

**Lingley Mere Business Park Development Phase 1
Limited**

**Directors' report and financial
statements**

Registered number 4735088

31 March 2010



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Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2010

Results and dividends

The Company reported a loss after taxation of £44,163 during the year (2009 profit £235,322) This amount has been transferred to reserves. An interim dividend of £nil (2009 £1,100,000) was paid in the year. The directors do not recommend payment of a final dividend (2009 £nil)

Business review and principal activity

The principal activity of the Company is property development

Political and charitable donations

The Company made no political contributions or charitable donations during the year (2009 £nil)

Policy on the payment of creditors

The Company does not follow any specific external code or standard on payment practice. Its policy is to pay suppliers according to the terms of business agreed with them on entering into binding contracts and to keep to the payment terms providing the relevant goods or services have been supplied in accordance with the contracts.

Directors

The directors of the Company during the year ended 31 March 2010 and thereafter are set out below

Mr D Hoyle
Mr M E Crompton
Mr M R Horner
Mr S Knight (resigned 10 June 2009)
Mr R Uttley
Ms P Steer
Ms J Evans (appointed 10 June 2009, resigned 15 June 2010)
Ms S L Illingworth (appointed 15 June 2010)

Independent auditor

A resolution to reappoint KPMG Audit PLC as the auditor of the Company will be proposed at the forthcoming Annual General Meeting

By Order of the Board



D Hoyle
Director

14 September 2010

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 financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 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 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.



KPMG Audit Plc

St James' Square
Manchester
M2 6DS
United Kingdom

Independent Auditors' report to the members of Lingley Mere Business Park Development Phase 1 Limited

We have audited the financial statements of Lingley Mere Business Park Development Phase 1 Limited for the year ended 31 March 2010. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 auditors

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 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 APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 2010 and of its 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 Lingley Mere Business Park Development Phase 1 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, 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



John Costello (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
St James' Square
Manchester
M2 6DS

23/5/13

Profit and loss account
for the year ended 31 March 2010

	<i>Note</i>	2010 £	2009 £
Turnover		-	3,257,102
Cost of sales		(40,000)	(3,006,288)
Gross (loss) / profit		(40,000)	250,814
Administrative expenses		(2,640)	-
Operating (loss) / profit	2	(42,640)	250,814
Interest receivable and similar income	4	-	76,605
Interest payable and similar charges	4	(1,523)	(584)
(Loss) / profit on ordinary activities before taxation		(44,163)	326,835
Taxation on (loss) / profit on ordinary activities	5	-	(91,513)
(Loss) / profit on ordinary activities for the year	9	(44,163)	235,322

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented. The above results all derive from continuing operations.

The notes on pages 8 to 11 form part of these financial statements.

Reconciliation of movements in equity shareholders' funds
for the year ended 31 March 2010

	2010 £	2009 £
(Loss) / profit for the year	(44,163)	235,322
Dividends paid	-	(1,100,000)
	<hr/>	<hr/>
Retained loss for the year	(44,163)	(864,678)
Opening equity shareholders' funds	245,660	1,110,338
	<hr/>	<hr/>
Closing equity shareholders' funds	201,497	245,660
	<hr/>	<hr/>

Balance sheet
as at 31 March 2010

	<i>Note</i>	2010	2009
Current assets			
Debtors	6	-	278,133
Cash at bank		292,660	44,217
		<u>292,660</u>	<u>322,350</u>
Creditors: amounts falling due within one year	7	(91,163)	(76,690)
		<u>201,497</u>	<u>245,660</u>
Net assets			
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	201,496	245,659
		<u>201,497</u>	<u>245,660</u>
Equity shareholders' funds			
		<u>201,497</u>	<u>245,660</u>

The notes on pages 8 to 11 form part of these financial statements

The financial statements on pages 5 to 11 were approved by the Board of Directors on 14 September 2010 signed on its behalf by



D Hoyle
 Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost accounting rules. The accounts have been prepared on a going concern basis.

Under FRS 1 'Cash Flow Statements' the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Going concern

The company has sufficient financial resources to settle liabilities as they are expected to fall due for at least 12 months from the date of approval of these financial statements. Therefore the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents the income receivable in the ordinary course of business for goods or services provided, exclusive of VAT for both property sales and transfer of work in progress. At the point of sale profit is recognised and provision is made for costs still to be incurred. A sale is recognised when a binding sale contract is in place, there is certainty regarding construction cost and any material conditionality has been discharged by the time the accounts are signed. For the transfer of work in progress, income is recognised on completion of transfer.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Taxation

Current taxation is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from gains and losses in tax assessments in periods different to those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. The deferred tax balance is not measured on a discounted basis.

