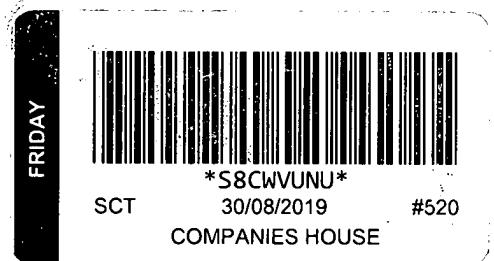


Sheffield Business Park Phase 2
Financial Statements
For the year ended
31 December 2018

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Sheffield Business Park Phase 2

Financial Statements

Year ended 31 December 2018

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Sheffield Business Park Phase 2

Officers and Professional Advisers

The Board of Directors

G M Sadler
T B Sebire
J S Matthews

Registered Office

Management Suite
Sheffield Business Centre
Europa Link
Sheffield
S9 1X2

Auditor

Chiene + Tait LLP
Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

Lloyds Bank plc
42-46 Market Street
Manchester
M1 1PW

Sheffield Business Park Phase 2

Directors' Report

Year ended 31 December 2018

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

Principal activities

The principal activity of the company during the year was that of property development and management of its land and property interests.

Directors

The directors who served the company during the year were as follows:

G M Sadler
T B Sebire
J S Matthews

Directors' responsibilities statement

The directors are responsible for preparing the directors' 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). 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 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.

Auditor

Each of the persons who is a 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 auditor is unaware; and
- they have taken all 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.

Sheffield Business Park Phase 2

Directors' Report *(continued)*

Year ended 31 December 2018

Small company provisions

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

This report was approved by the board of directors on *28 August* 2019 and signed on behalf of the board by:



J S Matthews
Director

Sheffield Business Park Phase 2

Independent Auditor's Report to the Members of Sheffield Business Park Phase 2

Year ended 31 December 2018

Opinion

We have audited the financial statements of Sheffield Business Park Phase 2 (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity 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 FRS 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 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

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 directors are responsible for the other information. 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 this regard.

Sheffield Business Park Phase 2

Independent Auditor's Report to the Members of Sheffield Business Park Phase 2 (continued)

Year ended 31 December 2018

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.

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 directors' 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 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.

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.

Sheffield Business Park Phase 2

Independent Auditor's Report to the Members of Sheffield Business Park Phase 2 (continued)

Year ended 31 December 2018

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.



Jeremy Chittleburgh BSc CA (Senior Statutory Auditor)

For and on behalf of
Chiene + Tait LLP
Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

30 Aug 2019

Sheffield Business Park Phase 2

Statement of Comprehensive Income

Year ended 31 December 2018

	Note	2018 £	2017 £
Turnover		701,908	–
Cost of sales		(207,465)	–
Gross profit		494,443	–
Administrative expenses		(15,058)	(2,005,398)
Operating profit/(loss)		479,385	(2,005,398)
Other interest receivable and similar income		2,144	730
Interest payable and similar expenses		(657)	(843)
Profit/(loss) before taxation		480,872	(2,005,511)
Tax on profit/(loss)	6	(91,171)	11,691
Profit/(loss) for the financial year and total comprehensive income		<u>389,701</u>	<u>(1,993,820)</u>

All the activities of the company are from continuing operations.

Sheffield Business Park Phase 2

Statement of Financial Position

31 December 2018

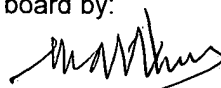
	Note	2018 £	2017 £
Current assets			
Stocks		1,556,792	1,764,258
Debtors	8	1,001,822	1,015,984
Cash at bank and in hand		913,465	212,364
		<u>3,472,079</u>	<u>2,992,606</u>
Creditors: amounts falling due within one year	9	<u>(94,324)</u>	<u>(4,552)</u>
Net current assets		<u>3,377,755</u>	<u>2,988,054</u>
Total assets less current liabilities		<u>3,377,755</u>	<u>2,988,054</u>
Net assets		<u>3,377,755</u>	<u>2,988,054</u>
Capital and reserves			
Called up share capital	10	1,000	1,000
Profit and loss account		<u>3,376,755</u>	<u>2,987,054</u>
Shareholders' funds		<u>3,377,755</u>	<u>2,988,054</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 28 August 2019, and are signed on behalf of the board by:



T B Sebire
Director



J S Matthews
Director

Company registration number: 04240426

Sheffield Business Park Phase 2

Statement of Changes in Equity

Year ended 31 December 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 January 2017	1,000	3,099,902	1,880,972	4,981,874
Loss for the year			(1,993,820)	(1,993,820)
Other comprehensive income for the year:				
Transfer of share premium account	–	(3,099,902)	3,099,902	–
Total comprehensive income for the year	–	(3,099,902)	1,106,082	(1,993,820)
At 31 December 2017	1,000	–	2,987,054	2,988,054
Profit for the year			389,701	389,701
Total comprehensive income for the year	–	–	389,701	389,701
At 31 December 2018	<u>1,000</u>	<u>–</u>	<u>3,376,755</u>	<u>3,377,755</u>

The notes on pages 10 to 14 form part of these financial statements.

