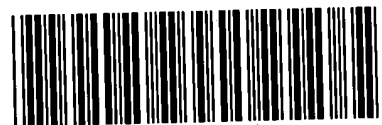


Network Space Ventures Limited
(formerly Langtree Ventures Limited)

Directors' report and financial statements

Registered number 05982867
For the year ended 30 June 2016

TUESDAY



A63MHU83

A07

04/04/2017

#57

COMPANIES HOUSE

Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' report and the financial statements	2
Independent auditor's report to the members of Network Space Ventures Limited (formerly Langtree Ventures Limited)	3
Consolidated profit and loss account and other comprehensive income	5
Consolidated balance sheet	6
Company balance sheet	7
Consolidated statement of changes in equity	8
Company statement of changes in equity	9
Notes	10

Directors' report

The directors present their Directors' report and the audited financial statements for the year ended 30 June 2016.

Principal activities

The principal activity of the group is as a property development company and a holding company for a joint venture partnership investing in commercial property in the West Midlands.

Business review

The company wholly owns two companies, NS Midwest Limited (formerly Langtree Midwest Limited) and Langtree Midwest Nominees Limited. These two companies held a combined 50% share in a joint venture partnership between Network Space Ventures Limited (formerly Langtree Ventures Limited) and The Homes and Communities Agency. The joint venture was dissolved in September 2015. The company has fully provided against its joint venture investment in PXP West Midlands Limited Partnership.

Proposed dividend

The directors do not propose the payment of a dividend (2015: £nil).

Directors and directors' interests

The directors who held office during the year were as follows:

J Downes – Resigned 30 November 2015

M Jackson – Resigned 30 November 2015

R Ainscough – Appointed 30 November 2015

R Gaskell – Appointed 30 November 2015

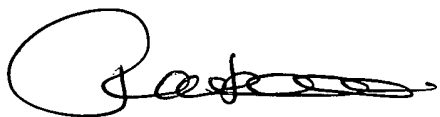
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in the office.

By order of the board



R Gaskell
Director

29 March 2017

Centrix House
Crow Lane East
Newton le Willows
WA12 9UY

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the group and parent company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard*.

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



KPMG LLP
1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Network Space Ventures Limited (formerly Langtree Ventures Limited)

We have audited the financial statements of Network Space Ventures Limited (formerly Langtree Ventures Limited) for the year ended 30 June 2016 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard*.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2016 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of Network Space Ventures Limited
(formerly Langtree Ventures Limited) (continued)**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



**Rehman Minshall (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

30 March 2017

Consolidated profit and loss account and other comprehensive income
for the year ended 30 June 2016

	<i>Note</i>	2016 £000	2015 £000
Revenue		-	33,522
Expenses		(26)	(31,125)
		<hr/>	<hr/>
Operating (loss) / profit	2	(26)	2,397
Share of operating loss in joint venture		-	(3,321)
		<hr/>	<hr/>
(Loss) / profit on ordinary activities before taxation		(26)	(924)
Tax on (loss) / profit on ordinary activities	4	-	1,429
		<hr/>	<hr/>
(Loss) / profit on ordinary activities after taxation		(26)	505
		<hr/>	<hr/>
Total comprehensive (loss) / income		(26)	505
		<hr/>	<hr/>

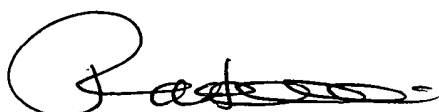
The notes on pages 10 to 15 form part of these financial statements.

Consolidated balance sheet
as at 30 June 2016

	<i>Note</i>	2016 £000	2015 £000
Current assets			
Cash at bank and in hand		25	258
Debtors	6	3,806	3,593
		<u>3,831</u>	<u>3,851</u>
Creditors: amounts falling due within one year	7	(6)	-
Net current assets		<u>3,825</u>	<u>3,851</u>
Provisions for liabilities and charges	8	(4,235)	(4,235)
Net liabilities		<u>(410)</u>	<u>(384)</u>
Capital and reserves			
Called up share capital	9	100	100
Loan notes	9	15,260	15,260
Profit and loss account		(15,770)	(15,744)
Total capital and reserves		<u>(410)</u>	<u>(384)</u>

The notes on pages 10 to 15 form part of these financial statements.

