

Company Registration No: 00892186

AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED

Annual Report and Financial Statements

Year ended 30 April 2018

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AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

Year ended 30 April 2018

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AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS **Year ended 30 April 2018**

OFFICERS AND PROFESSIONAL ADVISERS

Directors: W J Carroll
P Leader (Resigned 25/06/2018)

Secretary: W J Carroll

Registered office: Monmouthshire House
John Frost Square
Newport
NP20 1PX

Bankers: HSBC
97 Bute Street
Cardiff
CF10 5NA

Auditor: Deloitte LLP
Chartered Accountants
Cardiff

AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED

DIRECTORS' REPORT **Year ended 30 April 2018**

The directors present their annual report and the audited financial statements for the year ended 30 April 2018. The Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 415 of the Companies Act 2006.

Principal activity

The company's principal activity is property management. It is a private limited company incorporated in the UK.

Review of developments and future prospects

The company's profit was £96,965 (2017: £97,304). The directors consider that future prospects are good due to the opportunity to fully let the property following completion of the Friars Walk Redevelopment.

Dividends and transfers to reserves

The results for the year are set out in detail on page 7. No dividends (2017: Nil) were paid during the year. The profit for the financial year after taxation of £96,965 (2017 – £97,304) has been transferred to reserves.

Directors

The directors of the company, who served throughout the year and subsequently, are listed on page 1.

Auditor

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

No material non-audit services are provided by Deloitte LLP; consequently auditor objectivity and independence is safeguarded. KPMG are appointed as the company's external auditors for a five year period beginning with the year commencing 1st May 2018.

AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED

DIRECTORS' REPORT (continued) Year ended 30 April 2018

Directors' responsibilities statement

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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 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.

Going concern

The directors' report describes the company's business activities and details of financial performance of the company over the year.

After making enquiries, the directors have reason to believe that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Approved by the Board of Directors and signed on behalf of the Board



W J Carroll
Company Director
7 September 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Austin Friars (Newport) Development Company Limited (the 'company') which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 13.

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).

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 UK, including the FRC'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

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine 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 directors are 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 directors either intend to liquidate the company or to cease operations, or have 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.

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.

Report on other legal and regulatory requirements

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

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED**

K. J. Cooper

Kieren Cooper (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Cardiff, United Kingdom

7 September 2018

AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED

INCOME STATEMENT

Year ended 30 April 2018

	Note	2018 £	2017 £
Turnover	2	149,339	147,880
Administrative expenses		<u>(24,000)</u>	<u>(24,000)</u>
Operating profit and profit on ordinary activities before taxation	4	125,339	123,880
Tax on profit on ordinary activities	6	<u>(28,374)</u>	<u>(26,576)</u>
Profit for the financial year		<u>96,965</u>	<u>97,304</u>

The company had no recognised gains or losses in the current or the prior year, other than those included in the results above. Accordingly, a separate statement of total recognised gains and losses is not presented.

All operations were continuing in the current and prior year. The notes on pages 9-13 form an integral part of these financial statements.

AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED


STATEMENT OF FINANCIAL POSITION

As at 30 April 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	7	<u>1,590,315</u>	<u>1,614,325</u>
Current assets			
Debtors	8	494,436	494,434
Cash at bank and in hand		<u>235,853</u>	<u>88,518</u>
		730,289	582,952
Creditors: amounts falling due within one year	9	<u>(53,088)</u>	<u>(26,726)</u>
Net current assets		<u>677,201</u>	<u>556,226</u>
Total assets less current liabilities, being net assets		<u><u>2,267,516</u></u>	<u><u>2,170,551</u></u>
Capital and reserves			
Called up share capital	10	500,049	500,049
Revaluation reserve		1,137,682	1,155,718
General reserves		<u>629,785</u>	<u>514,784</u>
Total shareholders' funds		<u><u>2,267,516</u></u>	<u><u>2,170,551</u></u>

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime. The financial statements of Austin Friars (Newport) Development Company Limited, registered company number 00892186, were approved by the Board of Directors and authorised for issue on 7 September 2018.

Signed by the Board of Directors.



W J Carroll
Director

The notes on pages 9-13 form an integral part of these financial statements.

AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

As at 30 April 2018

	General Reserve	Share capital	Revaluation reserve	Total
At 1 May 2017	514,784	500,049	1,155,718	2,170,551
Profit for the financial year	96,965	-	-	96,965
Realised revaluation surplus	18,036	-	(18,036)	-
At 30 April 2018	<u>629,785</u>	<u>500,049</u>	<u>1,137,682</u>	<u>2,267,516</u>

	General Reserve	Share capital	Revaluation reserve	Total
At 1 May 2016	399,444	500,049	1,173,754	2,073,247
Profit for the financial year	97,304	-	-	97,304
Realised revaluation surplus	18,036	-	(18,036)	-
At 30 April 2017	<u>514,784</u>	<u>500,049</u>	<u>1,155,718</u>	<u>2,170,551</u>

AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2018

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland. The particular accounting policies adopted, which have been applied consistently throughout the current and the prior financial year, are described below. The directors do not believe there are any critical accounting judgements.

