

Financial Statements Millshaw No.2 Limited

For the year ended 31 March 2014



Registered number: 6006589

Millshaw No.2 Limited

Company Information

Directors

R M Evans
K W B Hannah
L P Hampson
G R Jennings
P T Millington
J O Pitt (resigned 20 November 2013)
A M Syers

Company secretary

R Marshall

Registered number

6006589

Registered office

Millshaw
Leeds
LS11 8EG

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
No 1 Whitehall Riverside
Leeds
LS1 4BN

Solicitors

Walker Morris
Kings Court
12 King Street
Leeds
LS1 2HL

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Directors' Report

For the year ended 31 March 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

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 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.

Principal activities

The principal activity of the company during the year was of property investment and development.

Directors

The directors who served during the year were:

R M Evans
K W B Hannah
L P Hampson
G R Jennings
P T Millington
J O Pitt (resigned 20 November 2013)
A M Syers (appointed 20 November 2013)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Millshaw No.2 Limited

Directors' Report

For the year ended 31 March 2014

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on **24 SEPTEMBER 2014** and signed on its behalf.



A M Syers
Director

Independent Auditor's Report to the Members of Millshaw No.2 Limited

We have audited the financial statements of Millshaw No.2 Limited for the year ended 31 March 2014, which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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, 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 (APB'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/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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 Millshaw No.2 Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report in preparing the Directors' report.

Grant Thornton UK LLP

Victoria McLoughlin (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Leeds

Date: *26 September 2014*

Profit and Loss Account

For the year ended 31 March 2014

	Note	2014 £	2013 £
Turnover	1,2	120,000	120,000
Cost of sales		(714)	-
Gross profit		119,286	120,000
Other operating income		9,319	2,603
Operating profit		128,605	122,603
Interest receivable and similar income		-	3
Profit on ordinary activities before taxation		128,605	122,606
Tax on profit on ordinary activities	5	(11,551)	(12,260)
Profit for the financial year	9	117,054	110,346

All amounts relate to continuing operations.

The notes on pages 8 to 12 form part of these financial statements.

Statement of Total Recognised Gains and Losses

For the year ended 31 March 2014

	2014 £	2013 £
Profit for the financial year	117,054	110,346
Unrealised deficit on revaluation of investment properties	<u>(75,000)</u>	<u>(175,000)</u>
Total recognised gains and losses relating to the year	<u>42,054</u>	<u>(64,654)</u>

The notes on pages 8 to 12 form part of these financial statements.


Balance Sheet

As at 31 March 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Investment property	6		650,000		725,000
Creditors: amounts falling due within one year	7		(245,413)		(362,467)
Net assets			<u>404,587</u>		<u>362,533</u>
Capital and reserves					
Called up share capital	8		750,100		750,100
Investment property reserve	9		(250,000)		(175,000)
Profit and loss account	9		(95,513)		(212,567)
Shareholders' funds	10		<u>404,587</u>		<u>362,533</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24

September 2014.


A M Syers
Director

The notes on pages 8 to 12 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2014

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards.

1.2 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.3 Turnover

Turnover relates to gross rental income representing amounts invoiced to tenants, excluding value added tax, as adjusted for rents invoiced in advance and in arrears

1.4 Investment properties

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

3. Auditor's remuneration

	2014 £	2013 £
Fees payable to the company's auditor and its associates in respect of:		
Audit-related assurance services	-	-

The audit fee is borne by Millshaw Property Co. Limited.

4. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL).

Notes to the Financial Statements

For the year ended 31 March 2014

5. Taxation

	2014 £	2013 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	12,861	12,260
Adjustments in respect of prior periods	(1,310)	-
Tax on profit on ordinary activities	11,551	12,260

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	128,605	122,606
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	29,579	29,425
Effects of:		
Adjustments to tax charge in respect of prior periods	(1,310)	-
Tax rate differences	(16,718)	-
Tax chargeable at lower rates	-	(17,165)
Current tax charge for the year (see note above)	11,551	12,260

Notes to the Financial Statements

For the year ended 31 March 2014

6. Investment property

	Freehold investment property £
Valuation	
At 1 April 2013	725,000
Deficit on revaluation	(75,000)
At 31 March 2014	<u>650,000</u>

The 2014 valuations were made by Jones Lang LaSalle, Chartered Surveyors and International Property Consultants, on an open market value for existing use basis.

If the investment properties had not been revalued, they would have been included on the historical cost basis at the following amounts.

	2014 £	2013 £
Cost and net book value at 31 March	<u>1,800,000</u>	<u>1,800,000</u>

7. Creditors: Amounts falling due within one year

	2014 £	2013 £
Amounts owed to group undertakings	206,598	321,204
Corporation tax	10,409	13,571
Accruals and deferred income	28,406	27,692
	<u>245,413</u>	<u>362,467</u>

Notes to the Financial Statements

For the year ended 31 March 2014

8. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
750,100 Ordinary shares of £1 each	<u>750,100</u>	<u>750,100</u>

9. Reserves

	Investment property revaluation reserve £	Profit and loss account £
At 1 April 2013	(175,000)	(212,567)
Profit for the financial year	-	117,054
Deficit on revaluation	(75,000)	-
At 31 March 2014	<u>(250,000)</u>	<u>(95,513)</u>

10. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	362,533	427,187
Profit for the financial year	117,054	110,346
Other recognised gains and losses during the year	(75,000)	(175,000)
Closing shareholders' funds	<u>404,587</u>	<u>362,533</u>

11. Other financial commitments

The company has given multilateral guarantees in relation to bank loans and overdrafts on behalf of its immediate parent company. At 31 March 2014, this guarantee amounted to £xx.xxm (2013: £17.80m). Under this guarantee the company's property assets are pledged as security for the bank loans.

12. Related party transactions

The company is controlled by Millshaw Property Co. Limited which is a joint venture between Millshaw Investments Limited and Land Securities Property Holdings Limited. At the year end, amounts were owed by the company to the following

	2014 £	2013 £
Millshaw Property Co. Limited	<u>206,598</u>	<u>321,204</u>

Notes to the Financial Statements

For the year ended 31 March 2014

13. Ultimate parent undertaking and controlling party

The immediate parent company is Millshaw Property Co. Limited.

Millshaw Property Co. Limited is a joint venture between Land Securities Property Holdings Limited and Millshaw Investments Limited. The directors consider that neither party has controlling interest in the parent company.