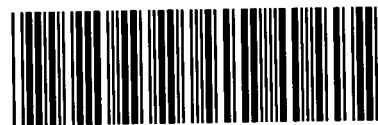


REGISTERED NUMBER: 01486151 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 30 November 2013
for
St Modwen Ventures Limited**

TUESDAY



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for the Year Ended 30 November 2013**

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St Modwen Ventures Limited

**Company Information
for the Year Ended 30 November 2013**

DIRECTORS:

W A Oliver
J A W Dodds
S F Prosser
R T Wood
M E Dunn
T A Seddon

REGISTERED OFFICE:

Sir Stanley Clarke House
7 Ridgeway
Quinton Business Park
Birmingham
West Midlands
B32 1AF

REGISTERED NUMBER:

01486151 (England and Wales)

AUDITORS:

Deloitte LLP
Chartered Accountants
& Statutory Auditor
Four Brindleyplace
Birmingham
West Midlands
B1 2HZ

**Report of the Directors
for the Year Ended 30 November 2013**

The directors present their report with the financial statements of the company for the year ended 30 November 2013.

PRINCIPAL ACTIVITY

The company operates within the UK property development and investment market. The core business, within that market, is town centre regeneration and asset management of the investments through development agreements with the aim of improving rental streams.

DIVIDENDS

The directors do not recommend the payment of a final dividend (2012: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 December 2012 to the date of this report.

W A Oliver
J A W Dodds
S F Prosser
R T Wood
M E Dunn
T A Seddon

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

GOING CONCERN

The Company has satisfactory financial resources. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. After making enquiries the directors have a reasonable expectation that the Company has 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 accounts on a going concern basis.

DIRECTORS' INDEMNITIES

For the financial year ended 30 November 2013 qualifying third party indemnity provisions (provided by the ultimate parent company St. Modwen Properties PLC) were in force for the benefit of all the directors of the company and these remain in force at the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements 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 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 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.

**Report of the Directors
for the Year Ended 30 November 2013**

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all steps necessary to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITORS

Deloitte LLP, our appointed Auditors, have conducted the audit for the year ended 30 November 2013 and have expressed a willingness to remain in office. Arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

ON BEHALF OF THE BOARD:



M E Dunn - Director

14 July 2014

**Report of the Independent Auditors to the Members of
St Modwen Ventures Limited**

We have audited the financial statements of St Modwen Ventures Limited for the year ended 30 November 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, the Balance Sheet, and the related notes 1 to 20. 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 a Report of the Auditors 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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2013 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

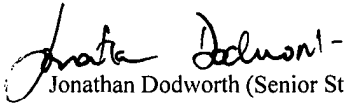
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
St Modwen Ventures 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Jonathan Dodworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants
& Statutory Auditor
Four Brindleyplace
Birmingham
West Midlands
B1 2HZ

Date: 16 July 2014

St Modwen Ventures Limited (Registered number: 01486151)

**Profit and Loss Account
for the Year Ended 30 November 2013**

	Notes	2013 £	2012 £
TURNOVER	2	253,284	81,285
Cost of sales		544,083	80,797
GROSS PROFIT		797,367	162,082
Administrative expenses		(3,640)	(3,308)
OPERATING PROFIT	4	793,727	158,774
Profit/(loss) on sale of tangible fixed assets		456,397	112,375
		1,250,124	271,149
Net interest	5	(1,283,298)	(1,523,511)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(33,174)	(1,252,362)
Tax on loss on ordinary activities	6	888,385	313,761
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		855,211	(938,601)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

The notes form part of these financial statements

St Modwen Ventures Limited (Registered number: 01486151)

**Statement of Total Recognised Gains and Losses
for the Year Ended 30 November 2013**

	2013	2012
	£	£
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	855,211	(938,601)
Unrealised revaluation (deficit)/surplus	(187,408)	141,329
Tax on realised revaluation deficit	-	2,162,875
	<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>667,803</u>	<u>1,365,603</u>

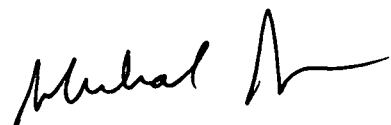
The notes form part of these financial statements

St Modwen Ventures Limited (Registered number: 01486151)

Balance Sheet
30 November 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible assets	7	8,075,739	9,675,740
Investments	8	442,676	442,676
		<u>8,518,415</u>	<u>10,118,416</u>
CURRENT ASSETS			
Stocks	9	8,225,254	3,302,382
Debtors	10	61,190,200	66,195,667
Cash at bank		153,231	207,854
		<u>69,568,685</u>	<u>69,705,903</u>
CREDITORS			
Amounts falling due within one year	11	(990,014)	(2,145,317)
NET CURRENT ASSETS		<u>68,578,671</u>	<u>67,560,586</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		77,097,086	77,679,002
CREDITORS			
Amounts falling due after more than one year	12	(44,349,000)	(45,605,683)
PROVISIONS FOR LIABILITIES	14	(34,434)	(27,470)
NET ASSETS		<u>32,713,652</u>	<u>32,045,849</u>
CAPITAL AND RESERVES			
Called up share capital	15	15,000	15,000
Revaluation reserve	16	(1,892,283)	(1,704,875)
Profit and loss account	16	34,590,935	33,735,724
SHAREHOLDERS' FUNDS	20	<u>32,713,652</u>	<u>32,045,849</u>

