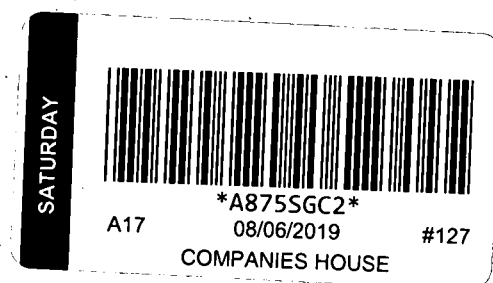


Newcastle Science Central Developments LLP

Report and Financial Statements

31 December 2018



Designated Members

P Walker (independent non-voting chair)
G Aitchison
L Mason
R Dale
J Hogan (appointed 1 August 2018)
T Kirkham
T Warburton
N Wright (resigned 1 August 2018)

Members

Newcastle University Holdings Limited
Newcastle Science Central Holdings Limited
Legal & General Capital Investments Limited

Independent Auditors

Ernst & Young LLP
Citygate
St James' Boulevard
Newcastle upon Tyne
NE1 4JD

Bankers

Barclays Bank Limited
71 Grey Street
Newcastle upon Tyne
NE1 4BF

Registered Office

Finance and Planning
Newcastle University
King's Gate
Newcastle upon Tyne
NE1 7RU

Registered No. OC415157

Members' report

The members present their report and audited financial statements of the LLP for the year to 31 December 2018.

Results for the year and allocation to members

The loss for the year after taxation amounted to £726,000 (19 December 2016 to 31 December 2017: loss £296,000).

Principal activities and review of the business

Newcastle Science Central Developments LLP was incorporated on 19 December 2016. It is a joint partnership between Newcastle City Council, Newcastle University and Legal & General. The principal activity of the LLP is to market for sale or development plots of land held on the Helix site (formerly known as Science Central). The plots are currently jointly owned by Newcastle City Council and Newcastle University through Newcastle Science Central Management LLP. The LLP also holds responsibility for developing and maintaining a strategic plan for the Helix site and for the cost of masterplanning work relating to the site.

During the year each member made capital contributions of £300,000. Costs incurred in the year of £726,000 primarily related to marketing, masterplanning and services provided by the partners. Further tranches of capital funding will be made by the members as required.

Principal risks and uncertainties

Business risks include failure to generate development opportunities and future developments deviating from the masterplan vision. Members remain fully abreast of relevant developments and implement action plans accordingly.

Going concern

The members believe that preparing the financial statements on the going concern basis is appropriate due to the partnership's liquidity position. There is a formal written commitment from all members to continue to provide sufficient funding to complete agreed future activities until at least July 2020.

Designated members

The following were designated members during the year:

P Walker (independent non-voting chair)
G Aitchison
L Mason
R Dale
J Hogan (appointed 1 August 2018)
T Kirkham
T Warburton
N Wright (resigned 1 August 2018)

Members' drawings and the subscription and repayment of members' capital

During the year each member contributed £300,000 of capital. At 31 December 2018 each member has made capital contributions to date of £400,000.

Disclosure of information to auditors

The members confirm that so far as each member is aware, there is no relevant audit information of which the LLP's auditors are unaware; and that each member has taken all the steps that he/she ought to have taken as a member in order to make himself/herself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Members' report

Independent Auditors

Ernst & Young LLP will be proposed for reappointment by the members.

Small LLP provisions

This report has been prepared in accordance with the special provision for small companies under Part 15 of the Companies Act 2006 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2008).

Approved by the members and signed on their behalf by:



Richard Dale
For and on behalf of
Newcastle University Holdings Limited



Tony Kirkham
For and on behalf of
Newcastle Science Central Holdings Limited



Stephen Halliwell
For and on behalf of
Legal & General Capital Investments Limited

Approved on:

30 April 2019

Statement of members' responsibilities

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Limited Liability Partnership law requires the members to prepare financial statements for each financial year. Under that law the members 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 as applicable to limited liability partnerships, the members 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 Limited Liability Partnership and of the profit or loss for that period. In preparing those financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the partnership and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006 as applicable to limited liability partnerships. The members are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The members are responsible for the maintenance and integrity of the corporate and financial information included on the partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. These responsibilities are exercised by the designated members on behalf of the members.