Sheffield Business Park Phase 2

Notes to the Financial Statements

Year ended 31 December 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Management Suite, Sheffield Business Centre, Europa Link, Sheffield, S9 1X2.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through the profit and loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

The directors have received confirmation that the holding company Sheffield Business Park Limited, will continue to provide the necessary level of support to enable the company to continue to operate for the foreseeable future. In considering the ability of Sheffield Business Park Limited to provide any necessary support in the context of the uncertainties it faces as a result of the current economic climate, the directors have obtained an understanding of Sheffield Business Park Limited's forecasts, the continuing availability of its facilities and its strategic and contingent plans.

Taking all these factors into account, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the annual report and financial statements.

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 amounts of assets and liabilities that are not readily apparent from other sources. As 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. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 8 for carrying amount of debtors.

Revenue recognition

Turnover represents income from the rental of the airport land and buildings, recognised upon invoicing, net of VAT and other related taxes. Turnover also includes the sale of property.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Sheffield Business Park Phase 2

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Taxation *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised 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 reporting date that are expected to apply to the reversal of the timing difference.

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 are recognised immediately in profit or loss.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Development properties are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Sheffield Business Park Phase 2

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments, which include trade and other receivables and cash and bank balances, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

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

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised through profit or loss.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

4. Employee numbers

The average number of persons employed by the company during the year amounted to Nil (2017: Nil).

5. Auditor's remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>1,750</u>	<u>2,898</u>

6. Tax on profit/(loss)

Major components of tax expense/(income)

	2018 £	2017 £
Current tax:		
UK current tax expense	91,171	(12,872)
Deferred tax:		
Origination and reversal of timing differences	<u>—</u>	<u>1,181</u>
Tax on profit/(loss)	<u>91,171</u>	<u>(11,691)</u>

Sheffield Business Park Phase 2

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

6. Tax on profit/(loss) *(continued)*

Reconciliation of tax expense/(income)

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

	2018 £	2017 £
Profit/(loss) on ordinary activities before taxation	480,872	(2,005,511)
Profit/(loss) on ordinary activities by rate of tax	91,366	(386,061)
Adjustment to tax charge in respect of prior periods	–	(12,882)
Effect of expenses not deductible for tax purposes	–	373,799
Group relief surrendered	(20)	41
Losses carried back	–	111
Adjustments to previous periods	–	12,333
Deferred tax not recognised	(175)	968
Tax on profit/(loss)	91,171	(11,691)

7. Investments

	Shares in group undertakings £
Cost	
At 1 January 2018 and 31 December 2018	800
Impairment	
At 1 January 2018 and 31 December 2018	800
Carrying amount	
At 31 December 2018	–
At 31 December 2017	–

The company holds 100% of the share capital of the following company:

Sheffield Business Centre Limited, a property trading company incorporated in England & Wales.

The aggregate amount of capital and reserves and the results of this undertaking for the last relevant financial year were as follows:

	Capital & reserves £	Profit for the year £
Sheffield Business Centre Limited	(478,070)	254,846

8. Debtors

	2018 £	2017 £
Amounts owed by related undertakings	998,408	999,456
Other debtors	3,414	16,528
	1,001,822	1,015,984

Sheffield Business Park Phase 2

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

9. Creditors: amounts falling due within one year

	2018	2017
	£	£
Corporation tax	91,170	–
Other creditors	3,154	4,552
	<u>94,324</u>	<u>4,552</u>

10. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary "A" shares of £1 each	500	500	500	500
Ordinary "B" shares of £1 each	500	500	500	500
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The 'A' and 'B' ordinary shares rank pari passu in all respects except dividends, where 'B' ordinary shares are entitled to the first £7.5 million of distributable profits, after which, profits are distributable equally between 'A' and 'B' ordinary shares.

11. Related party transactions

The immediate parent company is Sheffield Business Park Limited, a company incorporated in England and Wales.

At 31 December 2018 the company is owed by its subsidiary, Sheffield Business Centre Limited, £998,408 (2017: £999,456).