These financial statements were approved by the board of directors on **29 March** 2017 and were signed on its behalf by:



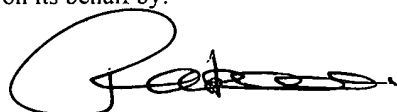
Robert Gaskell
 Director

Company balance sheet
as at 30 June 2016

	<i>Note</i>	2016 £000	2015 £000
Current assets			
Cash at bank and in hand		15	15
Debtors	6	2,150	2,147
		<hr/>	<hr/>
		2,165	2,162
Creditors: amounts falling due within one year	7	(5)	-
		<hr/>	<hr/>
Net current assets		2,160	2,162
		<hr/>	<hr/>
Net assets		2,160	2,162
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	100	100
Loan notes	9	15,260	15,260
Profit and loss account		(13,200)	(13,198)
		<hr/>	<hr/>
Equity shareholders' funds		2,160	2,162
		<hr/>	<hr/>

The notes on pages 10 to 15 form part of these financial statements.

These financial statements were approved by the board of directors on **29 March** 2017 and were signed on its behalf by:



Robert Gaskell
 Director

Consolidated statement of changes in equity

For the year ended 30 June 2016

	Called up share capital £000	Loan Note £000	Revaluation Reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 July 2014	100	15,260	(14,126)	(2,123)	(889)
Total comprehensive income for the year					
Profit or (loss)	-	-	-	505	505
Transfer between reserves			14,126	(14,126)	-
Total comprehensive income for the year	-	-	-	(13,261)	505
Balance at 30 June 2015	100	15,260	-	(15,744)	(384)

	Called up share capital £000	Loan Note £000	Revaluation Reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 July 2015	100	15,260	-	(15,744)	(384)
Total comprehensive income for the year					
Profit or (loss)	-	-	-	(26)	(26)
Total comprehensive income	-	-	-	(26)	(26)
Balance at 30 June 2016	100	15,260	-	(15,770)	(410)

Company statement of changes in equity

For the year ended 30 June 2016

	Called up share capital £000	Loan Note £000	Profit and loss account £000	Total equity £000
Balance at 1 July 2014	100	15,260	(15,334)	26
Total comprehensive income for the year				
Profit or (loss)	-	-	2,136	2,136
Total comprehensive	-	-	-	-
Balance at 30 June 2015	100	15,260	(13,198)	2,162

	Called up share capital £000	Loan Note £000	Profit and loss account £000	Total equity £000
Balance at 1 July 2015	100	15,260	(13,198)	2,162
Total comprehensive income for the year				
Profit or (loss)	-	-	(2)	(2)
Total comprehensive income	-	-	(2)	(2)
Balance at 30 June 2016	100	15,260	(13,200)	2,160

Notes

(forming part of the financial statements)

1 Accounting policies

Network Space Ventures Limited (formerly Langtree Ventures Limited) (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, Network Space Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Network Space Holdings Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes;
- Key Management Personnel compensation.

In accordance with FRS 102, section 33.1A, transactions with wholly owned subsidiaries of Network Space Holdings Limited are not disclosed.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on the going concern basis. The Company is dependent for its working capital on funds provided to it by Network Space Holdings Limited the Company's ultimate controlling party. Network Space Holdings Limited has provided the Company with written confirmation of its intention to continue to make available such funds as are needed by the Company and will not seek repayment of the amounts currently made available. This should enable the Company to continue in operational existence for at least twelve months from the date of signing the accounts and thereafter for the foreseeable future by meeting its liabilities as they fall due for payment. As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Notes *(continued)*

1.3 Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in subsidiaries and jointly controlled entities and associates

These are separate financial statements of the company. Investments in subsidiaries and jointly controlled entities are carried at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.4 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.5 Basis of consolidation

The consolidated accounts of the group comprise the financial statements of Network Space Ventures Ltd and all its subsidiary undertakings. As permitted by Section 408 of the Companies Act 2006 a separate company profit and loss account is not presented.

Notes (continued)

2 Staff numbers and costs

No staff were employed by the group during the year (2015: none).

No directors received emoluments for their services to the Company (2015: £nil).

3 Auditor's remuneration

Auditor's remuneration for the company in the current and prior year was borne by another group company, Network Space Developments Limited.

4 Taxation

Total tax credit recognised in the profit and loss account, other comprehensive income and equity

	2016 £000	2015 £000
UK corporation tax		
Group relief	-	(1,415)
	-	(1,415)
Deferred tax – current year charge	-	(13)
Deferred tax – impact of change in rate	-	(1)
	-	(1,429)
Total tax credit	-	(1,429)

Reconciliation of effective tax rate

	2016 £000	2015 £000
Loss on ordinary activities before tax	(26)	(924)
Current tax at 20.00% (2015: 20.75%)	(5)	(192)
Effects of:		
Adjustments in respect of previous years	-	(1)
Expenses not deductible for tax	5	1,014
Unrelieved tax losses and other deductions in the period	-	550
Trade sale of properties adjustment	-	(2,763)
Share of income/(expense) from joint venture	-	(37)
	-	(1,429)

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.

