Ician Developments Limited

Company Registration No. 03718782

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Company Information
For the year ended 31 December 2018

Directors	M E Crompton D Hoyle S A 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

Directors' Report for the year ended 31 December 2018

The directors present their annual report and financial statements for the year ended 31 December 2018. 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.

Principal activities and future developments
The purpose of Ician Developments Limited (the 'company') 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.

Although the final building in the development was sold in 2017, the company will remain in operation for commercial reasons.

Business review
The profit for the year, after taxation, is £nil (2017: £530,000).

Dividends
A dividend of £nil during the year (2017: £2,500,000 was paid equating to £125 per share).

Going concern
The directors have reviewed the performance of the company during the year as set out in these financial statements 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.

Post balance sheet events
The directors are not aware of any post balance sheet events.

Directors' Report for the year ended 31 December 2018 (continued)

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.

For and on behalf of the board:

D Hoyle
Director
16 August 2019

Profit and Loss Account
For the year ended 31 December 2018

	Notes	2018 £'000	2017 £'000
Turnover	1	-	2,540
Cost of sales		-	(1,874)
Gross profit		-	666
Administrative expenses		-	-
Operating profit		-	666
Interest payable		-	-
Profit on ordinary activities before tax		-	666
Tax	3	-	(136)
Profit for the financial year		-	530

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

Statement of Comprehensive Income
For the year ended 31 December 2018

	2018 £'000	2017 £'000
Profit for the year	-	**530**
Total comprehensive income	-	**530**
Attributable to:		
Owners of the company	-	**530**

Balance Sheet
As at 31 December 2018

	Notes	2018 £'000	2017 £'000
Assets			
Debtors	5	1,426	1,446
Current assets		1,426	1,446
Total assets		1,426	1,446
Liabilities			
Trade and other payables	6	(660)	(680)
Creditors: amounts falling due within one year		(660)	(680)
Net current assets		766	766
Net assets		766	766
Capital and reserves			
Called up share capital	7	20	20
Profit and loss account		746	746
Total shareholder's funds		766	766

For the year ended 31 December 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006. The liabilities of the company are guaranteed by Muse Developments Limited and the results of the company are included in the audited consolidated financial statements of Muse Developments Limited.

Director's responsibilities:

- The company's shareholders have agreed to dispense with an audit,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements of Ician Developments Limited (company number 03718782) were approved by the Board of Directors and authorised for issue on 16 August 2019.

Signed on behalf of the Board.

D Hoyle
Director

Statement of Changes in Equity
For the year ended 31 December 2018

	Notes	Share capital	Profit and loss account	Total
		£'000	£'000	£'000
At 1 January 2017			**2,716**	**2,736**
Total comprehensive income		-	530	530
Dividends paid	4	-	(2,500)	(2,500)
At 31 December 2017		**20**	**746**	**766**
Total comprehensive income		-	-	-
At 31 December 2018		**20**	**746**	**766**

Principal Accounting Policies
For the year ended 31 December 2018

General information
Ician Developments Limited (the 'company') is incorporated in the United Kingdom under the Companies Act 2006. The company is a private company limited by shares and registered in England and Wales. 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 9.

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.

Functional and presentation currency
The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

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 a minimum of 12 months from the date of signing the accounts. 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 2018

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 2018

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 2018

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. Staff costs

There were no staff costs for the year ended 31 December 2018 or for the year ended 31 December 2017. Staff working for the company are employed and remunerated by the parent company. None of the directors received any emoluments (2017: £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.

3. Tax

	2018	2017
	£'000	£'000
UK corporation tax charge on profit for the year	-	128
Adjustment in respect of previous years	-	8
Total current tax	-	136
Total tax expense	-	136

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 19% (2017: 19.25%) 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:

	2018	2017
	£'000	£'000
Profit on ordinary activities before tax	-	666
Tax on profit on ordinary activities at standard rate	-	128
Adjustments to tax charge in respect of previous years	-	8
Total tax expense / (credit)	-	136

4. Dividend

	2018	2017
	£000	£000
Interim dividend for the year ended 31 December 2018	-	2,500

The directors do not recommend the payment of a final dividend (2017: £nil).

Notes to the financial statements (continued)
For the year ended 31 December 2018

5. Debtors

	2018 £'000	2017 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	**1,176**	1,196
Other debtors	**250**	250
	1,426	1,446
Amounts falling due after more than one year		
Other debtors	**-**	-
	1,426	1,446

Amounts receivable from group undertakings are repayable on demand and are not interest bearing.

6. Trade and other payables

	2018 £'000	2017 £'000
Amounts falling due within one year		
Contract accruals	**660**	680
Accruals and deferred income	**-**	-
	660	680

7. Called up share capital

	2018 £'000	2017 £'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.

8. 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 note 7 of these financial statements. There are no other related party transactions (2017: same).

Notes to the financial statements (continued)
For the year ended 31 December 2018

9. 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. The registered place of business of Muse Developments Limited is 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.