

**Report of the Directors and  
Audited Financial Statements  
for the Year Ended 31 May 2020  
for  
MANCHESTER LIFE DEVELOPMENT COMPANY  
LIMITED**

**MANCHESTER LIFE DEVELOPMENT COMPANY  
LIMITED (REGISTERED NUMBER: 08800093)**

**Contents of the Financial Statements  
for the Year Ended 31 May 2020**

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**MANCHESTER LIFE DEVELOPMENT COMPANY  
LIMITED**

**Company  
Information  
for the Year Ended 31 May 2020**

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**Directors:**

A A A M Alfrayhat  
M L Edelman  
R C Leese  
S Pearce  
J L Roney

**Secretary:**

Manchester Professional Services Limited

**Registered office:**

Unit 5  
Royal Mills  
17 Redhill Street  
Manchester  
M4 5BA

**Registered number:**

08800093 (England and Wales)

**Auditors:**

Haines Watts Manchester Limited, Statutory Auditor  
Northern Assurance Buildings  
9-21 Princess Street  
Manchester  
M2 4DN

**MANCHESTER LIFE DEVELOPMENT COMPANY  
LIMITED (REGISTERED NUMBER: 08800093)**

**Report of the Directors  
for the Year Ended 31 May 2020**

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The directors present their report with the financial statements of the company for the year ended 31 May 2020.

**Principal activity**

The principal activity of the company is to provide management services in respect of Phase One of the Manchester Life initiative.

**Review of business**

The Company completed its final development in July 2019, Weavers Quay provides 201 homes for rent. This marked the successful completion of Phase One, bringing the total number of homes built to 1,015. Apart from ensuring the completion of Weavers Quay, the Company has overseen the defects liability periods on the other five Phase One developments.

The Company has not encountered any Brexit related issues or impacts, all its construction contracts were completed before the start of the transition period.

The Company has not experienced any COVID-19 related issues and does not anticipate any future issues resulting from the COVID-19 pandemic.

**Directors**

The directors shown below have held office during the whole of the period from 1 June 2019 to the date of this report.

A A M Alfrayhat  
M L Edelman  
R C Leese  
S Pearce

Other changes in directors holding office are as follows:

J L Roney - appointed 29 May 2020  
E A L Smith - resigned 29 May 2020

**Statement of directors' responsibilities**

The directors are responsible for preparing the Report of the Directors 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;
- 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.

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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 auditors are aware of that information.

**MANCHESTER LIFE DEVELOPMENT COMPANY  
LIMITED (REGISTERED NUMBER: 08800093)**

**Report of the Directors  
for the Year Ended 31 May 2020**

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**Auditors**

The auditors, Haines Watts Manchester Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**On behalf of the board:**

M L Edelman - Director

12 March 2021

# **Report of the Independent Auditors to the Members of Manchester Life Development Company Limited**

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## **Opinion**

We have audited the financial statements of Manchester Life Development Company Limited (the 'company') for the year ended 31 May 2020 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity 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 May 2020 and of its loss 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 Auditors' 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.

## **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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed on page 2.

## **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 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 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

# **Report of the Independent Auditors to the Members of Manchester Life Development Company Limited**

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

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 Report of the Directors.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

## **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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.

## **Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

## **Use of our report**

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 a Report of the Auditors 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.

David Fort FCA (Senior Statutory Auditor)  
for and on behalf of Haines Watts Manchester Limited, Statutory Auditor  
Northern Assurance Buildings  
9-21 Princess Street  
Manchester  
M2 4DN

15 March 2021

**MANCHESTER LIFE DEVELOPMENT COMPANY  
LIMITED (REGISTERED NUMBER: 08800093)**

**Profit and Loss Account  
for the Year Ended 31 May 2020**

		2020 £	2019 £
	Notes		
Turnover		38,064	768,386
Administrative expenses		<u>(482,982)</u>	<u>(752,322)</u>
<b>Operating (loss)/profit and (Loss)/profit before taxation</b>		<b>(444,918)</b>	<b>16,064</b>
Tax on (loss)/profit	6	<u>6,085</u>	<u>(6,429)</u>
<b>(Loss)/profit for the financial year</b>		<b><u>(438,833)</u></b>	<b><u>9,635</u></b>

The notes on pages 9 to 12 form part of these financial statements



**MANCHESTER LIFE DEVELOPMENT COMPANY  
LIMITED (REGISTERED NUMBER: 08800093)**

**Balance Sheet  
31 May  
2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	7		12,757		23,286
<b>Current assets</b>					
Debtors	8	899,591		3,041,891	
Cash at bank and in hand	9	<u>1,800,191</u>		<u>268,366</u>	
		<b>2,699,782</b>		<b>3,310,257</b>	
<b>Creditors</b>					
Amounts falling due within one year	10	<u>2,403,942</u>		<u>2,586,113</u>	
<b>Net current assets</b>			<b>295,840</b>		<b>724,144</b>
<b>Total assets less current liabilities</b>			<b><u>308,597</u></b>		<b><u>747,430</u></b>
<b>Capital and reserves</b>					
Called up share capital	12		100		100
Retained earnings			<u>308,497</u>		<u>747,330</u>
<b>Shareholders' funds</b>			<b><u>308,597</u></b>		<b><u>747,430</u></b>

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

The financial statements were approved by the Board of Directors and authorised for issue on 12 March 2021 and were signed on its behalf by:

