Ician Developments Limited

Company Registration No. 03718782

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

Contents of the Financial Statements

Company Information
For the year ended 31 December 2016

Directors	ME Crompton D Hoyle SA Shankland M J Payton
Company Secretary	C Sheridan
Business Address	Anchorage 1 Anchorage Quay Salford Quays Manchester M50 3YJ
Registered Office	Kent House 14 - 17 Market Place London W1W 8AJ
Independent Auditor	Deloitte LLP Chartered Accountants and Statutory Auditor Manchester

Directors' Report for the year ended 31 December 2016

The directors present their annual report and the audited financial statements for the year ended 31 December 2016. The annual report comprises the directors' report which provides the information required by the Companies Act 2006. The financial statements have been prepared under United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. Furthermore, a Strategic Report as required by section 414 of the Companies Act 2006 is not presented under the small companies exemption.

Principal activities
The company's purpose is to undertake residential and commercial property development. The company was set up in 1999 in order to undertake development of the old Smithfield Market site in Manchester's Northern Quarter. A Development Agreement was signed between the company and Manchester City Council covering the development of the site.

The company owns the listed Mackie Mayor market building, which was renovated in 2015/16 and has been let to a food market operator. It is scheduled to open for trade in mid-2017.

Business review
The profit for the year, after taxation, is £nil (2015: £58,000). The directors do not recommend the payment of a dividend (2015: £nil).

Going concern
The directors have reviewed the performance of the company during the year as set out in these accounts and, after taking account of possible changes that can reasonably be envisaged in trading performance, have considered the cash flow forecasts and future liquidity requirements of the company.

Having regards to the above and after making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors
The directors who served during the year and thereafter are shown on page 1.

Qualifying third party indemnities
In common with many other companies, Morgan Sindall Group plc and its subsidiaries and joint ventures had during the year and continues to have in place directors' and officers' insurance in favour of its directors and other officers in respect of certain losses or liability to which they may be exposed due to their office.

Directors' Report for the year ended 31 December 2016 (continued)

Directors' responsibilities statement
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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; 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.

Auditor
In the case of each of the persons who are directors of the company at the date when this report was approved:

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

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

Deloitte LLP has expressed its willingness to be reappointed for another term and appropriate arrangements has been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

For and on behalf of the board:

D Hoyle
Director

07 April 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICIAN DEVELOPMENTS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of Ician Developments Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Principal Accounting Policies and the related notes 1 to 10. 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 101 "Reduced Disclosure Framework".

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 Directors' Responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of the company's result 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ICIAN DEVELOPMENTS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

Opinion on other matter 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.

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 any material misstatements in the Directors' Report.

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

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Rachel Argyle

Rachel Argyle (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

07 April 2017

Profit and Loss Account
For the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
Turnover	1	-	448
Cost of sales		-	(363)
Gross profit		-	85
Administrative expenses		-	-
Operating profit		-	85
Interest payable		-	-
Profit on ordinary activities before tax		-	85
Tax	4	10	(27)
Profit for the financial year		10	58

Continuing operations
There were no discontinued operations in either the current or comparative years.

Statement of Comprehensive Income
For the year ended 31 December 2016

	2016 £'000	2015 £'000
Profit for the year	**10**	58
Total comprehensive income	**10**	58
Attributable to:		
Owners of the company	**10**	58

Balance Sheet
As at 31 December 2016

	Notes	2016 £'000	2015 £'000
Assets			
Stocks	**5**	**1,569**	1,515
Debtors	**6**	**1,648**	1,709
Current assets		**3,217**	3,224
Total assets		**3,217**	3,224
Liabilities			
Trade and other payables	**7**	**(481)**	(481)
Current tax liabilities		**-**	(17)
Creditors: amounts falling due within one year		**(481)**	(498)
Net current assets		**2,736**	2,726
Net assets		**2,736**	2,726
Capital and reserves			
Called up share capital	**8**	**20**	20
Profit and loss account		**2,716**	2,706
Total shareholder's funds		**2,736**	2,726

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of Ician Developments Limited (company number 03718782) were approved by the Board of Directors and authorised for issue on 07 April 2017.

