

Registered number: 06537028

Be Modern Properties Limited

Annual report

7 May 2022



Be Modern Properties Limited

Company information

Director	G Bloodworth
Company secretary	J R Harris
Registered number	06537028
Registered office	19-34 Bedesway Bede Industrial Estate Jarrow Tyne and Wear NE32 3BE
Independent auditor	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Lloyds Bank PLC PO Box 45 54 Fawcett Street Sunderland SR1 1SF
Solicitors	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX

Be Modern Properties Limited

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Be Modern Properties Limited

Director's report Year ended 7 May 2022

The director presents his report and the financial statements for the year ended 7 May 2022.

Directors

The directors who served during the year were:

W Bloodworth (deceased 13 January 2022)
G Bloodworth

Disclosure of information to auditor

The director at the time when this director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

Small companies note

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

This report was approved by the board on 9 November 2022 and signed on its behalf by:

G Bloodworth
Director



Be Modern Properties Limited

Director's responsibilities statement Year ended 7 May 2022

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards ('United Kingdom Generally Accepted Accounting Practice'), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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 auditor's report to the members of Be Modern Properties Limited

Opinion

We have audited the financial statements of Be Modern Properties Limited ('the company') for the year ended 7 May 2022, which comprise the statement of comprehensive income, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is 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').

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 7 May 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.



Independent auditor's report to the members of Be Modern Properties Limited (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

We have nothing to report in respect of the following matters in relation to which 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.



Independent auditor's report to the members of Be Modern Properties Limited (continued)

Responsibilities of directors

As explained more fully in the director's responsibilities statement set out on page 2, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for 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 the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the directors and other management (as required by Auditing Standards) and from inspection of the company's legal correspondence and we discussed with the directors and other management the policies and procedures in place regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, 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.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance 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, employment law, data protection, environmental law 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. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.



Independent auditor's report to the members of Be Modern Properties Limited (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

David Redhead (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

9 November 2022

Be Modern Properties Limited

Statement of comprehensive income Year ended 7 May 2022

	2022 £	2021 £
Profit and loss account		
Turnover	458,000	247,500
Gross profit	<u>458,000</u>	<u>247,500</u>
Administrative expenses	(319,227)	(85,101)
Operating profit	<u>138,773</u>	<u>162,399</u>
Interest receivable and similar income	-	3
Profit on ordinary activities before taxation	<u>138,773</u>	<u>162,402</u>
Tax on profit on ordinary activities	(44,868)	(43,468)
Profit for the financial year	<u>93,905</u>	<u>118,934</u>
Other comprehensive income for the year		
Unrealised surplus on revaluation of tangible fixed assets	945,621	-
Deferred tax on unrealised surplus on revaluation of tangible fixed assets	(252,317)	-
Other comprehensive income for the year	<u>693,304</u>	<u>-</u>
Total comprehensive income for the year	<u>787,209</u>	<u>118,934</u>

The notes on pages 9 to 13 form part of these financial statements.

Be Modern Properties Limited

Balance sheet At 7 May 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	7	3,870,000	3,243,593
Current assets			
Debtors	8	1,477,398	1,061,669
Cash at bank and in hand		11,777	11,777
		<u>1,489,175</u>	<u>1,073,446</u>
Creditors: amounts falling due within one year	9	(82,912)	(42,258)
Net current assets		<u>1,406,263</u>	<u>1,031,188</u>
Total assets less current liabilities		<u>5,276,263</u>	<u>4,274,781</u>
Provisions for liabilities			
Deferred tax		(359,607)	(145,334)
Net assets		<u><u>4,916,656</u></u>	<u><u>4,129,447</u></u>
Capital and reserves			
Called up share capital		3,379,335	3,379,335
Revaluation reserve		693,304	-
Profit and loss account		844,017	750,112
Total equity		<u><u>4,916,656</u></u>	<u><u>4,129,447</u></u>

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 were approved and authorised for issue by the board and were signed on its behalf on 9 November 2022.


G Bloodworth
Director

Company registered number: 06537028

The notes on pages pages 9 to 13 form part of these financial statements.

Be Modern Properties Limited

Notes to the financial statements Year ended 7 May 2022

1. General information

The company is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is given in the company information page of this annual report.

2. Statement of compliance

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including section 1A of Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland*' ('FRS 102') and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

3.1 Basis of preparation

The financial statements are prepared on a going concern basis and under the historical cost convention, as modified by the measurement of tangible fixed assets at fair value. They are presented in pounds sterling.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 5.

3.2 Going concern

The company meets its working capital requirements through its operating cash flows.

