

NS Investments North East Limited
Directors' report and financial statements
Registered number 6842304
For the year ended 30 June 2017

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Directors' report

The directors present their Directors' report on the audited financial statements for the year ended 30 June 2017.

Principal activities

The principal activity of the company is as an intermediate holding company for a joint venture partnership investing in development sites in the North East of England.

Business review

The company wholly owns two companies, Network Space NE Limited and NS North East Nominees Limited. These two companies held a combined 50% share in Onsite North East Limited Partnership. In January 2016, the joint venture was dissolved. The company had fully provided against its joint venture investment in Onsite North East Limited Partnership but since this was liquidated during the year, the provision has been released.

Proposed dividend and transfer to reserves

The directors do not propose the payment of a dividend (2016: £nil).

Directors and directors' interests

The directors who held office during the year and at the date of this report are as follows:

R Ainscough

R Gaskell (*resigned 18 September 2017*)

D Adamson (*appointed 4 December 2017*)

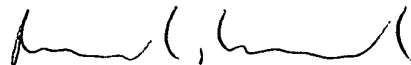
Disclosure of information to auditors

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.

Auditors

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

By order of the board



R Ainscough
Director

Centrix House
Crow Lane East
Newton Le Willows
WA12 9UY

23 March 2018

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 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 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.



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

Independent auditor's report to the members of NS Investments North East Limited

Opinion

We have audited the financial statements of NS Investments North East Limited for the year ended 30 June 2017 which comprise the Consolidated profit and loss account and other comprehensive income, Consolidated balance sheet, Company balance sheet, Consolidated statement of changes in equity, Company statement of changes in equity and related notes, including the accounting policies in note 1.

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 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' report;
- in our opinion the information given that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Independent auditor's report to the members of Network Space Investments North East Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 1, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Nicola Quayle

Nicola Quayle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

26 Mar 2018

Consolidated profit and loss account and other comprehensive income
for the year ended 30 June 2017

	<i>Note</i>	2017 £	2016 £
Profit on termination of joint ventures		3,483,062	-
Profit on ordinary activities before taxation		3,483,062	-
Tax on profit	4	-	-
Profit on ordinary activities after taxation		3,483,062	-
Profit after taxation		3,483,062	-

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

Consolidated balance sheet
as at 30 June 2017

	<i>Note</i>	2017 £	2016 £
Current assets			
Cash		51	51
Debtors	6	704,258	704,258
Net current assets		704,309	704,309
 Creditors: amounts falling due within one year	 7	 (150)	 (150)
 Total assets less current liabilities		 704,159	 704,159
 Provisions for liabilities and charges			
Other provisions	8	-	(3,483,062)
Net liabilities		704,159	(2,778,903)
 Capital and reserves			
Called up share capital	9	1	1
Loan notes	9	2,045,821	2,045,821
Profit and loss account		(1,341,663)	(4,824,725)
Total capital and reserves		704,159	(2,778,903)

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

These financial statements were approved by the board of directors on 23rd March 2018 and were signed on its behalf by:

Dem Adamson

D Adamson
Director
Registered Number: 6842304

Company balance sheet
as at 30 June 2017

	<i>Note</i>	2017		2016	
		£		£	
Fixed assets					
Investments	5	2		2	
		<hr/>		<hr/>	
		2		2	
Current assets					
Cash		1		1	
Creditors: amounts falling due after more than one year	7	(2)		(2)	
		<hr/>		<hr/>	
Net current assets		1		1	
		<hr/>		<hr/>	
Net assets		1		1	
		<hr/>		<hr/>	
Capital and reserves					
Called up share capital	9	2,045,822		2,045,822	
Profit and loss account		(2,045,821)		(2,045,821)	
		<hr/>		<hr/>	
Equity shareholders' funds		1		1	
		<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 23rd March 2018 and were signed on its behalf by:

Dan Adamson

D Adamson
Director
Registered Number: 6842304

Consolidated statement of changes in equity

For the year ended 30 June 2017

	Called up share capital £	Loan Note £	Profit and loss account £	Total equity £
Balance at 1 July 2015	1	2,045,821	(4,824,725)	(2,778,903)
Total comprehensive income for the year	-	-	-	-
Profit or (loss) for the year	-	-	-	-
Total comprehensive income	-	-	-	-
Balance at 30 June 2016	1	2,045,821	(4,824,725)	(2,778,903)

	Called up share capital £	Loan Note £	Profit and loss account £	Total equity £
Balance at 1 July 2016	1	2,045,821	(4,824,725)	(2,778,903)
Total comprehensive income for the year	-	-	3,483,062	3,483,062
Profit or (loss) for the year	-	-	3,483,062	3,483,062
Total comprehensive income	-	-	3,483,062	3,483,062
Balance at 30 June 2017	1	2,045,821	(1,341,663)	(704,159)