The financial statements were approved and authorised for issue by the Board of Directors on 14 July 2014 and were signed on its behalf by:



M E Dunn - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 30 November 2013**

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets in accordance with applicable United Kingdom company law and accounting standards.

Compliance with SSAP19 "Accounting for investment properties" requires departure from the Companies Act 2006 relating to depreciation and an explanation of the departure is given below.

The accounting policies have been applied consistently throughout the year and the preceding year. The directors have prepared the financial statements on a going concern basis for the reasons set out in the paragraph headed "Going concern" in the directors' report.

Group accounts

The company is entitled to the exemption under Section 400 of the Companies Act 2006 from the obligation to prepare group accounts. The financial statements therefore show information about the company as an individual undertaking and not as a group.

Cash flow statement

The company is a 100% subsidiary of St Modwen Properties PLC. Its cash flows are included in that company's consolidated cash flow statement. Consequently, the company is exempt from the requirement of Financial Reporting Standard 1 (Revised) to prepare a cash flow statement.

Turnover and profit recognition

Turnover represents rental income receivable on a straight line basis to the first break point in the lease and other recoveries. Profit on sale of properties is recognised on a legal completion of sale.

Investment in subsidiary companies

The investments in subsidiary companies are included in the company's balance sheet at cost less any impairment.

Investment properties

Investment properties are revalued annually. Surplus or deficits on individual properties are transferred to the revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit is charged/(credited) to the profit and loss account.

No depreciation is provided in respect of investment properties. The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principal set out in SSAP19. The directors consider that, because these properties are not held for consumption but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Stock and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Transfers from investment properties to stock are made at carrying value.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2013

1. ACCOUNTING POLICIES - continued

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Interest and finance costs

Interest incurred on properties in the course of development, whether for sale or retention as investments, is charged to the profit and loss account.

Finance costs associated with long term borrowings are charged to the profit and loss account over the life of the liability to which they relate.

2. TURNOVER

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

	2013 £	2012 £
Rental income	253,284	81,285
	<u>253,284</u>	<u>81,285</u>

An analysis of operating profit by class of business is given below:

	2013 £	2012 £
Rental income	178,633	192,003
Property development	926,544	(29,921)
Administrative expenses	(3,640)	(3,308)
	<u>1,101,537</u>	<u>158,774</u>

3. STAFF COSTS

The company had no employees (2012: nil) and is managed by its ultimate parent company, St Modwen Properties PLC.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2013

4. OPERATING PROFIT

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

Auditors' remuneration was borne by the parent company, St Modwen Properties PLC. The fee payable for audit of the financial statements was £2,000 (2012: £2,000) and the fee payable for tax services was £1,000 (2012: £1,000).

5. NET INTEREST

	2013 £	2012 £
Interest payable on bank loans/overdrafts and loan amortisation costs	1,283,594	1,524,353
Bank interest receivable	(296)	(842)
Net interest payable	<u>1,283,298</u>	<u>1,523,511</u>

6. TAXATION

Analysis of the tax credit

The tax credit on the loss on ordinary activities for the year was as follows:

	2013 £	2012 £
Current tax:		
UK corporation tax	(895,349)	(312,662)
Deferred tax	6,964	(1,099)
Tax on loss on ordinary activities	<u>(888,385)</u>	<u>(313,761)</u>

Factors affecting the tax credit

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

	2013 £	2012 £
Loss on ordinary activities before tax	<u>(33,174)</u>	<u>(1,252,362)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.330% (2012 - 24.670%)	(7,739)	(308,958)
Effects of:		
Adjustments to tax charge in respect of previous years	<u>(887,610)</u>	<u>(3,704)</u>
Current tax credit	<u>(895,349)</u>	<u>(312,662)</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2013

6. TAXATION - continued

Factors that may affect future tax charges

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years.

No provision has been made for deferred tax on gains recognised on revaluing investment properties to market value. Such tax would become payable only if the properties were sold. The total amount unprovided is £342,000 (2012: £342,000).

Full payment is made for group relief surrendered between related undertakings.

The Finance Act 2013 was substantively enacted on 17th July 2013 and included provisions which reduced the main rate of corporation tax to 21% from 1st April 2014 and 20% from 1st April 2015. Current tax has therefore been provided at 23.33% and deferred tax at 20%.

