

Escafeld Estates Ltd

**Directors' report and financial
statements for the year
ended 31 July 2021**

Registered number 04264833



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 July 2021.

Principal activities

The principal activity of the company was the sale of property formerly owned by the University of Sheffield. In 2019/20 all the remaining properties were disposed of. The Directors have confirmed there is no intention for the company to acquire further properties for sale in the foreseeable future. The company will continue to hold cash balances on deposit

The Directors have applied the small companies' exemption not to prepare a strategic report.

Review of the year

The company made a loss on ordinary activities for the year of £9,570 (2020: £633,544 profit before gift aid). There was no gift aid payment made in the year (2020: £958,512).

Going Concern

The directors have no concerns over the going concern of the company. The Balance Sheet position shows net assets of £3.5m, of which £3.5m is made up of liquid assets and the company has no outstanding loans. The company is a wholly owned subsidiary of the University of Sheffield, which will provide ongoing support to the company in the unlikely event of it needing to do so. Further detail on the accounts preparation on a going concern basis is included on page 10 of the financial statements.

Proposed dividend

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements. The directors do not recommend the payment of a dividend.

Directors and directors' interests

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

D J Damment
V Jackson

None of the directors held shares in the company or any group companies as at the 31 July 2021.

Auditor

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

Disclosure of information to auditor

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 they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Registered Office:

Firth Court

Western Bank

Sheffield

S10 2TN

By order of the board

Signed on behalf of the directors

A handwritten signature in black ink, appearing to read 'Victoria Jackson', written in a cursive style.

V Jackson

Director

Approved by the directors on 30 November 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT 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 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 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 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;
- assess the 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 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 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 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 company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESCAFELD ESTATES LIMITED

Opinion

We have audited the financial statements of Escafeld Estates Limited ("the company") for the year ended 31 July 2021 which comprise the Statement of Income and Retained Earnings, Balance Sheet, 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 company's affairs as at 31 July 2021 and of its 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 company 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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.

- Reading Board minutes.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there is limited incentive or opportunity to recognise revenue fraudulently.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls

We performed procedures including:

- Testing of all journal entries

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, anti-bribery and certain aspects of company legislation recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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 the 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 in 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.

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, 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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 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 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.



Timothy Cutler (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square,
Manchester,
M2 3AE
Date 15 December 2021

Statement of Income and Retained Earnings
year ended 31st July 2021

	<i>Note</i>	2021	2020
		£	£
Turnover	2	-	1,216,000
Cost of sales		-	(731,379)
Gross Profit / (Loss)		-	484,621
Administrative expenses		(9,570)	(21,513)
Operating Profit / (Loss)		(9,570)	463,108
Other interest receivable and similar income		-	39,221
Profit in Dividend in specie		-	55,000
Profit / (Loss) on ordinary activities before taxation	4	(9,570)	557,329
Tax on profit on ordinary activities	6	-	76,225
Profit / (Loss) on ordinary activities after taxation		(9,570)	633,554
Gift aid payment	7	-	(958,512)
Dividend in specie		-	(100,000)
Profit / (Loss) for the financial year after taxation and gift aid		(9,570)	(424,958)
Balance brought forward		3,488,669	3,913,627
Balance carried forward		3,479,099	3,488,669

All of the company's activities are generated by continuing operations

Balance Sheet
at 31st July 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible assets		-	-
		<u>-</u>	<u>-</u>
Current assets			
Stock	8	-	-
Debtors and prepayments	9	-	-
Investment		-	-
Cash at bank and in hand	10	3,491,336	4,467,127
		<u>3,491,336</u>	<u>4,467,127</u>
Creditors: amounts falling due within one year	11	(12,235)	(974,956)
		<u>3,479,101</u>	<u>3,492,171</u>
Net current assets			
		<u>3,479,101</u>	<u>3,492,171</u>
Total assets less current liabilities		<u>3,479,101</u>	<u>3,492,171</u>
Provisions for liabilities		-	(3,500)
Provision for deferred tax	12	-	-
		<u>3,479,101</u>	<u>3,488,671</u>
Net assets		<u>3,479,101</u>	<u>3,488,671</u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account		3,479,099	3,488,669
		<u>3,479,101</u>	<u>3,488,671</u>
Shareholders' funds		<u>3,479,101</u>	<u>3,488,671</u>

These financial statements were approved by the Board of Directors on 30 November 2021 were signed on its behalf by:



V Jackson

Director

Notes

(forming part of the financial statements)

1 Accounting policies

Escafeld Estates 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 amendments to FRS 102 issued in July 2015 and effective immediately have been applied.