Company statement of changes in equity

For the year ended 30 June 2017

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2015	2,045,822	(2,045,821)	1
Total comprehensive income for the year			
Profit or (loss) for the year	-	-	-
Total comprehensive income	-	-	-
Balance at 30 June 2016	2,045,822	(2,045,821)	1

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 July 2016	2,045,822	(2,045,821)	1
Total comprehensive income for the year			
Profit or (loss) for the year	-	-	-
Total comprehensive income	-	-	-
Balance at 30 June 2017	2,045,822	(2,045,821)	1

Notes

(forming part of the financial statements)

1 Accounting policies

NS Investment North East Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These Group and parent company 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 amendments to FRS 102 in July 2015 and effectively immediately have been applied. The presentation currency of these financial statements is sterling.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and

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

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.

Basis of consolidation

The consolidated accounts of the group comprise the financial statements of NS Investments North East Limited and all its subsidiary undertakings. As permitted by Section 408 the Companies Act 2006 a separate company profit and loss account is not presented.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less any amounts written off.

Notes (continued)

1 Accounting policies (continued)

Basic financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

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, 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.

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.

Joint ventures

A joint venture is an undertaking in which the group has a long-term interest and over which it exercises joint control. The group's share of the profits less losses of associates and of joint ventures is included in the consolidated profit and loss account and its liability in their net asset/(liabilities), is included in investments/(provisions) in the consolidated balance sheet.

Notes (continued)

2 Expenses and auditor's remuneration

The audit fee for NS Investments North East Limited is borne by Network Space Developments Limited.

3 Directors' remuneration and employee costs

No directors received emoluments for their services to the Company (2016: £nil).

The group and company had no employees in either the current or preceeding financial year.

4 Taxation

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

	2017 £	2016 £
Current tax	-	-
	-	-
Deferred tax	-	-
	-	-
Total tax expense	-	-

Reconciliation of effective tax rate

	2017 £	2016 £
Profit on ordinary activities before tax	3,483,062	-
Current tax at 19.75% (2016: 20%)	687,905	-
Effects of:		
Income not taxable	(687,905)	-
	-	-

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2016) 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 2016.

An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2017.

Notes (continued)

5 Investments

	Company £
Cost	
At beginning of year	2
At end of year	2
Provisions	
At beginning of year	-
At end of year	-
Net book value	
At 30 June 2017	2
At 30 June 2016	2

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

	Country of Incorporation	Principal Activity	Class and percentage of shares held (2017 and 2016)
Network Space NE Limited	England and Wales	Intermediate holding company	Ordinary 100%
NS North East Nominees Limited	England and Wales	Intermediate holding company	Ordinary 100%

Network Space NE Limited owns a 49.95% share in Onsite North East Limited Partnership a company established to hold investments in a portfolio of development land in the North East of England. NS North East Nominees Limited owns a 50% share in Onsite General Partner Limited, a company established to manage the operation of the Onsite North East property portfolio. Onsite North East General Partner Limited owns a 0.1% share of Onsite North East Limited Partnership. Through these two companies, NS Investments North East Limited holds a 50% share in Onsite North East Limited Partnership.

The group has a net liability of £nil (2016: £3,483,000) in Onsite North East. During the year, Onsite North East Limited Partnership was liquidated and as a result the provision that the Group held originally for the debts in the joint venture has been reversed.

Notes *(continued)*

6 Debtors

	Group 2017 £	Group 2016 £
Other debtors	704,258	704,258
	<u>704,258</u>	<u>704,258</u>

7 Creditors: amounts falling due within one year

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Amounts due to group undertakings	150	2	150	2
	<u>150</u>	<u>2</u>	<u>150</u>	<u>2</u>

8 Provisions

	Group £
Provision for liabilities owed by joint ventures (see note 5)	
At beginning of year	3,483,062
Release of provision	(3,843,062)
	<u>-</u>
Total provision for liabilities and charges at 30 June 2017	
	<u>-</u>
Total provision for liabilities and charges at 30 June 2016	<u>3,483,062</u>

Notes (continued)

9 Called up share capital

	2017	2016
	£	£
<i>Allotted, called up and fully paid</i>		
1 Ordinary Share at £1 each	1	1
Loan notes	2,045,821	2,045,821
	<u>2,045,822</u>	<u>2,045,822</u>

Loan notes represent capital contributions made at the inception of the company by its owner. 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 owner as a result of these capital contributions. As such, the Loan notes are treated as equity instruments in these financial statements.

The holders of ordinary shares are entitled to receive dividends as declared from time and are entitled to one vote per share at meetings of the Company.

10 Ultimate parent company and controlling party

The company is 100% owned by Network Space Developments Limited, a company registered in England and Wales. The ultimate controlling party of the company is Network Space Holdings Limited, a company registered in England and Wales, which heads the largest group into which the results of the Company are consolidated. Consolidated financial statements of Network Space Holdings Limited 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.