Independent auditor's report

to the members of Newcastle Science Central Developments Limited Liability Partnership ('LLP')

Opinion

We have audited the financial statements of Newcastle Science Central Developments LLP for the year ended 31 December 2018 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Members' Interests, the Statement of Financial Position and the related notes 1 to 8, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

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 below. We are independent of the limited liability partnership 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 the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, 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

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 members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability partnership'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.

Independent auditor's report

to the members of Newcastle Science Central Developments Limited Liability Partnership ('LLP')

Other information

The other information comprises the information included in the Members' Report set out on pages 2 and 3 other than the financial statements and our auditor's report thereon. The members are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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 in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime.

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 4, the members 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 members 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 members are responsible for assessing the partnership'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 members either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report

to the members of Newcastle Science Central Developments Limited Liability Partnership ('LLP')

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 <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 members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Reid (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

Date: *9 May 2019*

Income Statement

for the year ended 31 December 2018

	Note	Year ended 31 December 2018 £000	Incorporation to 31 December 2017 £000
Administrative expenses		(726)	(296)
Loss for the financial year before members' remuneration	2	(726)	(296)

The results are derived from continuing activities.

Statement of Comprehensive Income

for the year ended 31 December 2018

There is no other comprehensive income other than the loss attributable to the members of the partnership of £726,073 in the year ended 31 December 2018 (incorporation to 31 December 2017: loss £295,834).

Statement of Changes in Members' Interests

for the year ended 31 December 2018

	Members' Capital £000	Profit and loss account £000	Total £000
At 19 December 2016	-	-	-
Capital contributions	300	-	300
Loss for the financial period	-	(296)	(296)
At 1 January 2018	300	(296)	4
Capital contributions	900	-	900
Loss for the financial year	-	(726)	(726)
At 31 December 2018	1,200	(1,022)	178

Statement of Financial Position

at 31 December 2018

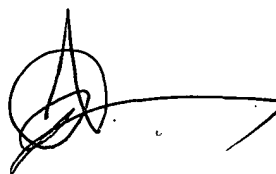
	Notes	31 December 2018 £000	31 December 2017 £000
Current assets			
Debtors	4	12	34
Cash at bank and in hand		290	59
		<u>302</u>	<u>93</u>
Creditors: amounts falling due within one year	5	(124)	(89)
Net current assets		<u>178</u>	<u>4</u>
Net assets attributable to members		<u>178</u>	<u>4</u>
 Represented by:			
Total members' interests		1,200	300
Other reserves		(1,022)	(296)
		<u>178</u>	<u>4</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 (as applied to limited liability partnerships by regulation 3 of the Limited Liability Partnerships Regulations 2008) and in accordance with the provisions of FRS 102 Section 1A – small entities.

These financial statements were approved by the members and authorised for issue on 30 April 2019 and are signed on their behalf by:



Richard Dale
For and on behalf of
Newcastle University Holdings Limited



Tony Kirkham
For and on behalf of
Newcastle Science Central Holdings Limited



Stephen Halliwell
For and on behalf of
Legal & General Capital Investments Limited

Notes to the financial statements

at 31 December 2018

1. Accounting policies

Statement of Compliance

Newcastle Science Central Developments LLP is a Limited Liability Partnership in England. The Registered Office is Finance and Planning, Newcastle University, King's Gate, Newcastle upon Tyne, NE1 7RU. The Partnership's financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A small entities, Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships, issued in July 2014, for the year ended 31 December 2018.

Basis of preparation

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'. The financial statements are prepared in GBP sterling which is the functional currency of the Company and rounded to the nearest thousand pound.