7. TANGIBLE FIXED ASSETS

	Freehold investment property £
COST OR VALUATION	
At 1 December 2012	9,675,740
Additions	1,396,250
Disposals	(285,000)
Revaluations	(187,408)
Transfer from work in progress	(2,523,843)
	<u>8,075,739</u>
At 30 November 2013	8,075,739
NET BOOK VALUE	
At 30 November 2013	<u>8,075,739</u>
At 30 November 2012	<u>9,675,740</u>

Freehold investment properties were revalued as at 30 November 2013 by Jones Lang Lasalle, Chartered Surveyors, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, on the basis of open market value.

Tangible fixed assets included at a valuation would have been included on a historical cost basis at:

	2013 £	2012 £
Freehold investment properties	<u>15,582,679</u>	<u>15,582,679</u>

8. FIXED ASSET INVESTMENTS

	Investments in subsidiaries £
COST	
At 1 December 2012 and 30 November 2013	<u>442,676</u>
NET BOOK VALUE	
At 30 November 2013	<u>442,676</u>
At 30 November 2012	<u>442,676</u>

Notes to the Financial Statements - continued
for the Year Ended 30 November 2013

8. **FIXED ASSET INVESTMENTS - continued**

The investment relates to a 75% shareholding in Norton & Proffitt Developments Limited, a property investment and development company registered in England and Wales. The company's value is underpinned by its prospects as the developer of Walsall town centre.

9. **STOCKS**

	2013	2012
	£	£
Work-in-progress	<u>8,225,254</u>	<u>3,302,382</u>

10. **DEBTORS**

	2013	2012
	£	£
Trade debtors	6,810	5,458
Amounts owed by group undertakings	61,011,666	65,844,647
Other debtors	1,621	6,739
Other tax and social security	169,721	338,823
Prepayments and accrued income	382	-
	<u>61,190,200</u>	<u>66,195,667</u>

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013	2012
	£	£
Trade creditors	481,196	869,744
Corporation tax	43,585	567,342
Other creditors	25,782	13,488
Accruals and deferred income	439,451	694,743
	<u>990,014</u>	<u>2,145,317</u>

12. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2013	2012
	£	£
Bank loans (see note 13)	43,999,000	45,255,683
Amounts owed to group undertakings	350,000	350,000
	<u>44,349,000</u>	<u>45,605,683</u>

13. **LOANS**

An analysis of the maturity of loans is given below:

	2013	2012
	£	£
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>43,999,000</u>	<u>45,255,683</u>

The bank loans are secured by fixed charges over the properties owned by the company.

At 30 November 2013 the loan was due for repayment in December 2015.

Deducted from the bank loan balance is £nil (2012: £10,000) of unamortised debt issue costs.

Notes to the Financial Statements - continued
for the Year Ended 30 November 2013

14. PROVISIONS FOR LIABILITIES

	2013 £	2012 £
Deferred tax	<u>34,434</u>	<u>27,470</u>
		Deferred tax £
Balance at 1 December 2012		27,470
Charge to profit and loss account		6,964
Balance at 30 November 2013		<u>34,434</u>

The amounts of deferred taxation liability provided and unprovided in the accounts are:

	2013 £	Provided 2012 £	2013 £	Unprovided 2012 £
Capital allowances in excess of depreciation	27,470	27,470	-	-
Revaluation of properties	-	-	56,000	342,000
	<u>27,470</u>	<u>27,470</u>	<u>56,000</u>	<u>342,000</u>

15. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Allotted, called up and fully paid equity		
15,000 Ordinary shares of £1 each	<u>15,000</u>	<u>15,000</u>

16. RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 December 2012	33,735,724	(1,704,875)	32,030,849
Profit for the year	855,211		855,211
Revaluation of property	-	(187,408)	(187,408)
At 30 November 2013	<u>34,590,935</u>	<u>(1,892,283)</u>	<u>32,698,652</u>

17. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is St. Modwen Properties PLC, a company registered in England and Wales. Copies of the Group report and accounts of St Modwen Properties PLC are available from the Registered Office at 7 Ridgeway, Quinton Business Park, Birmingham, B32 1AF. This is the smallest and largest group into which this company is consolidated.

18. CAPITAL COMMITMENTS

At 30 November 2013 the company had no contracted capital expenditure (2012: £nil).

Notes to the Financial Statements - continued
for the Year Ended 30 November 2013

19. RELATED PARTY DISCLOSURES

As the company is wholly owned by the group, it has taken advantage of the exemption under FRS 8 "Related Party Disclosures" not to disclose transactions with other companies in the group.

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit/(loss) for the financial year	855,211	(938,601)
Other recognised gains and losses relating to the year (net)	(187,408)	2,304,204
Net addition to shareholders' funds	667,803	1,365,603
Opening shareholders' funds	32,045,849	30,680,246
Closing shareholders' funds	32,713,652	32,045,849