SRG II Limited

Report and Financial Statements

10 Month Financial Period Ended

31 December 2019

Company Number 11857138

SRG II Limited

Report and Financial Statements
for the 10 Month Financial Period Ended 31 December 2019

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Directors
P A Kershaw (appointed 7 May 2019)
N Haskic (appointed 4 March 2019)
J T Stewart (appointed 7 May 2019)
W Killick (appointed 7 May 2019)
A J Pettit (appointed 7 May 2019)

Registered office
MPK House, 318 Melton Road, Leicester, Leicestershire, LE4 7SL

Company number
11857138

Auditor
BDO LLP, Two Snowhill, Birmingham, B4 6GA

Bankers
HSBC Bank PLC, Donington Court, Pegasus Business Park, Herald Way, East Midlands, DE74 2UZ

Solicitors
Boodle Hatfield LLP, 240 Blackfriars Road, London, SE1 8NW

SRG II Limited

Statement of financial position
at 31 December 2019

Company number 11857138	Note	Dec 2019 £	Dec 2019 £
Fixed assets			
Investments	3		**1**
Current assets			
Debtors	4	**146,050**	
Cash at bank and in hand		**4,767**	
		150,817	
Creditors: amounts falling due within one year	5	**(169,051)**	
Net current liabilities			**(18,234)**
Provisions for liabilities			
Deferred taxation	6		**-**
Net liabilities			**(18,233)**
Capital and reserves			
Called up share capital	7		**1**
Profit and loss account			**(18,234)**
Shareholders' deficit			**(18,233)**

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

P A Kershaw
Director

Dated: 23 December 2020

The notes on pages 3 to 9 form part of these financial statements.

SRG II Limited

Statement of changes in equity
for the 10 Month Financial Period Ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 4 March 2019	-	-	-
Share capital issued on incorporation	1	-	1
Comprehensive Income for the period			
Loss for the period	-	(18,234)	(18,234)
At 31 December 2019	**1**	**(18,234)**	**18,233**

1 General Information

SRG II Limited (the company) is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

2 Accounting policies

Basis of preparation of financial statements

The financial statements are prepared in Sterling (£). The financial statements are prepared for the 10 month period to 31 December 2019. The company was incorporated on 4 March 2019.

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following accounting policies have been applied consistently throughout the year.

Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charges so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	1.5% straight line on revalued amount
Leasehold property	-	Term of the lease
Plant and machinery	-	10% straight line
Motor vehicles	-	20% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	25% straight line

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

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

Impairment of tangible fixed assets
At each balance sheet date, the directors review the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

2 Accounting policies *(continued)*

Revaluation of tangible fixed assets

Land and buildings are subsequently carried at fair value, based on periodic valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in the revaluation reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation reserve, or reversal of such a transaction, is recognised in profit or loss.

At the date of revaluation, the accumulated depreciation on the revalued buildings is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The excess depreciation on revalued freehold buildings, over the amount that would have been charged on a historical cost basis, is transferred from the revaluation reserve to retained earnings when buildings are expensed through the statement of comprehensive income (e.g. through depreciation, impairment). On disposal of the asset the balance of the revaluation reserve is transferred to retained earnings.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

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

Financial instruments

The company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from or to related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

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

2 Accounting policies *(continued)*

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Operating leases

Assets that are held by the company under leases which transfer substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the group are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and directors judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £Nil).

2 Accounting policies *(continued)*

Going Concern
After making enquiries and preparing integrated profit and loss and cash flow forecasts for one year from the date the financial statements are signed, the Directors have formed a judgement that, as at the date of approving the financial statements, there is a reasonable expectation that the Parent Group and the Company have adequate resources to continue in existence for the foreseeable future.

Comfort has been obtained from other Group companies that financial support will continue for a period of not less than one year from the date of approval of the financial statements.

In the current business climate, the Directors acknowledge the impact of the COVID-19 pandemic and are closely monitoring the financial, operational, and people experience aspects of the Parent Group's processes and procedures to mitigate the impact of the pandemic. Senior management have implemented various changes to underpin the Parent Group's resilience to COVID-19, with the key focus being protecting all customers and employees, and ensuring business continuity. The inability to gauge the length of such disruption (e.g. due to further national or more local lockdowns) further adds to this uncertainty to the situation.