Signed on behalf of the Board.

D Hoyle
Director

Statement of Changes in Equity
For the year ended 31 December 2016

	Share capital	Profit and loss account	Total
	£'000	£'000	£'000
At 1 January 2015	20	2,648	2,668
Total comprehensive income	-	58	58
At 1 January 2016	**20**	**2,706**	**2,726**
Total comprehensive income	-	10	10
At 31 December 2016	**20**	**2,716**	**2,736**

Principal Accounting Policies
For the year ended 31 December 2016

General information
Ician Developments Limited (the 'company') is incorporated in the United Kingdom under the Companies Act. The nature of the company's operations and its principal activities are set out on page 2. The address of the registered office is given on page 1.

Basis of accounting
The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, the company has prepared its financial statements in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, presentation of a cash flow statement, standards not yet effective and related party transactions.

Where required, equivalent disclosures are given in the consolidated financial statements of Muse Developments Limited. The consolidated financial statements of Muse Developments Limited are available to the public and can be obtained as set out in note 10.

The financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Going concern
The directors have reviewed the future liquidity requirements and have considered the cash flow forecasts of the company. Based on this review and after making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Stocks and work in progress
Stocks and work in progress principally comprise properties held for sale, properties under construction and land and are stated at the lower of cost and net realisable value. Cost comprises land, direct materials and other costs that have been incurred in bringing the stocks and work in progress to their present location and condition. Net realisable value is the estimated selling price less applicable costs.

Revenue recognition
Revenue from the sale of development properties and other goods is measured at the fair value of the consideration received or receivable net of VAT. Revenue is recognised when all the significant risks and rewards of ownership have been transferred to the buyer, there is no continuing management involvement with the development and the amount of revenue can be estimated reliably.

Principal Accounting Policies (continued)
For the year ended 31 December 2016

Revenue recognition (continued)

The timing of the transfer of risks and rewards varies depending on the individual terms of the contract of sale. Where the terms of the contract of sale are such that it is classified as an agreement for the rendering of services, revenue is recognised by reference to the stage of completion of the development. Turnover from long term contracts is based on an internal assessment of work carried out in the year. Once the outcome of a contract can be estimated reliably, profit is recognised in the profit and loss account on a stage of contract completion basis by reference to costs incurred to date and total forecast costs on the contract as a whole. Losses expected in bringing a contract to completion are recognised immediately in the income statement as soon as they are forecast.

Where the terms of the contract of sale are such that it is classified as an agreement for the sale of goods, revenue is recognised at the point where the transfer of control and the significant risks and rewards of ownership occurs. This can occur at a single point in time or continuously through the course of the development and is dependent on the specific characteristics of each development.

Income Tax

The income tax expense represents the current and deferred tax charges. Income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity.

Current tax is the company's expected tax liability on taxable profit for the year using tax rates enacted or substantively enacted at the reporting date and any adjustments to tax payable in respect of previous years.

Taxable profit differs from that reported in the profit and loss account because it is adjusted for items of income or expense that are assessable or deductible in other years and is adjusted for items that are never assessable or deductible.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding tax bases used in tax computations. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profits, or differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is recognised on temporary differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at the tax rates expected to apply when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are only offset where this is a legally enforceable right to offset current tax assets and liabilities.

Government grants

Government grants related to development work in progress are treated as deferred income and are credited to the profit and loss account as the related development costs are incurred.

Principal Accounting Policies (continued)
For the year ended 31 December 2016

Financial instruments
Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Critical accounting judgements and key sources of estimation uncertainty
In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

Assumptions and estimates are reviewed on an ongoing basis and any revisions to them are recognised in the period in which they are revised. The following items are those that management consider to be critical due to the level of judgement and estimation required:

- **Impairment of work in progress**
  In assessing whether work in progress is impaired, estimates are made of future sales revenue, timing and build costs. The company has controls in place to ensure that estimates of sales revenue are consistent, and external valuations are used where appropriate.

