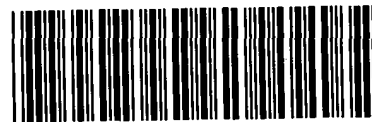


# **BIZSPACE (NE) LIMITED**

**Report and Financial Statements**

**For year ended 31 December 2013**

WEDNESDAY



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## **Bizspace (NE) Limited**

### **Report and Financial Statements 2013**

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# **Bizspace (NE) Limited**

## **Report and Financial Statements 2013**

### **Officers and professional advisers**

#### **Directors**

G Evans  
M Megan  
H Wright

#### **Secretary**

G Evans

#### **Registered office**

Sovereign House  
1 Albert Place  
Finchley  
N3 1QB

#### **Bankers**

Royal Bank Of Scotland  
PO Box 412  
62/63 Threadneedle Street  
London  
RC2R 8LA

#### **Solicitors**

Shoosmiths  
Lock House  
Castle Meadow Road  
Nottingham  
NG2 1AG

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Birmingham  
United Kingdom

## **Bizspace (NE) Limited**

### **Directors' report**

The directors present their annual report on the affairs of the company together with the financial statements and auditor's report for the year ended 31 December 2013. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime under part 15 of the Companies Act 2006.

#### **Principal activity**

The principal activity of the company is as an investment company.

#### **Results and dividends**

The directors do not recommend a dividend (2012: £nil) and results are outlined on page 6.

#### **Review of business**

The company holds an interest in the Bizspace Partnership.

The company did not make any charitable or political donations in the current or prior year.

#### **Going concern**

The company is part of the HXRUK II Limited Group (the "group") and as such is dependent upon the availability of group finance to continue in operation. The current banking facility expired on 31st December 2014 however, from 1st January 2015 the group has negotiated a 12 month on-demand facility in order to ensure the continued operation of the business prior to seeking a new investor to take the business forward. With this funding in place the directors believe that the bank is committed to making the properties available to the business for the duration of the facility and with this support, the directors have projected a positive cashflow for the next 12 months and believe that the business will be able to settle all debts as they fall due.

As a result the directors are satisfied that the company remains a going concern and have prepared the accounts on that basis.

#### **Directors**

The present membership of the board is set out on page 1. All directors served throughout the year up to and including the reporting date with the exception of P Gubb who resigned on 1 September 2013.

## **Bizspace (NE) Limited**

### **Directors' report (continued)**

#### **Auditor**

Each of the persons who is a director of the company at the date of approval of this report confirms that:


- so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information (as defined) and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them has been passed.

Approved by the Board of Directors and signed on behalf of the Board

G Evans  
Director



12 February 2015

## **Bizspace (NE) Limited**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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; 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 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.

## **Independent auditor's report to the members of Bizspace (NE) Limited**

We have audited the financial statements of Bizspace (NE) Limited for the year ended 31 December 2013 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable in 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 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 December 2013 and of its loss 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.

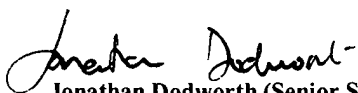
### **Opinion on other matters prescribed by the Companies Act 2006**

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.

### **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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



**Jonathan Dodworth (Senior Statutory Auditor)**

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

Birmingham, United Kingdom

12 February 2015

## **Bizspace (NE) Limited**

### **Profit and loss account For year ended 31 December 2013**

	<b>Note</b>	<b>2013 £000</b>	<b>2012 £000</b>
<b>Operating profit/(loss)</b>		-	-
Loss from fixed asset investments	3	(424)	-
<b>Loss on ordinary activities before taxation</b>		(424)	-
Tax charge on profit on ordinary activities	4	-	-
<b>Loss for the financial year</b>		(424)	-

There are no recognised gains and losses for the current and prior year other than as stated in the Profit and loss account. Accordingly a statement of total recognised gains and losses has not been prepared.

All results are derived from continuing activities.