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

The Company's parent undertaking, the University of Sheffield ("The University"), includes the Company in its consolidated financial statements. The consolidated financial statements of The University are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the University of Sheffield, Western Bank, Sheffield S10 2TN. 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 paragraph 1.12 of FRS 102 in respect of the following disclosures:

- Key Management Personnel compensation;
- The requirement of Section 7 *Statement of Cash Flows*;
- Certain disclosures required by FRS 102.26 *Share Based Payments*; and
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.
- The requirement of Section 33 *Related Party Disclosures* paragraph 33.7.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Turnover

Revenue shown in the Statement of Income and Retained Earnings is recognised on an earned basis and is exclusive of Value Added Tax.

Going Concern

The financial statements have been prepared on a going concern basis, which the directors consider to be appropriate for the following reasons.

The company is a 100% owned subsidiary of the University of Sheffield. The directors have reviewed the Group's medium term financial plan, including cash flow forecasts for a period of 20 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, including changes arising from the Covid-19 pandemic, the company will have sufficient funds, to meet its liabilities as they fall due for a period of 12 months from the approval date of the financial statements.

The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings.

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. 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 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.

Stock

Stock comprises of residential property for the purpose of resale and is valued at the lower of cost and net realisable value. As at 31 July the company held no stock.

2 Turnover

There was no turnover in 2020/21 as the properties held for sale were all disposed of in 2019/20. In 2019/20, property sales were £1,216,000.

3 Other income

Other income nil (2020: nil).

4 Profit on ordinary activities before taxation

	2021	2020
	£	£
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration:		
Audit	4,865	4,546

5 Remuneration of directors

The directors received no emoluments in respect of their services to the company during the year (2020: nil).

6 Taxation

Total tax expense recognised in the Statement of Income and Retained Earnings and equity

	2021	2020
	£	£
<i>Current tax</i>		
Current tax expense for the period	-	-
Total current tax	-	-
<i>Deferred tax (see note 12)</i>		
Release of deferred tax on held over gains	-	76,225
Change in tax rate	-	-
Total deferred tax	-	76,225
Total tax	-	76,225

Reconciliation of tax expense

	2021	2020
	£	£
Profit / (Loss) for the year	(9,570)	557,329
Tax using the UK corporation tax rate of 19.00% (2020: 19.00%)	(1,818)	105,893
Reduction in tax rate on deferred tax balances GA relief	-	(182,118)
Relief for gift aid payable	-	
Losses of the period not recognised	<u>2,393</u>	
Difference due to tax rate on deferred tax	<u>(575)</u>	
Total tax expense / (credit) included in profit or loss	<u>-</u>	<u>(76,225)</u>

7 Gift Aid payable

	2021	2020
	£	£
Gift Aid paid / payable for the year	-	(958,512)
Gift Aid shown in the Statement of Income and Retained Earnings	-	(958,512)

8 Stock

	2021	2020
	£	£
Goods for resale	-	-

9 Debtors

	2021	2020
	£	£
Amounts owed by group undertakings	-	-
Prepayments	-	-
Other debtors	-	-

10 Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	3,491,336	4,467,127

	<u>3,491,336</u>	<u>4,467,127</u>
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11 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade Creditors	-	-
Amounts owed to group undertakings	6,397	11,898
Amounts owed to group undertakings – gift aid	-	958,512
Accruals and deferred income	5,838	4,546
	<u>12,235</u>	<u>974,956</u>

12 Deferred tax assets and liabilities

Deferred tax assets and liabilities are provided at 25% and are attributable to the following:

	Assets 2021	2020	Liabilities 2021	2020	Net 2021	2020
	£	£	£	£	£	£
Gains held over into stock allowances		-		-		-
Employee benefits	-	-	-	-	-	-
Unused tax losses	(2,393)	-	-	-	(2,393)	-
Other						
Tax (assets) / liabilities	(2,393)	-		-	(2,393)	-
Net of tax liabilities/(assets)						
Net tax (assets) / liabilities	(2,393)	-		-	(2,393)	-

The Company signed a Deed of Covenant for the benefit of The University to pay the Company's annual chargeable profits, as adjusted for taxation, to The University as Gift Aid within nine months of the end of the Company's accounting period. The Gift Aid payment will reduce the Company's chargeable profits to Nil in any accounting period and no liability to corporation tax therefore arises on the Company's trading profits. The Company recognises the payment to be made under the Deed of Covenant in the accounts and the associated tax credit is recognised in equity. The resulting corporation tax liability due on profits for the period will therefore be Nil.

13 Called up share capital

	2021	2020
	£	£
<i>Authorised</i> Equity: 2 Ordinary shares of £1 each	2	2
	<hr/>	<hr/>
	2	2
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i> Equity: 2 Ordinary shares of £1 each	2	2
<i>Allotted, called up and unpaid</i> Equity: Ordinary shares of £1	-	-
	<hr/>	<hr/>
	2	2
	<hr/>	<hr/>

14 Capital Commitments

The company had no outstanding capital commitments at the period end (2020: nil).

15 Ultimate Parent Company

The company is a wholly owned subsidiary undertaking of the University of Sheffield. The consolidated accounts of this group may be obtained from the University of Sheffield, Firth Court, Western Bank, Sheffield, S10 2TN.