M L Edelman - Director

**MANCHESTER LIFE DEVELOPMENT COMPANY  
LIMITED (REGISTERED NUMBER: 08800093)**

**Statement of Changes in Equity  
for the Year Ended 31 May 2020**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 June 2018</b>	100	737,695	737,795
<b>Changes in equity</b>			
Total comprehensive income	-	9,635	9,635
<b>Balance at 31 May 2019</b>	100	747,330	747,430
<b>Changes in equity</b>			
Total comprehensive income	-	(438,833)	(438,833)
<b>Balance at 31 May 2020</b>	100	308,497	308,597

The notes on pages 9 to 12 form part of these financial statements

**MANCHESTER LIFE DEVELOPMENT COMPANY  
LIMITED (REGISTERED NUMBER: 08800093)**

**Notes to the Financial Statements  
for the Year Ended 31 May 2020**

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**1. Statutory information**

Manchester Life Development Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

**3. Accounting policies**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

During the year under review the coronavirus pandemic has arisen which has a potential impact on the going concern status of many companies. Whilst it is not possible to accurately predict the ultimate impact of COVID-19 the Directors do not anticipate any future issues resulting from the COVID-19 pandemic.

On this basis the Directors consider it appropriate to prepare the financial statement on the going concern basis.

**Turnover**

The company receives a management fee based on a percentage of all costs incurred under the Pre-Construction Services Agreements and the Design & Build contracts. The Company recognises its fee income on the basis of the provisions of the Pre-Construction Services Agreements and Design & Build contracts, which provide for the company to receive its fee income as a percentage of all costs incurred, as these costs are incurred.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- 25% straight line
Fixtures and fittings	- 25% straight line
Computer equipment	- 50% straight line

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses.

**Financial instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including trade and other debtors and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

**MANCHESTER LIFE DEVELOPMENT COMPANY  
LIMITED (REGISTERED NUMBER: 08800093)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 May 2020**

**3. Accounting policies - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**4. Employees and directors**

The average number of employees during the year was NIL (2019 - NIL).

**5. Operating (loss)/profit**

The operating loss (2019 - operating profit) is stated after charging:

	2020	2019
	£	£
Depreciation - owned assets	<u>10,529</u>	<u>18,663</u>

**6. Taxation**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	(4,953)	6,429
Deferred tax	<u>(1,132)</u>	-
Tax on (loss)/profit	<u>(6,085)</u>	<u>6,429</u>

**MANCHESTER LIFE DEVELOPMENT COMPANY  
LIMITED (REGISTERED NUMBER: 08800093)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 May 2020**

**7. Tangible fixed assets**

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
<b>Cost</b>				
At 1 June 2019 and 31 May 2020	<u>26,244</u>	<u>12,906</u>	<u>2,799</u>	<u>41,949</u>
<b>Depreciation</b>				
At 1 June 2019	11,482	5,646	1,535	18,663
Charge for year	<u>6,561</u>	<u>3,227</u>	<u>741</u>	<u>10,529</u>
At 31 May 2020	<u>18,043</u>	<u>8,873</u>	<u>2,276</u>	<u>29,192</u>
<b>Net book value</b>				
At 31 May 2020	<u>8,201</u>	<u>4,033</u>	<u>523</u>	<u>12,757</u>
At 31 May 2019	<u>14,762</u>	<u>7,260</u>	<u>1,264</u>	<u>23,286</u>

**8. Debtors: amounts falling due within one year**

	2020 £	2019 £
Trade debtors	11,640	41,821
Amounts owed by group undertakings	415,501	2,970,083
Other debtors	<u>472,450</u>	<u>29,987</u>
	<u>899,591</u>	<u>3,041,891</u>

**9. Cash at bank and in hand**

	2020 £	2019 £
Cash restricted for use (held in escrow)	124,000	253,000
Cash	<u>1,676,191</u>	<u>15,366</u>
	<u>1,800,191</u>	<u>268,366</u>

Cash restricted for use is held in escrow in respect of the two Phase One developments for sale.

**10. Creditors: amounts falling due within one year**

	2020 £	2019 £
Trade creditors	58,689	1,078,048
Amounts owed to group undertakings	2,320,144	1,304,061
Taxation and social security	-	88,758
Other creditors	<u>25,109</u>	<u>115,246</u>
	<u>2,403,942</u>	<u>2,586,113</u>

**MANCHESTER LIFE DEVELOPMENT COMPANY  
LIMITED (REGISTERED NUMBER: 08800093)**

**Notes to the Financial Statements - continued  
for the Year Ended 31 May 2020**

**11. Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	24,926	24,926
Between one and five years	49,852	74,778
	<u>74,778</u>	<u>99,704</u>

**12. Called up share capital**

**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2020	2019
			£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

**13. Related party disclosures**

The entity is funded by a related party working capital facility from it's immediate parent company. The carrying value of that loan is £795,991 (2019: £795,991).

The company receives the majority of its revenue from recharged subcontractor costs and management fees under construction contracts with fellow group companies. In the current year the amounts due under these construction contracts was £302,431 (2019: £2,043,662). The amounts owed to these entities was £252,270 (2019: £190,790).

The company is owed £113,850 (2019: £1,116,827) in respect of loans given to group companies and owes £9,252 (2019: £159,610) to the same group companies.

There is £1,263,411 (2019: £348,076) payable to the ultimate controlling party of the company in respect of loans received.

All related party transaction balances are repayable on demand.

**14. Ultimate controlling party**

The Company is a Joint Venture between Loom Holdings Limited and Manchester City Council. Manchester City Council hold 49% whereas Loom Holdings Limited holds 51%. The directors consider Loom Holdings Limited (in virtue of their shareholding) to have a controlling interest. The Directors consider the ultimate controlling party to be Abu Dhabi United Group.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.