## Bizspace (NE) Limited

### Balance sheet 31 December 2013

	Note	31 December 2013 £'000	31 December 2012 £'000
<b>Fixed assets</b>			
Investments	5	-	-
		-	-
<b>Current assets</b>			
Debtors: falling due within one year	6	10,824	10,824
		10,824	10,824
<b>Creditors: amounts falling due within one year</b>	7	735	311
<b>Net current assets</b>		10,089	10,513
<b>Net Assets</b>		10,089	10,513
<b>Capital and reserves</b>			
Called up share capital	8	1	1
Share premium account	9	4,489	4,489
Profit and loss account deficit	9	(295)	(257)
Other reserve	9	5,894	6,280
<b>Shareholder's funds</b>		10,089	10,513

The financial statements of Bizspace (NE) Ltd, registered number 05325778 were approved by the Board of Directors and authorised on *12 February* 2015.

Signed on behalf of the Board of Directors



Gareth Evans  
Director

## **Bizspace (NE) Limited**

### **Notes to the accounts**

#### **For year ended 31 December 2013**

##### **1. Accounting policies**

The principal accounting policies, which have been applied consistently throughout the current year and prior year, are summarised below.

##### **Basis of preparation and going concern**

The company is part of the HXRUK II Limited Group (the “group”) and as such is dependent upon the availability of group finance to continue in operation. The current banking facility expired on 31st December 2014 however, from 1st January 2015 the group has negotiated a 12 month on-demand facility in order to ensure the continued operation of the business prior to seeking a new investor to take the business forward. With this funding in place the directors believe that the bank is committed to making the properties available to the business for the duration of the facility and with this support, the directors have projected a positive cashflow for the next 12 months and believe that the business will be able to settle all debts as they fall due.

As a result the directors are satisfied that the company remains a going concern and have prepared the accounts on that basis.

##### **Consolidated accounts**

The company is exempt from the obligation to prepare group financial statements due to the exemption afforded by section s399 of the Companies Act 2006 because of the size of the group. Accordingly, these financial statements present information relating to the individual company and not the group.

##### **Accounting convention**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom and accounting standards.

## **Bizspace (NE) Limited**

### **Notes to the accounts (continued) For year ended 31 December 2013**

#### **1. Accounting policies (continued)**

##### **Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively 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 group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from 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 substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### **Investments**

Fixed asset investments are shown at cost less provision for impairment.

##### **Cash flow statement**

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard Number 1; Cash Flow Statements.

#### **2. Information regarding directors and employees**

Except for the Directors listed below the entity does not employ any other full-time employees.

Three of the Directors were paid in full by a fellow group company (P Gubb, M Megan, H Wright) in both current and prior years. It is not practical to split out the costs of their services for the purpose of these accounts. Details of their remuneration are disclosed in the accounts of Highcross Strategic Advisors Limited which are publicly available. One of the Directors was paid by Bizspace Limited, a fellow group company (G Evans) in both years and it is not practical to split out the costs of this service for the purpose of these accounts. Details of his remuneration are disclosed in the accounts of Bizspace Limited which are publicly available.

#### **3. Profit and loss account**

The loss within the Profit & loss account is a result of sales of property associated to Bizspace (NE) Ltd.

Bizspace (NE) Ltd has an investment in Bizspace Limited Partnership which came into effect on 30 November 2007 and resulted in an income figure for 2013 of £153 (2012: £nil).

The fee element for audit services provided to Bizspace (NE) Limited accounts totalled £2,000 (2012: £NIL). This fee was borne by Bizspace Limited. No non audit services were provided in either year.

