6(b))	-	-
Deferred tax:		
Origination and reversal of timing differences	(4,545)	(2,031)
Total deferred tax	(4,545)	(2,031)
Tax on profit on ordinary activities	(4,545)	(2,031)

Notes to the financial statements

at 31 December 2011

6. Tax (continued)

(b) Factors affecting tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 26.5% (2010 – 28%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	110,164	197,770
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 – 28%)	29,193	55,376
<i>Effects of</i>		
Capital allowances in advance of depreciation	-	(167)
Group relief received for nil payment	(29,193)	(55,209)
Current tax for the year (note 6(a))	-	-

(c) Factors that may affect future tax charges

There is an unrecognised deferred tax asset of £280,830 (2010 – £303,296) in respect of capital losses which have not been recognised as there is insufficient evidence that the asset will be recovered in the foreseeable future

The 2011 Budget announced a number of changes to the corporation tax rate. These included a reduction in the UK corporation tax rate from 27% to 26% effective from 1 April 2011 and a further reduction in the UK corporation tax rate to 25% effective from 1 April 2012.

The rate reduction to 26% was substantively enacted on 29 March 2011, the further reduction to 25% was substantively enacted on 5 July 2011. Deferred tax has therefore been provided at 25%.

Proposed changes to reduce the rate of UK corporation tax to 23% by 2014 were also included in the 2011 budget and subsequently changes to reduce the rate of UK corporation tax to 22% by 2014 were included in the 2012 budget but these changes had not been substantively enacted by the balance sheet date.

(d) Deferred tax

	£
At 1 January 2011	59,351
Credited to the profit and loss account	(4,545)
At 31 December 2011	<u>54,806</u>

The deferred tax liability comprises

	2011 £	2010 £
Accelerated capital allowances	<u>54,806</u>	<u>59,351</u>

Notes to the financial statements

at 31 December 2011

7. Tangible fixed assets

*Investment
properties
£*

Cost and market value

At 1 January 2011 and 31 December 2011

2,486,792

The company's investment properties were valued by the directors as at 31 December 2011 at £2,486,792 (2010 – £2,486,792) on an open market basis. The historical cost of the property is £2,486,792 (2010 – £2,486,792).

8. Debtors

	2011 £	2010 £
Trade debtors	66,449	62,948
Other debtors	1	1
Prepayments and accrued income	2,343	1,344
	<u>68,793</u>	<u>64,293</u>

9. Creditors: amounts falling due within one year

	2011 £	2010 £
Amounts due to other group companies	2,327,535	2,159,879
Other taxation and social security	11,075	9,375
Accruals and deferred income	47,176	47,179
	<u>2,385,786</u>	<u>2,216,433</u>

10. Issued share capital

	2011 No	2011 £	2010 No	2010 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	1	<u>1</u>	1	<u>1</u>

Notes to the financial statements

at 31 December 2011

11. Movements on reserves

	<i>Profit and loss account</i>
	£
At 1 January 2011	275,300
Profit for the year	114,709
Dividend paid	(275,017)
At 31 December 2011	<u>114,992</u>

12. Reconciliation of shareholders' funds

	<i>2011</i>	<i>2010</i>
	£	£
Profit for the year	114,709	199,801
Dividend paid	(275,017)	(228,169)
Movement in shareholders' funds	(160,308)	199,801
Opening shareholders' funds	275,301	75,500
Closing shareholders' funds	<u>114,993</u>	<u>275,301</u>

13. Related party transactions

As a subsidiary undertaking of SPH 2011 Limited, the company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' from disclosing transactions with other members of the group headed by SPH 2011 Limited

14. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Stadium Welton Limited, a company incorporated in Great Britain and registered in England and Wales

Following a group reorganisation on 21 January 2011, the company's ultimate parent undertaking and controlling party is SPH 2011 Limited, a company incorporated in Great Britain and registered in England and Wales. Prior to 21 January 2011, the company's ultimate parent undertaking and controlling party was Stadium Parkgate (Holdings) Limited

The largest and smallest group in which the results of the company are consolidated is that headed by SPH 2011 Limited. The group financial statements of SPH 2011 Limited are available to the public and may be obtained from the Company Secretary, Welton Grange, Welton, Brough, East Yorkshire, HU15 1NB