In making this assessment the Directors and Senior Management team have undertaken a thorough review of the Parent Group and the Company's budgets and forecasts, and has produced detailed and realistic cash flow projections. Various scenarios have been modelled on the potential impact of COVID-19, including the worst-case scenario. In broad terms the worst-case scenario occurs when there are multiple, complete nationwide lockdowns; the forecast assumes reduced revenues, but this is exacerbated where the Group continues paying suppliers as their invoices fall due. The Parent Group has existing cash resources at the 1 November 2020 of £3,000,000 and an available but unused debt facility of £500,000, to pay outstanding fuel creditors. These cash flow projections, when considered in conjunction with the Parent Group's existing cash balances and facilities plus creditor extension support provided by our fuel suppliers, demonstrate that the Parent Group has a strong working capital position.

There are strong relationships with our fuel suppliers partners, and good evidence to suggest that they will continue to support the Parent Group with creditor extensions as required, that said no legally binding obligation exists that confirms support will be provided indefinitely by these partners.

This indicates the existence of a material uncertainty with regard to future cash flows, which may cast significant doubt about the Group's ability to continue as a going concern (specifically as a result of the unprecedented Covid-19 pandemic). However, the Directors consider that there is nothing to indicate that the existing working capital position plus offered fuel supplier creditor extensions will not continue in further lockdowns, and have therefore prepared these financial statements on a going concern basis.

The financial statements do not include any adjustments that would be necessary if the Parent Group or Company is unable to continue as a going concern.

3 Investments

	Investments in subsidiary companies £
Cost	
At 4 March 2019	-
Additions	1
At 31 December 2019	**1**
Net book value	
At 31 December 2019	**1**

	Country of incorporation	Holding	Principal activity
Stratford Midlands Limited	England and Wales	100%	Dormant company

Stratford Midlands Limited was incorporated in the United Kingdom and the registered office is the same as the parent company.

The aggregate of the share capital and reserves as at 31 December 2019 and of the profit or loss for the year ended on that date of the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
Stratford Midlands Limited	1

4 Debtors

	Dec 2019 £
Other debtors	**145,450**
Other taxation and social security receivable	**600**
	146,050

5 Creditors: amounts falling due within one year

	Dec 2019 £
Other creditors	169,051
	169,051

6 Deferred taxation

	10 Month Period Ended 31 December 2019 £
At beginning of period	-
Credited to profit or loss	-
Charged to other comprehensive income	-
	-

The deferred taxation balance is made up as follows:

	10 Month Period Ended 31 December 2019 £
Accelerated capital allowances	-
Short term timing differences	-
Tax losses carried forward and other deductions	-
	-

7 Share capital

	Dec 2019 £
Allotted, called up and fully paid	
(2019 – 1) ordinary share of £0.01	1

8 Related party transactions

Advantage has been taken of the exemption provided by FRS 102 Section 33.1A not to disclose transactions with fellow group companies and disclosure on key management personnel as all subsidiary undertakings are wholly owned by the ultimate controlling entity of the company.

9 Ultimate Controlling Party

The directors do not consider there to be an ultimate controlling party. At the Balance Sheet date the ultimate parent undertaking was Stratford Retail Partners LLP, whose registered office is MPK House, 318 Melton Road, Leicester, Leicestershire, LE4 7SL. The consolidated Group accounts of Stratford Retail Partners LLP are available from are available from Companies House.

10 Post Balance Sheet Events

In January 2020, an outbreak of a Corona virus, now classified as COVID-19, was detected in China's Hubei province. During the following months, COVID-19 has spread steadily throughout the World and on 11 March 2020, The World Health Organisation ("WHO") declared the outbreak a global pandemic.

Disclosures in relation to the COVID-19 outbreak can be found in the ultimate parent company undertaking, Stratford Retail Partners LLP. Consolidated accounts are prepared for Stratford Retail Partners LLP and are available from Companies House, Cardiff, CF14 3UZ.

11 Auditor's information

As the profit and loss account has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with S444(5B) of the Companies Act 2006.

An audit of the company's financial statements was carried out by BDO LLP as statutory auditor who reported to the company's members on 23 December 2020. The auditor's report was signed by Jonathan Gilpin and was unqualified. The audit report drew attention to the material uncertainty in relation to going concern, which is outlined in more detail in note 1 to these financial statements.