## Bizspace (NE) Limited

### Notes to the accounts (continued) For year ended 31 December 2013

#### 4. Tax on profit on ordinary activities

	Year ended 31 December 2013 £'000	Year ended 31 December 2012 £'000
UK corporation tax	-	-

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 23.25% (2012: 24.5%). The actual tax charge for the current and the previous financial year varies from the standard rate for the reasons set out below:

	Year ended 31 December 2013 £	Year ended 31 December 2012 £
Profit on ordinary activities before tax	(424)	-
Tax on ordinary activities at standard rate	(98)	-
Expenses not deductible	98	-
Current tax charge for year	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to accelerated capital allowances and trading losses. There is insufficient evidence that the assets will be recovered. The amount of the asset not recognised is £634,284 (2012: £438,950)

The asset would be recovered if the company makes future taxable profits against which assets can be utilised.

A reduction in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012, and further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. The impact of the rate reduction has been reflected in the calculation of the UK deferred tax asset not recognised at 31 December 2013.

## Bizspace (NE) Limited

### Notes to the accounts (continued) For year ended 31 December 2013

#### 5. Fixed asset investments

	Investment £
Investment in Bizspace Limited Partnership	
<b>Cost</b>	
At 1 January and 31 December 2013	176
<b>Provision for impairment</b>	
At 1 January and 31 December 2013	-
	<hr/> 176
<b>Net book value</b>	<hr/> <hr/>

Bizspace (NE) Limited has a 0.176% interest in Bizspace Limited Partnership, a partnership governed by the law of England and Wales. Bizspace Limited Partnership's head office is Sovereign House, 1 Albert Place, Finchley, London, N3 1QB.

Bizspace (NE) Limited has taken advantage of the exemption in Regulation 7 of the Partnerships (Accounts) Regulations 2008 from the requirements for preparation, delivery and publication of accounts, in relation to its membership of Bizspace Limited Partnership.

#### 6. Debtors

	200713 £'000	2012 £'000
Amounts owed from group undertakings	10,801	10,801
Corporation tax	23	23
	<hr/> 10,824	<hr/> 10,824

#### 7. Creditors: amounts falling due within one year

	2007 £'000	2012 £'000
Amounts owed to Group undertakings	735	311

## Bizspace (NE) Limited

### Notes to the accounts (continued) For year ended 31 December 2013

#### 8. Share capital

	2013 £'000	2012 £'000
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
<b>Called up, allotted and fully paid:</b>		
1,000 ordinary share of £1 each	<u>1</u>	<u>1</u>

#### 9. Reconciliation of movements in reserves and shareholder's funds

	Share premium account £'000	Share capital £'000	Profit and loss account £'000	Other reserve £'000	Total 2013 £'000	Total 2012 £'000
Opening shareholder's funds	4,489	1	(257)	6,280	10,513	10,513
Reserve transfer	-	-	386	(386)	-	-
Loss for the year	-	-	(424)	-	(424)	-
Net reduction in shareholder's funds	-	-	(38)	(386)	(424)	-
Closing shareholder's funds	<u>4,489</u>	<u>1</u>	<u>(295)</u>	<u>5,894</u>	<u>10,089</u>	<u>10,513</u>

On 30 November 2007 all properties were sold to Bizspace Limited Partnership, a group entity in which the company holds a fixed asset investment. At that date the revaluation reserve was transferred into another reserve which is non-distributable until cash payment is received or the properties are sold outside the group.

## **Bizspace (NE) Limited**

### **Notes to the accounts (continued) For year ended 31 December 2013**

#### **10. Related party transactions**

During the year the following were considered to be related parties of the company:

- The Directors
- HXRUK II Limited and its subsidiaries

All balances held at the year-end date with other HXRUK II Limited group companies are detailed in note 6.

#### **11. Ultimate parent company and controlling party**

HXRUK II Limited is the controlling party and ultimate parent of the company and is registered in Jersey. HXRUK II Limited is owned by two Limited Partnerships, which are registered in the United States of America. These partnerships, which were formed to invest in regional UK commercial property for investors, are managed by a General Partner, Highcross Strategic Partners II LLC, a Delaware limited liability company. Highcross Bugatti Limited is the smallest group for which group accounts have been prepared and disclosed. HXRUK II Limited is the largest group for which group accounts have been prepared.