

GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

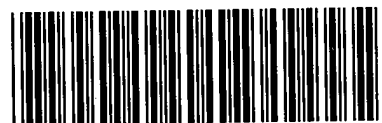
REGISTERED NUMBER 02350937

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2014

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GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2014**

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GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company's principal activity is the management and maintenance of Arlington Business Park, Reading. No change to the activity of the Company is anticipated.

As the Company is a small company, the report has been prepared in accordance with the small companies' regime of the Companies Act 2006.

RESULT

The result for the financial year after taxation amounted to £nil (2013: £nil). Details are disclosed on page 6.

DIRECTORS

The Directors who held office during the year and up to the date of signing the financial statements are given below:

E J E Neilson	(resigned on 19 February 2015)
R J Potter	(resigned on 27 March 2015)
R P Reed	(alternate director to E J E Neilson resigned on 19 February 2015)
S J Newton	
P C Chapman	
D R Workman	(alternative director to P C Chapman resigned 15 January 2015)
J F Bates	(alternative director to S J Newton resigned 15 January 2015)
H Evans	(appointed alternate director to S J Newton on 29 July 2014)
J J Flynn	(appointed as alternate director to P C Chapman on 15 January 2015)
N A B Jones	(appointed as alternate director to S J Newton 15 January 2015 and resigned on 27 March 2015)

GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITOR

In the case of each of the persons who are directors at the time when the report is approved, the following applies:

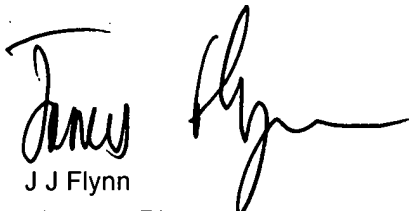
- So far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- He or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, a resolution to appoint the auditors of the 2015 financial statements will be proposed at the forthcoming Shareholders meeting.

DIRECTORS' INDEMNITIES

The company maintains liability insurance for its directors and officers. Throughout the year to 31 December 2014, the company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.


J J Flynn
Alternate Director
Minton Place
Station Road
SWINDON
SN1 1DA

Date: 5th August 2015

GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

We have audited the financial statements of Goodman Business Parks Reading Management (UK) Limited for the year ended 31 December 2014 set out on pages 6 to 15, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Financial Reporting Council Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

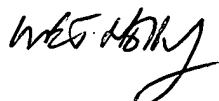
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOODMAN BUSINESS
PARKS READING MANAGEMENT (UK) LIMITED (CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report



Bill Holland (Senior statutory auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

10 August 2015

GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
TURNOVER	2	503,315	514,242
Cost of sales		(501,296)	(511,599)
GROSS PROFIT		2,019	2,643
Administrative expenses		(2,334)	(3,055)
OPERATING LOSS	3	(315)	(412)
Interest receivable and similar income		379	506
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		64	94
Tax on profit on ordinary activities	4	(64)	(94)
RESULT FOR THE FINANCIAL YEAR		-	-

All amounts above relate to continuing operations.

The Company has no recognised gains or losses other than those included in the result above and therefore no separate statement of total recognised gains and losses has been presented.

There are no material differences between the profit on ordinary activities before taxation and the result for the financial years stated above and their historical cost equivalents.

Notes on pages 8 – 15 form part of the financial statements.

GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

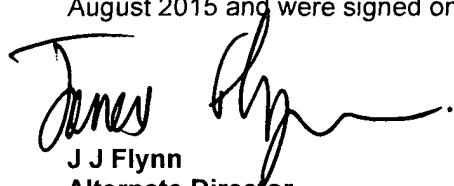
BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	2014 £	2013 £
CURRENT ASSETS			
Debtors	5	93,944	103,119
Cash at bank and in hand		96,082	137,422
		<hr/>	<hr/>
		190,026	240,541
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
	6	(189,910)	(240,425)
		<hr/>	<hr/>
NET CURRENT ASSETS		116	116
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	7	116	116
		<hr/>	<hr/>
TOTAL SHAREHOLDERS' FUNDS	8	116	116
		<hr/>	<hr/>

The annual report has been prepared in accordance with the small companies' regime of the Companies Act 2006.

Notes on pages 8 – 15 form part of the financial statements.

