

Company Registration No. 05778635 (England and Wales)

BALTRAY NO. 2 LIMITED
REPORT AND UNAUDITED FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018
PAGES FOR FILING WITH REGISTRAR



BALTRAY NO. 2 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the company continues to be that of owning a 1% interest in The Studios Unit Trust, a trust established in Jersey as a 'Baker Trust' managed and controlled by its trustees outside of the United Kingdom. The company intends to hold this investment for long term returns only, and there are no plans to commence trading.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

I P Dunleavy	(Resigned 24 April 2017)
P W M Golding	(Appointed 24 April 2017)
C J Naisby	
A M Smith	

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

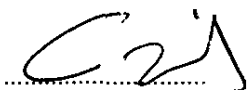
Going concern

The directors have received notice from Pinewood Group Limited that it will support the operational needs of the company for at least 12 months following the date of signing these financial statements in order to allow it to meet its liabilities as and when they fall due. The directors have considered the ability of Pinewood Group Limited to provide such financial support.

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 adopt the going concern basis in preparing the financial statements.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



C J Naisby
Director

Date: 13 December 2018

BALTRAY NO. 2 LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018 £	2017 £
Revenue	3	16,082	16,495
Investment income	5	1,264	442
Finance costs	6	-	(5,762)
Profit before taxation		17,346	11,175
Tax on profit	7	-	-
Profit for the financial year		17,346	11,175
Retained earnings brought forward		19,860	8,685
Retained earnings carried forward		<u>37,206</u>	<u>19,860</u>

BALTRAY NO. 2 LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2018**

	Notes	2018 £	£	2017 £	£
ASSETS					
Non-current assets					
Investment in subsidiaries	8		124,200		124,200
Current assets					
Trade and other receivables	10	48,559		31,213	
			48,559		31,213
Total assets			172,759		155,413
CAPITAL, RESERVES AND LIABILITIES					
Capital and reserves					
Called up share capital	11		2		2
Retained earnings	12		37,206		19,860
Total equity			37,208		19,862
Current liabilities					
Trade and other payables	13	135,551		135,551	
Total liabilities			135,551		135,551
Total equity and liabilities			172,759		155,413

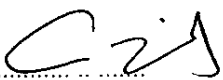
For the financial year ended 31 March 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 13 December 2018 and are signed on its behalf by


C J Naisby
Director

BALTRAY NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Baltray No. 2 Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument, basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The financial statements of the company are consolidated in the financial statements of Pinewood Group Limited. These consolidated financial statements are available from its registered office: Pinewood Studios, Pinewood Road, Iver, Buckinghamshire, SL0 0NH.

Going concern

The directors have received notice from Pinewood Group Limited that it will support the operational needs of the company for at least 12 months following the date of signing these financial statements in order to allow it to meet its liabilities as and when they fall due. The directors have considered the ability of Pinewood Group Limited to provide such financial support.

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 adopt the going concern basis in preparing the financial statements.

BALTRAY NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Revenue

The company's principal activity is that of investment in The Studios Unit Trust ("TSUT"). Revenue represents distributions from TSUT.

Revenue relating to distributions from TSUT are recognised when the company becomes entitled to receipt of the distribution, provided that the distribution can be measured reliably and the company is reasonably certain of receipt.

Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

BALTRAY NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Management consider that there are no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Management also consider that there are no judgements which they have made in the application of the company's accounting policies that have had a significant effect on the amounts recognised in the financial statements.

3 Revenue

The company's revenue is derived from distributions receivable from The Studios Unit Trust, a trust established in Jersey as a 'Baker Trust' managed and controlled by its trustees outside of the United Kingdom.

4 Employees

During the current and prior year, the company had no employees.

BALTRAY NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

5 Investment income

	2018 £	2017 £
Interest income		
Interest receivable from group companies	1,264	442

6 Finance costs

	2018 £	2017 £
Interest payable to group undertakings	-	5,762

7 Taxation

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	17,346	11,175
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	3,296	2,235
Group relief	(3,296)	(2,235)
Taxation charge for the year	-	-

During the year, the Finance Act 2016 was enacted so as to reduce the corporation tax rate to 17% for the financial year 2020. As a result of previous legislation affecting the UK tax rate, the main rate of corporation tax reduced from 20% to 19% with effect from 1 April 2017.

8 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	9	124,200	124,200

BALTRAY NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

8 Fixed asset investments (Continued)

Movements in non-current investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2017 & 31 March 2018	124,200
Carrying amount	
At 31 March 2018	124,200
At 31 March 2017	124,200

9 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
The Studios Unit Trust	1	Holding entity	Ordinary	1.00	-
Shepperton Studios Property Partnership	2	Property investment business Partner		-	0.50

Registered Office addresses:

1 47 Esplanade, St. Helier, Jersey, JE1 0BD

2 Pinewood Studios, Pinewood Road, Iwer Heath, SL0 0NH

The investment shown above represents a less than 1% interest in TSUT. Baltray No. 1 Limited, a fellow subsidiary of Pinewood Group Limited, holds the remaining 99%. As the group holds 100% of the interest in TSUT, the investment has been treated as a subsidiary investment in these financial statements.

10 Trade and other receivables

	2018 £	2017 £
Amounts falling due within one year:		
Amounts owed by group undertakings	48,559	31,213

Amounts due from group undertakings are repayable on demand and interest is charged at 4.05% (2017 - 3.20%).

BALTRAY NO. 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

11 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
2 Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

12 Reserves

Retained earnings

Retained earnings represents the cumulative profit and loss net of distributions to owners.

13 Other creditors falling due within one year

	2018 £	2017 £
Amounts due to group undertakings	135,551	135,551

Amounts due to group undertakings are repayable on demand and interest is charged at nil% (2017 - 3.20%). The intercompany loan is repayable on demand and interest is charged at nil% (2017 - 4.50%).

14 Controlling party

The immediate parent company is Pinewood-Shepperton Studios Limited, a company incorporated in England whose registered office is: Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH.

The ultimate parent entity is PW Real Estate Fund III GP Limited (a company incorporated in Jersey) in its capacity as general partner of PW Real Estate Fund III LP (a limited partnership formed in Jersey). The registered office of PW Real Estate Fund III GP Limited and PW Real Estate Fund III LP is: 1 Waverley Place, Union Street, St Helier, Jersey, JE1 1SG.

Pinewood Group Limited is the parent of the smallest group that prepares consolidated financial statements which include the company. Pinewood Group Limited is incorporated in England and their registered office is: Pinewood Studios, Pinewood Road, Iver Heath, Buckinghamshire, SL0 0NH.

Picture Holdco Limited is the parent of the largest group that prepares consolidated financial statements which include the company. Picture Holdco Limited is incorporated in England and their registered office is: 18 St. Swithin's Lane, 4th Floor, London, EC4N 8AD.