- **Accounting for contracts**
  Where the terms of the contract of sale are such that it is classified as an agreement for the rendering of services, recognition of turnover and profit is based on judgements made in respect of the ultimate profitability of a contract. Such judgements are arrived at through the use of estimates in relation to costs and value of work performed to date and to be performed in bringing contracts to completion. The company has appropriate control procedures to ensure all estimates are determined on a consistent basis and subject to appropriate review and authorisation.

Notes to the financial statements
For the year ended 31 December 2016

1. Analysis of turnover and profit on ordinary activities before taxation

All turnover and profit on ordinary activities before taxation relates to the company's principal activity carried out in the UK.

2. Auditor's remuneration

Auditor's remuneration of £2,000 (2015: £2,000) was incurred by Muse Developments Limited (2015: same) for the audit of the company's annual accounts. Non-audit fees for the year were £nil (2015: £nil).

3. Staff costs

There were no staff costs for the year ended 31 December 2016 or for the year ended 31 December 2015. Staff working for the company are employed and remunerated by the parent company. None of the directors received any emoluments (2015: £nil) in their capacity as directors of the company. These individuals are remunerated by another company in the group. These costs are not recharged as no practical allocation can be made.

4. Tax

	2016 **£'000**	2015 £'000
UK corporation tax charge on profit for the year	-	17
Adjustment in respect of previous years	**(10)**	10
Total current tax	**(10)**	27
Total tax (credit)/expense	**(10)**	27

Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

Corporation tax is calculated at 20% (2015: 20.25%) of the estimable taxable profit for the year. The actual tax charge for the current and preceding year does not differ from the standard rate and is calculated as follows:

	2016 **£'000**	2015 £'000
Profit on ordinary activities before tax	-	85
Tax on profit on ordinary activities at standard rate	-	17
Adjustments to tax charge in respect of previous years	**(10)**	10
Total tax (credit)/expense	**(10)**	27

Notes to the financial statements (continued)
For the year ended 31 December 2016

5. Stocks

	2016 £'000	2015 £'000
Development work in progress	**1,569**	1,515

Government grants of £nil have been received during 2016 (2015: £nil) and an amount of £nil has been credited to the Profit and Loss account during the year (2015: £185,000). An amount of £170,000 (2015: £170,000) is included as deferred income (note 7) and represents the difference between the amount of grant received and the amount credited to the Profit and Loss account.

6. Debtors

	2016 £'000	2015 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	**1,523**	1,584
	1,523	1,584
Amounts falling due after more than one year		
Other debtors	**125**	125
	1,648	1,709

7. Trade and other payables

	2016 £'000	2015 £'000
Amounts falling due within one year		
Contract accruals	**311**	311
Accruals and deferred income	**170**	170
	481	481

8. Called up share capital

	2016 £'000	2015 £'000
Allotted, called up and fully paid		
10,000 'A' ordinary shares of £1 each	**10**	10
10,000 'B' ordinary shares of £1 each	**10**	10
	20	20

The 'A' and 'B' shares rank pari passu and each share carries the same voting rights.

Notes to the financial statements (continued)
For the year ended 31 December 2016

9. Related party transactions

In the ordinary course of business, the company has traded with its parent company Morgan Sindall Group plc together with its subsidiaries. Advantage has been taken of the exemption permitted by FRS 101 not to disclose transactions with entities that are wholly owned by the group. Balances with these entities are disclosed in notes 6 and 7 of these financial statements. There are no other related party transactions (2015: same).

10. Ultimate parent company and ultimate controlling party

The immediate controlling party is Muse Developments Limited, a company incorporated in England and Wales. This is the smallest group in which Ician Developments Limited is consolidated. Copies of the group financial statements can be obtained from Muse Developments Limited, Anchorage 1, Anchorage Quay, Salford Quays, Manchester, M50 3YJ.

The ultimate controlling party is Morgan Sindall Group plc, a company incorporated in England and Wales. This is the largest group in which Ician Developments Limited is consolidated. Copies of the group financial statements can be obtained from Morgan Sindall Group plc, Kent House, 14 - 17 Market Place, London, W1W 8AJ.