The financial statements on pages 6 to 15 were approved by the board of directors on 5th August 2015 and were signed on their behalf by:



J J Flynn
Alternate Director

Goodman Business Parks Reading Management (UK) Limited
Registered number: 02350937

GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below:

1.1. Turnover

Turnover is recognised based on the agreed annual budget for park management costs which is charged to the freeholders on a quarterly basis. This is adjusted for any over/under spending at year end. Turnover is recognised exclusive of value added tax.

1.2. Deferred income

Income is deferred when park management fees are billed in advance in respect of the subsequent years and when there is an underspend compared to the annual budget to the freeholders.

1.3. Accrued income

Income is accrued when there is an overspend compared to the annual budget notified to the freeholders

1.4. Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates prevailing and laws in force or substantively enacted by the balance sheet date.

1.5. Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal rates used for this purpose are:

Office Equipment	33%
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1.6. Cash flow statement

In accordance with FRS 1, 'Cash Flow Statements' (revised 1996), the company has taken advantage of the exemption available for small companies not to prepare a cash flow statement.

GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

1.7 New UK GAAP

FRS 100, 101 and 102. FRS 100 sets out the application of financial reporting requirements in the UK and Republic of Ireland and FRS 101 'IFRS with reduced disclosures' outlines the reduced disclosure framework available for use by qualifying entities choosing to report under IFRS. FRS 102 is applicable in the UK and Republic of Ireland and is known as 'new UK GAAP'. The mandatory effective date for the new framework of reporting is for accounting periods beginning on or after 1 January 2015. The Company will apply either FRS 101 ('IFRS with reduced disclosures') or FRS 102 ('new UK GAAP'). A full analysis is currently being undertaken to identify the most appropriate option

2. TURNOVER

Turnover represents service charges made to the owners/occupiers of Arlington Business Park, Reading.

3. OPERATING LOSS

Services provided by the company's auditor and network firms

During the year, the Company obtained the following services from the Company's auditor at costs as detailed below:

	2014 £	2013 £
Audit services		
Fees payable to company's auditor for the audit of the Company's statutory accounts	2,462	2,549
	<hr/>	<hr/>
	2,462	2,549
	<hr/>	<hr/>

No directors received any emoluments during the year for their services as directors (2013: £nil).

The company has no employees (2013: none). All staff requirements are provided by Workman LLP or Workman Facilities Management Ltd.

GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

No provision has been made for corporation tax in the financial statements, save for tax on bank interest received, on the grounds that the Company is a mutual trader. There was no recognised or unrecognised deferred tax in the year.

	2014 £	2013 £
Current tax:		
UK corporation tax on interest receivable	76	101
Adjustments from previous periods	(12)	(7)
	<hr/>	<hr/>
Tax on interest receivable	64	94
	<hr/>	<hr/>

The tax assessed for the year is lower than (2013: lower than) the small companies standard rate of corporation tax in the United Kingdom (20%) (2013: 20%).

	2014 £	2013 £
Interest receivable	379	506
	<hr/>	<hr/>
Interest receivable multiplied by the Small companies tax rate	76	101
Adjustments from previous periods	(12)	(7)
	<hr/>	<hr/>
Current tax charge for the year	64	94
	<hr/>	<hr/>

5. DEBTORS

	2014 £	2013 £
Trade debtors	43,893	71,776
Other debtors	50,051	31,343
	<hr/>	<hr/>
	93,944	103,119
	<hr/>	<hr/>

GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £	2013 £
Trade creditors	5,040	29,830
Corporation tax	6	85
Other creditors	-	10,088
Accruals and deferred income	184,864	200,422
	<hr/>	<hr/>
	189,910	240,425
	<hr/>	<hr/>

7. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Allotted and fully paid:		
2 'A' ordinary shares of £1 each	2	2
114 'B' ordinary shares of £1 each	114	114
	<hr/>	<hr/>
	116	116
	<hr/>	<hr/>

The 'A' shares are held by Arlington Business Park Partnership, through its general partner, on behalf of Arlington Business Parks GP Limited, during the development stage and until the business park is fully occupied.

'A' and 'B' shareholders have no entitlement to any dividend from the company. 'A' and 'B' ordinary shares have equal rights upon winding up of the company.

'B' shares are issued to the freeholders in proportion to the acres of the business park they acquire.

Until 'B' shares have been allotted to freeholders in respect of the whole of the park, the holder of an 'A' share shall on a poll have that number of votes equal to the number of 'A' ordinary shares and 'B' ordinary shares in aggregate, and thereby retain ultimate control of the company.

