

Company Registration No. 11041174 (England and Wales)

**GATEWAY14 LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# **GATEWAY14 LIMITED**

## **COMPANY INFORMATION**

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### **Directors**

Ms E Brightman  
Mr H Cooke  
Sir C Haworth  
Mr J Whitehead  
Ms J Gregory (Appointed 17 June 2021)  
Mr P Ekpenyong (Appointed 25 March 2021)

### **Company number**

11041174

### **Registered office**

C/O B&Msdc Endeavour House  
8 Russell Road  
Ipswich  
Suffolk  
IP1 2BX

### **Auditor**

Ensors Accountants LLP  
Connexions  
159 Princes Street  
Ipswich  
Suffolk  
IP1 1QJ

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# **GATEWAY14 LIMITED**

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# **GATEWAY14 LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present the strategic report for the year ended 31 March 2021.

#### **Fair review of the business**

The incorporation of Gateway 14 Limited and its associated structure was initiated to bring about the development of land, to generate employment and to enable Mid Suffolk District Council ("the Ultimate Shareholder") to participate in the returns generated by the development of the land. In order to deliver this, Gateway14 Limited was incorporated as a Special Purpose Vehicle (SPV) to acquire the land. The rationale for this investment is:

- The site is well-located adjacent to J50 of the A14
- The principle of development for employment purpose is established in this location
- There is currently strong demand and it is envisaged that this will continue along with sustained rental growth
- To generate short/medium term income to support the revenue gap arising from the reduction in central government funding
- To bring about the development of the land in the most effective way to deliver economic growth whilst maximising returns to the Council and minimise the risk by the way the project is brought forward
- To ensure that investment opportunities taken are ethical and fit with the values of the shareholding Council

The structure is based upon Mid Suffolk District Council setting up its own wholly-owned holding company which then takes a 100% equal shareholding in the development company limited by shares.

#### **Principal risks and uncertainties**

The principal risks and uncertainties impacting the entity are: development is inherently a risk enterprise and there are unknown factors at the outset, there are issues to be resolved on the planning consent, the site requires some re-profiling to maximise the amount of development, building costs may rise, rents may fall and yields may rise, the timescale for completion of the project is anticipated to be 15 years.

In the short term, the COVID-19 pandemic has not had a significant effect on the project, as it is at the resolution of planning stage, and this work has been able to continue without interruption. In the longer term, the pandemic has focussed interest on the importance of the supply chain and appears likely to increase demand for the warehousing accommodation that the site will deliver. The Freeport designation will support the delivery of the site for advanced manufacturing and innovation uses.

#### **Results and performance**

The Board has considered the risk factors inherent in the project and carried out a significant amount of work to evaluate and mitigate risk. It identified that a strategy to reduce risk significantly would be the appointment of a Joint Venture partner with the right expertise to drive forward the development of the site and possibly cover some of the financial risk. To that end, Avison Young was appointed as an adviser to the company and Jaynic Properties Ltd was subsequently appointed as JV development partner in March 2020.

The company Business Plan, including its goals and Strategies was presented to the shareholder in April 2021 and subsequently approved.

The Directors believe that the Company is on course to achieve its primary target to bring the land forward for development in an effective timescale and with an appropriate risk mitigation strategy.

A resolution to grant a single planning consent for a cohesive development across the companies' landholdings, subject to finalising conditions and the S106 agreement, was agreed at Planning Committee on 18th August 2021.

**GATEWAY14 LIMITED**

**STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2021***

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On behalf of the board

Sir C Haworth  
**Director**

**23 September 2021**

# **GATEWAY14 LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2021**

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The company was incorporated on the 1st November 2017 and purchased the land in August 2018. The adjacent site was purchased in August 2019 bringing the total land holding to 156 acres.

The directors present their annual report and financial statements for the year ended 31 March 2021 being the second year of trading.

#### **Principal activities**

The principal activity of the company continued to be that of development of land to create an Innovation and Logistics Park.

#### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ms E Brightman

Mr H Cooke

Mr S Davies

(Resigned 26 April 2021)

Sir C Haworth

Mr J Whitehead

Ms J Gregory

(Appointed 17 June 2021)

Mr P Ekpenyong

(Appointed 25 March 2021)

#### **Auditor**

The auditor, Ensors Accountants LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Sir C Haworth

**Director**

23 September 2021

## **GATEWAY14 LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2021***

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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 judgements and accounting 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 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.

# **GATEWAY14 LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF GATEWAY14 LIMITED**

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#### **Opinion**

We have audited the financial statements of Gateway14 Limited (the 'company') for the year ended 31 March 2021 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **GATEWAY14 LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF GATEWAY14 LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

#### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our audit was designed to include tests of detail together with an assessment of the control environment to enable us to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud. Through discussion with directors and management, and from our own knowledge of and experience of the sector in which the company operates we identified the following areas where we consider there is a higher risk of fraud: transactions with related parties, revenue recognition, and management override of systems and control. We note that the use of external advisors and service organisations has helped to reduce the susceptibility of the company to material misstatement due to fraud.

We performed audit procedures to address the risks noted above, which included the following:

- Enquiry of management, those charged with governance and the entity's solicitors around actual and potential litigation and claims
- Reviewing minutes of board meetings
- Testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions
- Review of management estimates and judgements, in particular in relation to the recoverability of work in progress

## **GATEWAY14 LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF GATEWAY14 LIMITED**

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#### **Auditor's responsibilities for the audit of the financial statements (continued)**

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is we would become aware of non-compliance.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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.

**Helen Rumsey (Senior Statutory Auditor)**  
**For and on behalf of Ensors Accountants LLP**

29 September 2021

**Chartered Accountants**  
**Statutory Auditor**

Connexions  
159 Princes Street  
Ipswich  
Suffolk  
IP1 1QJ

## GATEWAY14 LIMITED

### INCOME STATEMENT

*FOR THE YEAR ENDED 31 MARCH 2021*

	Notes	2021 £	2020 £
Revenue	3	5,500	9,263
Administrative expenses		(125,037)	(129,397)
<b>Operating loss</b>	<b>4</b>	<b>(119,537)</b>	<b>(120,134)</b>
Investment income	7	4	758
<b>Loss before taxation</b>		<b>(119,533)</b>	<b>(119,376)</b>
Tax on loss		-	-
<b>Loss and total comprehensive income for the financial year</b>		<b>(119,533)</b>	<b>(119,376)</b>

The income statement has been prepared on the basis that all operations are continuing operations.

# GATEWAY14 LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
<b>Non-current assets</b>			
Intangible assets	8	6,283	-
Investments	9,10	100	100
		<u>6,383</u>	<u>100</u>
<b>Current assets</b>			
Inventories	11	23,540,644	21,920,758
Trade and other receivables	12	30,010	3,937
Cash and cash equivalents		224,784	81,092
		<u>23,795,438</u>	<u>22,005,787</u>
<b>Current liabilities</b>			
Borrowings	14	3,071,286	1,950,902
Trade and other payables	16	223,138	28,054
		<u>3,294,424</u>	<u>1,978,956</u>
<b>Net current assets</b>		<u>20,501,014</u>	<u>20,026,831</u>
<b>Total assets less current liabilities</b>		<u>20,507,397</u>	<u>20,026,931</u>
<b>Non-current liabilities</b>			
Borrowings	14	19,355,582	18,755,583
<b>Net assets</b>		<u>1,151,815</u>	<u>1,271,348</u>
<b>Equity</b>			
Called up share capital	17	1	1
Other reserves		1,622,488	1,622,488
Retained earnings		(470,674)	(351,141)
<b>Total equity</b>		<u>1,151,815</u>	<u>1,271,348</u>

## **GATEWAY14 LIMITED**

### **STATEMENT OF FINANCIAL POSITION (CONTINUED)**

***AS AT 31 MARCH 2021***

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The financial statements were approved by the board of directors and authorised for issue on 23 September 2021 and are signed on its behalf by:

Sir C Haworth  
**Director**

**Company Registration No. 11041174**

## GATEWAY14 LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital	Other reserves	Retained earnings	Total
	£	£	£	£
Balance at 1 April 2019	1	1,622,488	(231,765)	1,390,724
Year ended 31 March 2020:				
Loss and total comprehensive income for the year	-	-	(119,376)	(119,376)
Balance at 31 March 2020	1	1,622,488	(351,141)	1,271,348
Year ended 31 March 2021:				
Loss and total comprehensive income for the year	-	-	(119,533)	(119,533)
Balance at 31 March 2021	1	1,622,488	(470,674)	1,151,815

# GATEWAY14 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Company information

Gateway14 Limited is a private company limited by shares incorporated in England and Wales. The registered office is C/O B&MsdC Endeavour House, 8 Russell Road, Ipswich, Suffolk, IP1 2BX.

The financial statements of Gateway 14 Limited for the year ended 31 March 2021 were authorised for issue by the board of directors on 23 September 2021 and the Statement of Financial Position was signed on the board's behalf by Sir C Haworth.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64 (o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations. Equivalent disclosures are included in the consolidated financial statements of Mid Suffolk District Council in which the entity is consolidated;
- the requirements of paragraph 33 (c) of IFRS 5 Non current Assets Held for Sale and Discontinued Operations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets, (iv) paragraphs 76 and 79(d) of IAS 40 Investment Property and (v) paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to share based payments, financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, business combinations, discontinued operations and related party transactions.

Where required, equivalent disclosures are given in the group accounts of Mid Suffolk District Council. The group accounts of Mid Suffolk District Council are available to the public and can be obtained as set out in note 20.

# **GATEWAY14 LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **1 Accounting policies**

**(Continued)**

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Gateway14 Limited is a wholly owned subsidiary of MSDC (Suffolk Holdings) Limited and the results of Gateway14 Limited are included in the consolidated financial statements of Mid Suffolk District Council which are available from the address in note 20.

#### **1.2 Going concern**

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company currently doesn't have the facility to repay its borrowings, but this is early in the life of a significant development project and the company does have the ongoing support of its owners. The ongoing Covid-19 pandemic is not expected to have a significant impact on the Company's operations. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Revenue**

The Company's financial statements are prepared on an accruals basis. Income is recognised in the financial statements in the accounting period in which the effect of the relevant transaction takes place and not in the period in which the cash is received.

This means that the rental income and other receipts are accounted for as income at the date the Company provides the relevant service. Where income has been recognised but cash has not yet been received, a debtor for the relevant amount is recorded in the Statement of Financial Position.

#### **1.4 Intangible assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Website and emailer database - straight line over 3 years

Amortisation is recognised in profit or loss.

#### **1.5 Non-current investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

#### **1.6 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

100% of borrowing costs are considered eligible for capitalisation.

# GATEWAY14 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.7 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.8 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition which include professional fees and loan interest.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

#### 1.9 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

#### 1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# GATEWAY14 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.11 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### **Loans and receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### **Impairment of financial assets**

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### 1.12 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

##### **Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### 1.13 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# GATEWAY14 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

##### **Critical judgements**

##### **Work in progress provision**

Work in progress is valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for costs not considered to be recoverable on sale of the asset. Calculation of these provisions requires judgement of estimated costs, estimated sales proceeds, and forecast profit or loss on work in progress projects.

# GATEWAY14 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 3 Revenue

	2021	2020
	£	£
<b>Revenue analysed by class of business</b>		
Rental income	5,500	9,263
	<u>          </u>	<u>          </u>

### 4 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging/(crediting):		
Amortisation of intangible assets (included within administrative expenses)	802	-
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	4,000	4,000
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Other services	5,861	5,822
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Total	-	-
	<u>          </u>	<u>          </u>

### 7 Investment income

	2021	2020
	£	£
<b>Interest income</b>		
Interest on bank deposits	4	758
	<u>          </u>	<u>          </u>

# GATEWAY14 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 8 Intangible fixed assets

	Website & Emailer database
	£
<b>Cost</b>	
Additions - purchased	7,085
At 31 March 2021	7,085
<b>Amortisation and impairment</b>	
Charge for the year	802
At 31 March 2021	802
<b>Carrying amount</b>	
At 31 March 2021	6,283

### 9 Investments

	Current		Non-current	
	2021	2020	2021	2020
	£	£	£	£
Investments in subsidiaries	-	-	100	100

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

#### Fair value of financial assets carried at amortised cost

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements is approximate to their fair values.