An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

Notes (continued)

5 Investments

Investments in subsidiary undertakings included in the consolidation comprise the following:

	Country of Incorporation	Principal Activity	Class and percentage of shares held
NS Midwest Limited (formerly Langtree Midwest Limited)	England and Wales	Intermediate holding company	Ordinary 100%
Langtree Midwest Nominees Limited	England and Wales	Intermediate holding company	Ordinary 100%

NS Midwest Limited (formerly Langtree Midwest Limited) owns a 49.95% share in PXP West Midlands Limited Partnership a partnership established to hold investments in a portfolio of properties in the West Midlands.

Langtree Midwest Nominees Limited owns a 50% share in Advantage (General Partner) Limited a company established to manage the operation of the PXP property portfolio. Advantage (General Partner) Limited owns a 0.1% share of PXP West Midlands Limited Partnership.

Through these two companies NS Ventures Limited (formerly Langtree Ventures Limited) holds a 50% share in PXP West Midlands Limited Partnership. The remaining 50% share is retained by Advantage West Midlands who work in partnership with Network Space Holdings Limited to operate, manage and develop the property portfolio.

During the prior year PXP West Midlands Limited Partnership disposed of its property portfolio.

The group has a net liability of £4,235,000 (2015: £4,235,000) in PXP West Midlands Limited Partnership. This amount is recognised on the Balance Sheet under 'other provisions' (see note 8).

In January 2016 the joint venture was dissolved. The subsidiary of Network Space Ventures Limited which holds the investment in the joint venture is in the process of being liquidated. Until this entity is liquidated the Group could be liable for the debts in the JV prior to being dissolved. As such the provision has been retained as at 30 June 2016.

6 Debtors

	Group 2016 £000	Company 2016 £000	Group 2015 £000	Company 2015 £000
Amounts due from group undertakings	3,776	2,150	3,556	2,135
Other debtors	30	-	37	12
	<u>3,806</u>	<u>2,150</u>	<u>3,593</u>	<u>2,147</u>

7 Creditors: amounts falling due within one year

	Group 2016 £000	Company 2016 £000	Group 2015 £000	Company 2015 £000
Trade creditors	4	4	-	-
Other creditors	2	1	-	-
	<u>6</u>	<u>5</u>	<u>-</u>	<u>-</u>

Notes (continued)

8 Amounts due to group undertakings

	Group £000
Provision for liabilities owed by joint ventures (see note 5)	
At beginning of year	4,235
At end of year	4,235
Total provision for liabilities and charges at 30 June 2016	4,235
Total provision for liabilities and charges at 30 June 2015	4,235

9 Capital and reserves

Share Capital

	2016 £000	2015 £000
<i>Authorised, allotted, called up and fully paid</i>		
50,000 A Ordinary Shares of £1 each	50	50
50,000 B Ordinary Shares of £1 each	50	50
Loan notes	15,260	15,260
	15,360	15,360

Share Rights

The A Ordinary Shares and B Ordinary Shares are separate classes of shares. A Ordinary Shares rank *pari passu* with B Ordinary shares in all respects except as noted below:

The majority A Ordinary share holder has the right to appoint two Directors to the Board of Network Space Ventures Limited (formerly Langtree Ventures Limited). The majority B Ordinary share holder has the right to appoint two Directors to the Board of Network Space Ventures Limited (formerly Langtree Ventures Limited). The right to appoint and remove Directors through a majority shareholding is a class right of A Ordinary and B Ordinary Shares respectively.

Loan Notes represent capital contributions made at the inception of the company by its joint owners. There are no priority repayments and no repayment schedules have been established. There is no coupon rate and as such no interest is earned by the joint venture partners on these capital contributions. As such, the Loan Notes are treated as equity instruments in these financial statements.

Notes *(continued)*

10 Ultimate parent company and controlling party

The parent and controlling party of the company is Network Space Developments Limited, a company registered in England and Wales. The results of Network Space Ventures Limited are consolidated in the financial statements of Network Space Developments Limited, which heads the smallest group into which the results of the company are consolidated. Copies of the Network Space Developments Limited accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate parent of the company is Network Space Holdings Limited, a company registered in England, which heads the largest group into which the results of the company are consolidated. Copies of the Network Space Holdings Limited accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The majority of the shares in Network Space Holdings Limited are owned by Mr W Ainscough who is the ultimate controlling party.