Once 'B' shares have been allotted in respect of the whole of the business park 'B' ordinary shares gain full voting rights and 'A' ordinary shares no longer carry any rights to receive notice of or to attend and vote at any Annual General Meeting of the company.

The deferred shares entitle neither the right to receive notice of any general meeting of the company nor the right to attend, speak or vote at any such general meeting. The deferred shares do not entitle dividends or distributions.

GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

8. TOTAL SHAREHOLDERS' FUNDS

	2014 £	2013 £
As at 1 January and 31 December	<u>116</u>	<u>116</u>

9. RELATED PARTY DISCLOSURES

Arlington Business Park Partnership control the majority of voting rights of the company through its general partner, Arlington Business Parks GP Limited is a subsidiary undertaking of Goodman UK Limited. Goodman UK Limited and its subsidiaries provide services to the company as described below.

Goodman Business Services (UK) Limited and Goodman Real Estate Adviser (UK) Limited, wholly owned subsidiaries of Goodman UK Limited, provide business park management services to the company at arm's length, the cost of these are detailed in the table below.

During the year the company provided park management services to Arlington Business Park Partnership the value of which is detailed in the table below:

Transactions and balances in 2014:

	Sales to related party £	Purchases From related party £	Amounts owed from related party £	Amounts owed to related party £
Related parties				
ABPGP 1 Limited and ABPGP 2 Limited	112,442	-	-	-
ABPGP S1 Limited and ABPGP S2 Limited	239,368	-	-	-
Goodman Business Services (UK) Limited	-	(118)	-	365
Arlington Business Park Partnership	-	-	-	-
Goodman Real Estate Adviser (UK) Limited	-	-	-	-

Transactions and balances in 2013:

	Sales to related party £	Purchases from related party £	Amounts owed from related party £	Amounts owed to related party £
Related parties				
ABPGP 1 Limited and ABPGP 2 Limited	93,630	-	-	-
ABPGP S1 Limited and ABPGP S2 Limited	199,325	-	-	-
Goodman Business Services (UK) Limited	-	123,901	-	2462
Arlington Business Park Partnership	-	(141)	-	-
Goodman Real Estate Adviser (UK) Limited	-	(14)	-	-

GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

10. ULTIMATE PARENT COMPANY

The directors regard Arlington Business Park Partnership as the ultimate parent and controlling party, by virtue of the fact that it holds 100% of the 'A' ordinary shares through Arlington Business Parks GP Limited, the Partnership's general partner.

Arlington Business Park Partnership is the smallest and largest group to consolidate these financial statements and is registered in Nelson House, Central Boulevard, Blythe Valley Park, Solihull, West Midlands, B90 8BG. Copies of the consolidated accounts of the above partnership are not publically available.

11. POST BALANCE SHEET EVENT

On 27 March 2015, Arlington Business Park Partnership sold its interests at Arlington Business Park Theale to Patron Arlington S.à.r.l. The sale led to a transfer of the 2 "A" shares to Patron Arlington S.à.r.l.

Patron Arlington S.à.r.l. is the ultimate controlling party at the date of signing.

GOODMAN BUSINESS PARKS READING MANAGEMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

12. BREAKDOWN OF ANNUAL EXPENDITURE

	2014 £	2013 £
Management		
Management fees	45,840	44,500
Site management resources - Staff costs	52,231	48,250
Site management resources - Site accommodation	21,320	20,700
Site management resources - Help desk	5,800	5,700
Health and safety	695	1,846
Utilities		
Electricity	6,468	2,251
Water	227	90
Soft services		
Security guarding	150,063	149,390
Security systems	13,270	13,270
Pest control	3,705	3,000
External Cleaning	6,448	
External landscaping	125,005	120,543
Water feature	36,278	26,697
Marketing and Promotions	-	500
Hard services		
Mechanical and electrical – Repairs	389	
Mechanical and electrical - Light maintenance	2,495	4,078
Repairs and Maintenance – External	20,780	18,874
Redecorations	2,250	418
Fabric – Road repairs	1,538	4,519
Fabric - Road maintenance	6,041	10,215
Insurance		
Insurance	453	397
Bank charge	-	22
Major works		
Major works	-	36,339
Cost of sales	501,296	511,599
Administrative expenses	2,334	3,055
Interest receivable	(379)	(506)
Corporation tax	64	94
Amount rechargeable to freeholders	503,315	514,242