Going concern

The directors' report describes the business activities of the company.

After making enquiries the directors have reason to believe that the company has adequate resources to continue in operational existence for the foreseeable future.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold property.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment in value. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset over its expected useful life as follows:

Equipment	-	15% per annum
Freehold buildings	-	1.25% per annum

The realised element of the revaluation reserve is credited to the income statement.

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 at the Statement of financial position date.

Deferred taxation is provided in full on timing differences that result in an obligation at the statement of financial position date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. Turnover

Turnover consists of rent receivable net of any cost of incentives excluding value added tax. Rent receivable is credited to income as it falls due.

The turnover and pre-tax profit, both of which arise in the United Kingdom, are attributable to the company's principal activity.

AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2018

3. Information regarding directors and employees

The company's only employees in the current and the prior year are its directors who were remunerated by Monmouthshire Building Society for their services to the group as a whole and it is not practicable to allocate their remuneration for their services to group companies

4. Profit on ordinary activities before taxation.

This is stated after charging:

	2018 £	2017 £
Depreciation	24,000	24,000

5. Auditor's remuneration

Auditor remuneration is borne by the ultimate parent entity. The proportion of Group audit fees allocated to this entity is estimated at £1,000 (2017: £1,000).

6. Tax on profit on ordinary activities

	2018 £	2017
Factors affecting tax charge for the year:		
Profit on ordinary activities before tax	125,339	123,880
Taxation at 19% (2017 – 20%) thereon	23,814	24,776
Effects of:		
Capital allowances less than depreciation	4,560	4,800
Expenses not deductible for tax purposes	-	(3,000)
Group relief	-	-
	28,374	26,576

The statutory rate of corporation tax was reduced to 19% from 1 April 2017.

AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 30 April 2018

7. Tangible fixed assets

	Freehold land £	Freehold buildings £	Equipment £	Total £
Cost or valuation				
At 1 May 2017 and 30 April 2018	115,336	1,933,071	7,181	2,055,588
Accumulated depreciation				
At 1 May 2017	-	434,083	7,180	441,263
Charge for year	-	24,000	-	24,000
At 30 April 2018	-	458,083	7,180	465,263
Net book value				
At 30 April 2018	115,336	1,474,988	1	1,590,325
At 30 April 2017	115,336	1,498,988	1	1,614,325

The company's freehold land and buildings are all stated at valuation, with other fixed assets being held at cost.

The transitional provisions of FRS 102 have been followed and the valuation of the company's freehold land and buildings have not been updated since the most recent valuation at November 1996. The valuation was carried out by a Member of the Royal Institution of Chartered Surveyors employed by the holding Society.

In respect of freehold land and buildings stated at valuation, the comparable historical cost and depreciation values are as follows:

	Freehold land £	Freehold buildings £	Total £
Cost	50,657	523,673	574,330
Accumulated depreciation	-	124,373	124,373
Net book value			
At 30 April 2018	50,657	399,300	449,957
At 30 April 2017	50,657	405,846	456,503

Included in the cost of land and buildings is £19,690 (2017: £19,690) of bank interest, which was incurred over the period of construction of the building.

AUSTIN FRIARS (NEWPORT) DEVELOPMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2018

8. Debtors

	2018 £	2017 £
Other debtors	2	-
Amounts owed by Parent Society	494,434	494,434
	<u>494,436</u>	<u>494,434</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Deferred income	1,830	3,833
Corporation tax	51,258	22,893
	<u>53,088</u>	<u>26,726</u>

10. Called up share capital

	2018 £	2017 £
Issued and fully paid 500,049 (2017 – 500,049) ordinary shares of £1.00 each	<u>500,049</u>	<u>500,049</u>

11. Cash flow statement

The company is a wholly-owned subsidiary of Monmouthshire Building Society and the cash flows of the company are included in the consolidated cash flow statement of Monmouthshire Building Society. Consequently the company is exempt under the terms of Financial Reporting Standard 102 from preparing a cash flow statement.

12. Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard 102 not to disclose transactions with other group entities.

13. Ultimate parent entity

The company is a wholly-owned subsidiary of Monmouthshire Building Society. Copies of the financial statements of Monmouthshire Building Society are available from its head office at Monmouthshire House, John Frost Square, Newport, NP20 1PX, South Wales. This is the smallest and largest group in which the results of the company are included.