

**COMPANY REGISTRATION NUMBER: 02195005**

**Aycliffe & Peterlee Investment Company Limited**

**Financial Statements**

**31 March 2018**



# **Aycliffe & Peterlee Investment Company Limited**

## **Financial Statements**

**Year ended 31 March 2018**

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<b>Contents</b>	<b>Pages</b>
Officers and professional advisers	1
Directors' report	2 to 3
Independent auditor's report to the members	4 to 6
Statement of income and retained earnings	7
Statement of financial position	8
Notes to the financial statements	9 to 16

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# **Aycliffe & Peterlee Investment Company Limited**

## **Officers and Professional Advisers**

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### **The board of directors**

TJ Murphy  
GA Kaye  
JC Inwood

### **Company secretary**

Helical Registrars Limited

### **Registered office**

5 Hanover Square  
London  
W1S 1HQ

### **Auditor**

Grant Thornton UK LLP  
Chartered Accountants & statutory auditor  
London

# Aycliffe & Peterlee Investment Company Limited

## Directors' Report

Year ended 31 March 2018

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The directors present their report and the financial statements of the company for the year ended 31 March 2018.

### Directors

The directors who served the company during the year were as follows:

TJ Murphy  
GA Kaye  
JC Inwood  
DC Walker

(Resigned 12 July 2017)

### Directors' responsibilities statement

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 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) 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 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;
- 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.

### Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The Audit and Risk Committee undertook a tender process in respect of the external audit service during the year. Deloitte LLP have been proposed for appointment.

# Aycliffe & Peterlee Investment Company Limited

## Directors' Report *(continued)*

Year ended 31 March 2018

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### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 5 November 2018 and signed by order of the board by:

  
TJ Murphy  
Director

# **Aycliffe & Peterlee Investment Company Limited**

## **Independent Auditor's Report to the Members of Aycliffe & Peterlee Investment Company Limited**

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### **Opinion**

We have audited the financial statements of Aycliffe & Peterlee Investment Company Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of income and retained earnings, statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 2018 and of its profit 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.

### **Who we are reporting to**

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.

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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# **Aycliffe & Peterlee Investment Company Limited**

## **Independent Auditor's Report to the Members of Aycliffe & Peterlee Investment Company Limited** (continued)

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the directors' 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 the audit:

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

### **Matter on which we are required to report under the Companies Act 2006**

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 directors' report.

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

We have nothing to report in respect of the following matters in relation to which 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 take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# Aycliffe & Peterlee Investment Company Limited

## Independent Auditor's Report to the Members of Aycliffe & Peterlee Investment Company Limited (continued)

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### Responsibilities of directors for the financial statements

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, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**Stephen Maslin (Senior Statutory Auditor)**  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

5 November 2018



# Aycliffe & Peterlee Investment Company Limited

## Statement of Income and Retained Earnings

Year ended 31 March 2018

	Note	2018 £	2017 £
<b>Turnover</b>	<b>5</b>	<b>138,341</b>	<b>64,035</b>
Cost of sales		<u>(67,620)</u>	<u>(41,202)</u>
<b>Gross profit</b>		<b>70,721</b>	<b>22,833</b>
Administrative expenses	<b>6</b>	<b>(4)</b>	<b>(12,495,176)</b>
Other operating income	<b>7</b>	<b>—</b>	<b>7,806,589</b>
Loss on revaluation of investment property		<b>—</b>	<b>(9,351)</b>
<b>Operating profit/(loss)</b>		<b>70,717</b>	<b>(4,675,105)</b>
Other interest receivable and similar income	<b>8</b>	<b>4</b>	<b>19</b>
Interest payable and similar expenses	<b>9</b>	<b>(30)</b>	<b>—</b>
<b>Profit/(loss) before taxation</b>		<b>70,691</b>	<b>(4,675,086)</b>
Tax on profit/(loss)	<b>10</b>	<b>(530)</b>	<b>(8,226)</b>
<b>Profit/(loss) for the financial year and total comprehensive income</b>		<b>70,161</b>	<b>(4,683,312)</b>
<b>Retained earnings at the start of the year</b>		<b>58,509</b>	<b>4,741,821</b>
<b>Retained earnings at the end of the year</b>		<b>128,670</b>	<b>58,509</b>

All the activities of the company are from continuing operations.