The directors have prepared financial forecasts which indicate that the company will maintain sufficient financial headroom and cash reserves to enable it to continue meeting its liabilities as they fall due in the normal course of business, for at least the next twelve months following approval of these financial statements.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

3.3 Revenue

Revenue comprises of rental income from other group companies receivable during the year, excluding Value Added Tax. Turnover is recognised on a straight line basis over the term of the lease. Where payments are received in advance of the rental period, the amounts are recorded as deferred income and included as part of creditors due within one year.

Be Modern Properties Limited

Notes to the financial statements Year ended 7 May 2022

3. Accounting policies (continued)

3.4 Current and deferred taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax expense is also recognised in other comprehensive income or directly in equity.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences arise from the inclusion of transactions and events in the financial statements in periods different from those in which they are assessed for tax.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing differences.

3.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price plus any further costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives as follows:

Freehold property	-	2% straight line
Long-term leasehold property	-	straight line over tenure

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

3.6 Revaluation of tangible fixed assets

All freehold and leasehold properties are carried at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

Be Modern Properties Limited

Notes to the financial statements Year ended 7 May 2022

3. Accounting policies (continued)

3.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts payable, cash and bank balances, and loans to or from related parties, including fellow group companies. All such instruments are due within one year, and are measured, initially and subsequently at the transaction price.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

4. Change in accounting policy

During the year, the accounting policy for tangible fixed assets was changed from the cost model to the revaluation model. In accordance with section 10 of FRS 102, this has been applied prospectively from the date of valuation. The directors believe that the revaluation model provides more reliable and more relevant information regarding the valuation of tangible fixed assets.

5. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgments in applying the company's accounting policies

In preparing these financial statements, the director does not consider there to have been any significant judgments that were required in the process of applying the company's accounting policies.

Key sources of estimation uncertainty

Valuation of freehold and leasehold properties

As stated in note 3, freehold and leasehold properties are carried at fair value. The valuation of the company's freehold and leasehold properties is inherently subjective due to, amongst other factors, the individual nature of each property, its location, and the potential future rental revenues of that particular property. As a result, the valuations the company places on its freehold and leasehold properties are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the market.

The freehold and leasehold property valuations contain a number of assumptions upon which the company's valuers have based their valuation of the company's freehold and leasehold properties at the balance sheet date. The assumptions on which the property valuation reports have been based include, but are not limited to, matters such as the location and situation of the properties, the condition and state of repair of the properties, tenure and tenancy details for the properties, and comparable market transactions.

Other estimates included within these financial statements include the depreciation charge and asset impairments (for example provisions against debtors), however these are not considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Be Modern Properties Limited

Notes to the financial statements Year ended 7 May 2022

6. Employees

The company had no employees other than the directors during the current or previous year.

7. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Total £
Cost or valuation			
At 9 May 2021	3,789,094	344,083	4,133,177
Revaluations	(919,094)	655,917	(263,177)
At 7 May 2022	<u>2,870,000</u>	<u>1,000,000</u>	<u>3,870,000</u>
Depreciation			
At 9 May 2021	824,908	64,676	889,584
Charge for the year	80,113	4,975	85,088
On revalued assets	(905,021)	(69,651)	(974,672)
At 7 May 2022	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 7 May 2022	<u>2,870,000</u>	<u>1,000,000</u>	<u>3,870,000</u>
At 8 May 2021	<u>2,964,186</u>	<u>279,407</u>	<u>3,243,593</u>

The 2022 valuation was made by Johnson Tucker LLP, independent Chartered Surveyors. The valuation had an effective date of 7 May 2022 and was prepared on the basis of fair market value. The carrying amount that would have been recognised had the assets been carried under the cost model is as follows:

	2022 £	2021 £
Freehold property	2,884,073	2,964,186
Long-term leasehold property	274,432	279,407
	<u>3,158,505</u>	<u>3,243,593</u>

Be Modern Properties Limited

Notes to the financial statements Year ended 7 May 2022

8. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	<u>1,477,398</u>	<u>1,061,669</u>

9. Creditors: amounts falling due within one year

	2022 £	2021 £
Corporation tax	<u>82,912</u>	<u>42,258</u>

10. Related party transactions

As the company is a wholly-owned subsidiary of Be Modern Holdings Limited, the company has taken advantage of the exemption contained in FRS 102 from disclosure of related party transactions with and between wholly-owned subsidiaries and has therefore not disclosed transactions or balances with wholly-owned subsidiaries which form part of the group.

11. Parent undertaking preparing consolidated financial statements

The company is included in the consolidated financial statements of Be Modern Holdings Limited, whose registered office is 19-34 Bedesway, Bede Industrial Estate, Jarrow, Tyne and Wear, NE32 3BE.