2 Operating (loss) / profit

The audit fee of £2,500 (2009 £2,500) was borne by the immediate parent company and not recharged.

Notes (continued)

3 Employee information

No staff were employed by the Company during the year (2009 nil) Directors remuneration was borne by the respective parties with ultimate ownership (see note 11) and not recharged to the Company on the basis that services are provided to multiple entities and cannot be accurately apportioned

4 Net interest (payable)/receivable and similar (charges)/income

	2010 £	2009 £
Interest payable and similar charges		
- bank interest	(340)	-
- bank charges	(1,183)	(584)
	<hr/>	<hr/>
Total interest payable and similar charges	(1,523)	(584)
	<hr/>	<hr/>
Interest receivable and similar income		
- bank interest	-	76,605
	<hr/>	<hr/>
Total interest receivable and similar income	-	76,605
	<hr/>	<hr/>
Net interest (payable) / receivable	(1,523)	76,021
	<hr/>	<hr/>

5 Taxation on (loss) / profit on ordinary activities

(a) Analysis of charge in year

	2010 £	2009 £
UK corporation tax at 28% (2009 28%)	-	91,513
	<hr/>	<hr/>
Total current tax	-	91,513
	<hr/>	<hr/>
Tax on (loss) / profit on ordinary activities	-	91,513
	<hr/>	<hr/>

Notes (continued)

5 Tax on (loss) / profit on ordinary activities (continued)

(b) Factors affecting tax charge for year

The table below reconciles the notional tax charge at the UK corporation tax rate to the actual charge for taxation

	2010 £	2009 £
(Loss) / profit on ordinary activities before taxation	(44,163)	326,835
Tax on (loss) / profit on ordinary activities at 28% (2009 28%)	(12,365)	91,513
Group relief	12,365	-
Current tax charge for year	-	91,513

(c) Deferred taxation

There is no provision in respect of deferred taxation (2009 £nil)

6 Debtors

	2010 £	2009 £
VAT recoverable	-	224,366
Amount due from associated undertaking	-	53,767
Taxation and social security	-	-
	-	278,133

All amounts fall due within one year

7 Creditors amounts falling due within one year

	2010 £	2009 £
Trade creditors	-	6,405
Amounts owing to other group companies	24,750	1,041
Taxation and social security	-	42,014
VAT payable	276	-
Accruals and deferred income	66,137	27,230
	91,163	76,690

Notes (continued)

8 Called up share capital

The authorised share capital at 31 March 2010 and 2009 consists of 1,000 £1 ordinary shares. The issued share capital consists of 1 £1 ordinary share.

	2010 £	2009 £
Authorised		
1,000 £1 ordinary shares	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
1 £1 ordinary share	1	1
	<u> </u>	<u> </u>

9 Reserves

	£
Profit and loss account	
Profit and loss account at 1 April 2009	245,659
Loss for the year	(44,163)
	<u> </u>
Profit and loss account at 31 March 2010	201,496
	<u> </u>

10 Related party transactions

During the year, Lingley Mere Business Park Development Phase 1 Limited paid a dividend of £nil (2009 £1,100,000) to Lingley Mere Business Park Development Company Limited.

During the year, Lingley Mere Business Park Development Phase 1 Limited incurred costs of £nil (2009 £296,423) from Muse Developments Limited, for sundry recharges and project management fees in the ordinary course of business and £nil (2009 £nil) was outstanding at the year end.

During the year, Lingley Mere Business Park Development Phase 1 Limited incurred costs of £nil (2009 £10,000) from United Utilities Property Services Limited (formerly United Utilities Property Solutions Limited) for sundry recharges in the ordinary course of business and £nil (2009 £nil) was outstanding at the year end.

During the year, Lingley Mere Business Park Development Company Limited provided funding to Lingley Mere Business Park Development Phase 1 Limited with £24,750 (2009 £nil) outstanding at year end.

Lingley Mere Business Park Development Phase 1 Limited provided funds of £nil (2009 £100,000) to Lingley Mere Plot Development Limited in order to pay suppliers.

Lingley Mere Business Park Development Phase 1 Limited incurred costs of £nil (2009 £4,049) from Lingley Mere Business Park Development Company Limited for transfer of work in progress.

Lingley Mere Business Park Development Phase 1 Limited incurred costs of £nil (2009 £13,284) from Lingley Mere Management Company Limited for estate management charges.

11 Ultimate parent company and parent undertaking of a larger group of which the Company is a member

The Company is a wholly owned subsidiary of Lingley Mere Business Park Development Company Limited, a company registered in England and Wales. Lingley Mere Business Park Development Company Limited is a joint venture with equal immediate and ultimate ownership by United Utilities Property Services Limited (formerly United Utilities Property Solutions Limited) and Muse Developments Limited, which are both registered in England and Wales.