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 for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates. The members consider there to be no significant judgments or sources of estimation uncertainty.

Going concern

The members have prepared the financial statements on a going concern basis on the grounds that they have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future. If future funding is not available, or is scaled back considerably, the partnership would have to reduce its level of activity and carefully manage its financial commitments in line with its financial resources. The members are well aware of the need to keep this matter under regular review. There is a formal written commitment from all members to continue to provide sufficient funding to complete agreed future activities until at least July 2020.

Expenditure recognition

Expenditure is recognised on an accruals basis as services are received, rather than when payments are made. Where expenditure has been recognised, but cash not been paid, a creditor for the relevant amount is recorded in the Statement of Financial Position.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Members' interests

The Members decide no later than 30 days before the beginning of each accounting year what amount (if any) of the net profits (or losses) notionally available for distribution to the members shall be retained by the LLP in respect of reserves for general working capital purposes or distributed to the Members in proportion to their respective capital.

Notes to the financial statements

at 31 December 2018

2. Loss for the year before members' remuneration and profit shares

This is stated after charging:

	Year ended 31 December 2018 £000	Incorporation to 31 December 2017 £000
Auditors' remuneration— audit fees	5	5

There were no employees in either period.

3. Members' remuneration

	Year ended 31 December 2018 £000	Incorporation to 31 December 2017 £000
Members remuneration	—	—
Members of managing board remuneration	—	—

There were three members throughout the year (incorporation to 31 December 2017: 3).

4. Debtors

	31 December 2018 £000	31 December 2017 £000
VAT	12	29
Prepayments	—	5
	12	34

All debtors are due within one year.

5. Creditors: amounts falling due within one year

	31 December 2018 £000	31 December 2017 £000
Trade creditors	60	2
Other creditors and accruals	64	87
	124	89

Notes to the financial statements

at 31 December 2018

6. Members' interests

	£000
At 19 December 2016	-
Capital contributions	300
At 1 January 2018	300
Capital contributions	900
At 31 December 2018	1,200

During the year each member contributed £300,000 of capital. There is a formal written commitment from all members to continue to provide sufficient funding to complete agreed future activities until at least July 2020.

7. Related party transactions

During the year each member contributed £300,000 of capital (incorporation to 31 December 2017: £100,000).

The LLP incurred management and advertising fees with Newcastle City Council of £65,202 during the year (incorporation to 31 December 2017: £46,821) and at 31 December 2018 there was a creditor balance of £42,802 (2017: £45,821).

The LLP incurred management fees with Newcastle University of £40,300 during the year (incorporation to 31 December 2017: £30,225) and at 31 December 2018 there was a creditor balance of £12,090 (2017: £30,225).

The LLP incurred marketing expenditure of £6,083 with NGI Solutions Limited during the year (incorporation to 31 December 2017: £31,917) and at 31 December 2018 there was a debtor balance of £nil (2017: £5,000) and a creditor balance of £5,333 (2017: £2,384). NGI Solutions Limited is a subsidiary of the NewcastleGateshead Initiative Limited, a company limited by guarantee. Newcastle City Council and Newcastle University are both members of the NewcastleGateshead Initiative Limited and Pat Ritchie (the Chief Executive of Newcastle City Council) and Abi Kelly (a member of Newcastle University Executive Board) are both directors. Richard Davies (a member of Newcastle University Executive Board) was also a director until 1 August 2018.

8. Ultimate parent undertaking and controlling party

The ultimate parent undertakings and joint controlling parties are Newcastle University, Newcastle City Council and Legal & General Group Plc.

The group financial statements of Newcastle University can be obtained from the Executive Director of Finance, Newcastle University, King's Gate, Newcastle upon Tyne, NE1 7RU.

The group financial statements of Newcastle City Council can be obtained from the Director of Finance and Resources, Civic Centre, Newcastle upon Tyne, NE99 1RD.

The group financial statements of Legal & General Group Plc can be obtained from the Company Secretary, One Coleman Street, London, EC2R 5AA.