### 10 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Voting
Stowmarket Estates Limited	United Kingdom	Ordinary	100.00	100.00

### 11 Inventories

	2021	2020
	£	£
Work in progress	23,540,644	21,920,758

# GATEWAY14 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 11 Inventories

(Continued)

The carrying amount of inventories is pledged as security for liabilities.

Borrowing costs totalling £1,050,382 (2020: £922,394) have been recognised in inventories during the period. Inventories include £1,972,776 of borrowing costs at 31 March 2021.

### 12 Trade and other receivables

	2021 £	2020 £
Trade receivables	-	60
VAT recoverable	27,251	3,877
Prepayments and accrued income	2,759	-
	<u>30,010</u>	<u>3,937</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

### 13 Liabilities

		Current 2021 £	2020 £	Non-current 2021 £	2020 £
	Notes				
Borrowings	14	3,071,286	1,950,902	19,355,582	18,755,583
Trade and other payables	16	223,138	28,054	-	-
		<u>3,294,424</u>	<u>1,978,956</u>	<u>19,355,582</u>	<u>18,755,583</u>

### 14 Borrowings

	Current 2021 £	2020 £	Non-current 2021 £	2020 £
<b>Borrowings held at amortised cost:</b>				
Loans from parent undertaking	<u>3,071,286</u>	<u>1,950,902</u>	<u>19,355,582</u>	<u>18,755,583</u>
			<b>2021 £</b>	<b>2020 £</b>
<b>Secured borrowings included above:</b>				
Loans from parent undertaking			<u>22,426,868</u>	<u>20,706,485</u>

Borrowings are secured on the land development included within work in progress.

# GATEWAY14 LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 15 Market risk

#### Market risk management

##### Interest rate risk

The Company pays interest on long term borrowings. Gateway14 Limited has no exposure to fluctuations in interest rates as the rates payable by the Company have been fixed for the full term of the loan agreements.

### 16 Trade and other payables

	2021 £	2020 £
Trade payables	37,044	19,954
Amounts owed to fellow group undertakings	100	100
Accruals and deferred income	185,994	8,000
	<u>223,138</u>	<u>28,054</u>

### 17 Share capital

	2021 £	2020 £
Ordinary share capital <i>Issued and fully paid</i>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

### 18 Related party transactions

#### Other transactions with related parties

During the year the company entered into the following transactions with related parties:

	Interest payable		Management charges	
	2021 £	2020 £	2021 £	2020 £
Ultimate controlling party	<u>1,050,382</u>	<u>922,394</u>	<u>98,290</u>	<u>101,765</u>

Interest payable has been recognised as work in progress.

The following amounts were outstanding at the reporting end date:

	2021 £	2020 £
Amounts due to related parties		
Parent company	<u>22,426,868</u>	<u>20,706,485</u>

No guarantees have been given or received.

## **GATEWAY14 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2021***

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**19 Directors' transactions**

Included within the management charges is a total of £28,167 (2020: £41,500) that was paid to three non executive directors.

**20 Controlling party**

The parent company of Gateway14 Limited is MSDC (Suffolk Holdings) Ltd and its registered office is Endeavour House, 8 Russell Road, Ipswich, Suffolk, IP1 2BX.

The ultimate controlling party is Mid Suffolk District Council.

The entity is consolidated into the Group accounts of Mid Suffolk District Council.

The business address for Mid Suffolk District Council is Endeavour House, 8 Russell Road, Ipswich, Suffolk, IP12BX. Consolidated accounts for Mid Suffolk District Council are publicly available from:  
<https://www.babergh.gov.uk/assets/Finance/Mid-Suffolk>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.