The notes on pages 9 to 16 form part of these financial statements.

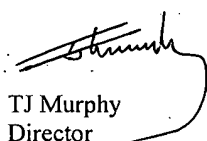
# Aycliffe & Peterlee Investment Company Limited

## Statement of Financial Position

31 March 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	11	50,000	50,000
Investments	12	101	105
		<u>50,101</u>	<u>50,105</u>
<b>Current assets</b>			
Debtors	13	84,560	16,629
Cash at bank and in hand		4,683	5,611
		<u>89,243</u>	<u>22,240</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(5,404)</u>	<u>(9,096)</u>
<b>Net current assets</b>		<u>83,839</u>	<u>13,144</u>
<b>Total assets less current liabilities</b>		<u>133,940</u>	<u>63,249</u>
<b>Provisions</b>			
Taxation including deferred tax	15	<u>(5,170)</u>	<u>(4,640)</u>
<b>Net assets</b>		<u>128,770</u>	<u>58,609</u>
<b>Capital and reserves</b>			
Called up share capital	17	100	100
Profit and loss account	18	<u>128,670</u>	<u>58,509</u>
<b>Members funds</b>		<u>128,770</u>	<u>58,609</u>

These financial statements were approved by the board of directors and authorised for issue on 5 November 2018, and are signed on behalf of the board by:

  
TJ Murphy  
Director

Company registration number: 02195005

The notes on pages 9 to 16 form part of these financial statements.

# Aycliffe & Peterlee Investment Company Limited

## Notes to the Financial Statements

Year ended 31 March 2018

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### 1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is 5 Hanover Square, London, W1S 1HQ.

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Principal activity

The principal activity of the company during the period was investment in commercial property and that of a holding company.

### 4. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

Consolidated financial statements are not prepared as the company is part of a larger group for which consolidated accounts have been prepared and therefore the company has taken advantage of this exemption provided under the Companies Act, 2006. These financial statements therefore present information about the company and not the group.

#### Investments

Investments are included at cost less amounts written off. Profits or losses arising from disposal of fixed asset investments are treated as part of the result from ordinary activities.

#### Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Helical plc which can be obtained from their registered office. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

(a) No cash flow statement has been presented for the company.

#### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

# Aycliffe & Peterlee Investment Company Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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

#### Judgements and key sources of estimation uncertainty *(continued)*

##### Significant judgements

There are no significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

##### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment.

#### Revenue recognition

Turnover represents rental income and the proceeds from the sale of trading properties and developments. Income from the sale of properties is included in the statement of income and retained earnings when, in the opinion of the directors, a binding contract of sale exists. Turnover recognised but not received is carried forward in trade debtors.

#### Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available without undue cost or effort for an item of investment property, it shall be transferred to tangible assets and treated as such until it is expected that fair value will be reliably measurable on an on-going basis.

# Aycliffe & Peterlee Investment Company Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2018

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### 4. Accounting policies (continued)

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

### 5. Turnover

Turnover arises from:

	2018	2017
	£	£
Rental income	<u>138,341</u>	<u>64,035</u>

# Aycliffe & Peterlee Investment Company Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2018

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**5. Turnover (continued)**

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

**6. Administrative expenses**

No staff other than the directors, were employed during the year. The directors received no emoluments for the year (2017: £nil).

Auditor's remuneration is borne by the ultimate parent undertaking.

Administrative expenses include management charges of £nil (2017: £6,778) and the write off of investments in subsidiaries of £4 (2017: £12,488,398).

**7. Other operating income**

	2018 £	2017 £
Other operating income	<u>—</u>	<u>7,806,589</u>

Other operating income represents the waiving of a loan due to the company's ultimate parent company, Helical plc.

**8. Other interest receivable and similar income**

	2018 £	2017 £
Other interest receivable and similar income	<u>4</u>	<u>19</u>

**9. Interest payable and similar expenses**

	2018 £	2017 £
Other interest payable and similar charges	<u>30</u>	<u>—</u>

**10. Tax on profit/(loss)**

**Major components of tax expense**

2018 £	2017 £
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# Aycliffe & Peterlee Investment Company Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2018

### 10. Tax on profit/(loss) (continued)

	2018 £	2017 £
<b>Deferred tax:</b>		
Origination and reversal of timing differences	530	8,226
<b>Tax on profit/(loss)</b>	<u>530</u>	<u>8,226</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018 £	2017 £
Profit/(loss) on ordinary activities before taxation	70,691	(4,675,086)
Profit/(loss) on ordinary activities by rate of tax	13,431	(935,017)
Effect of expenses not deductible for tax purposes	—	2,497,680
Effect of revenue exempt from tax	—	(1,561,318)
Utilisation of tax losses	—	(2,378)
Tax losses surrendered to fellow group companies	(12,901)	(33)
Unrealised gains / (losses) in excess of revaluation adjustments	—	9,850
Difference in tax rates	—	(558)
<b>Tax on profit/(loss)</b>	<u>530</u>	<u>8,226</u>

### 11. Tangible assets

	Investment property £
<b>Cost or valuation</b>	
At 1 April 2017 and 31 March 2018	<u>50,000</u>
<b>Carrying amount</b>	
At 31 March 2018	<u>50,000</u>
At 31 March 2017	<u>50,000</u>

The investment property has been valued by the Directors, on an open market basis at 31 March 2018 as follows:

	£
Directors' valuation	<u>50,000</u>

The historical cost of investment property is £50,000 (2017: £50,000).

# Aycliffe & Peterlee Investment Company Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2018

## 12. Investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 April 2017	13,708,548
Disposals	(4)
<b>At 31 March 2018</b>	<b>13,708,544</b>
<b>Impairment</b>	
At 1 April 2017 and 31 March 2018	13,708,443
<b>Carrying amount</b>	
At 31 March 2018	101
At 31 March 2017	105

At 31 March 2018 the company held the following equity in operating undertakings:

	Nature of Business	Percentage of ordinary share capital held
Helical Properties (HSM) Limited	Development	100%
CPP Investments Limited	Investment	100%

These companies are incorporated and registered in England and Wales with the same registered office as the Company. The net assets of the subsidiaries listed above at 31 March 2018 were greater than the carrying value of the investments.

## 13. Debtors

	2018 £	2017 £
Trade debtors	12,396	7,389
Amounts owed by group undertakings	70,942	—
Prepayments and accrued income	—	9,240
Other debtors	1,222	—
	<b>84,560</b>	<b>16,629</b>

The amounts owed by group undertakings are interest free and repayable on demand.



# Aycliffe & Peterlee Investment Company Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2018

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

	2018	2017
	£	£
Trade creditors	3,076	8,439
Social security and other taxes	1,106	657
Other creditors	1,222	-
	<u>5,404</u>	<u>9,096</u>

The amounts owed to group undertakings are interest free and repayable on demand.

### 15. Provisions

	Deferred tax (note 16)
	£
At 1 April 2017	4,640
Additions	530
At 31 March 2018	<u>5,170</u>

### 16. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2018	2017
	£	£
Included in provisions (note 15)	<u>5,170</u>	<u>4,640</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018	2017
	£	£
Accelerated capital allowances	(2,411)	(2,941)
Unused tax losses	<u>7,581</u>	<u>7,581</u>
	<u>5,170</u>	<u>4,640</u>

### 17. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

# Aycliffe & Peterlee Investment Company Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

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### 18. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 19. Contingencies

The company has entered into group cross guarantees in respect of the banking facilities of Helical plc and its subsidiaries. Other than that the company had no contingent liabilities at 31 March 2018 or at 31 March 2017.

### 20. Related party transactions

As the company is a wholly owned subsidiary of Helical plc, it is exempt from the requirement of FRS 102 to disclose transactions with other members of the Helical plc group.

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102.

### 21. Controlling party

The ultimate parent undertaking and controlling related party of this company is Helical plc, which is registered in England and Wales. The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Helical plc.

The company is a subsidiary of Helical plc and has been included in the consolidated accounts of that company. Copies of the parent undertaking's accounts can be obtained from the registered office at 5 Hanover Square, London W1S 1HQ.