

**Report of the Directors and
Audited Financial Statements
for the Year Ended 31 May 2021
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 2021**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10

**MANCHESTER LIFE DEVELOPMENT COMPANY
LIMITED**

**Company Information
for the year ended 31 May 2021**

Directors:

A A A M Alfrayhat
M L Edelman
S Pearce
J L Roney
B A Craig

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 2021**

The directors present their report with the financial statements of the company for the year ended 31 May 2021.

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

Review of business

During the year the Company has overseen the defects liability periods on the Phase One developments, in particular Weavers Quay and Murrays' Mills.

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 2020 to the date of this report.

A A A M Alfrayhat
M L Edelman
S Pearce
J L Roney

Other changes in directors holding office are as follows:

B A Craig was appointed as a director after 31 May 2021 but prior to the date of this report.

R C Leese ceased to be a director after 31 May 2021 but prior to the date of this report.

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 2021**

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

22 February 2022

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

Opinion

We have audited the financial statements of Manchester Life Development Company Limited (the 'company') for the year ended 31 May 2021 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 2021 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 this gives rise to a material misstatement in the financial statements themselves. 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

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.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of those controls, or other inappropriate influence over the financial reporting process;
- identifying and testing journal entries, in particular and journal entries that appeared unusual;
- focussing on revenue recognition, in particular overstatement of revenue adopting a high risk approach to sampling;
- assessing the extent of compliance with relevant laws and regulations

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. This description forms part of our Report of the Auditors.

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

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

23 February 2022

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

**Profit and Loss Account
for the year ended 31 May 2021**

		2021	2020
	Notes	£	£
Turnover		41,728	38,064
Administrative expenses		<u>(315,760)</u>	<u>(482,982)</u>
Operating loss	5	(274,032)	(444,918)
Interest receivable and similar income		<u>(5)</u>	<u>-</u>
Loss before taxation		(274,037)	(444,918)
Tax on loss	6	<u>129,417</u>	<u>6,085</u>
Loss for the financial year		<u>(144,620)</u>	<u>(438,833)</u>

The notes on pages 10 to 13 form part of these financial statements

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

**Balance Sheet
31 May 2021**

			2021		2020
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7		2,447		12,757
Current assets					
Debtors	8	208,858		899,591	
Cash at bank and in hand	9	897,341		1,800,191	
		<u>1,106,199</u>		<u>2,699,782</u>	
Creditors					
Amounts falling due within one year	10	944,669		2,403,942	
Net current assets			<u>161,530</u>		<u>295,840</u>
Total assets less current liabilities			<u>163,977</u>		<u>308,597</u>
Capital and reserves					
Called up share capital	12		100		100
Retained earnings			163,877		308,497
Shareholders' funds			<u>163,977</u>		<u>308,597</u>

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 22 February 2022 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 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 June 2019	100	747,330	747,430
Changes in equity			
Total comprehensive income	-	(438,833)	(438,833)
Balance at 31 May 2020	100	308,497	308,597
Changes in equity			
Total comprehensive income	-	(144,620)	(144,620)
Balance at 31 May 2021	100	163,877	163,977

The notes on pages 10 to 13 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 2021**

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 continued but the necessary adaptations had been made by 1 June 2020 and the pandemic did not have any material impact on the Company.

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.

Land and buildings	- 25% straight line
Plant and machinery etc	- 50% straight line and 25% 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 debtors, other debtors, group loans 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 creditors, other creditors and group loans 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 2021**

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.

Bank and cash

Bank and cash balances comprise of amounts made up from a standard UK business bank account and also amounts which are restricted for use (held in escrow). Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Cash restricted for use comprises cash and cash equivalents which are not available for general use by the business, including amounts held in escrow.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4. Employees and directors

The average number of employees during the year was NIL (2020 - NIL).

5. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation - owned assets	<u>10,310</u>	<u>10,529</u>

6. Taxation

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	(128,253)	(4,953)
Deferred tax	(1,164)	(1,132)
Tax on loss	<u>(129,417)</u>	<u>(6,085)</u>

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

**Notes to the Financial Statements - continued
for the year ended 31 May 2021**

7. Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Totals £
Cost			
At 1 June 2020 and 31 May 2021	<u>26,244</u>	<u>15,705</u>	<u>41,949</u>
Depreciation			
At 1 June 2020	18,043	11,149	29,192
Charge for year	6,561	3,749	10,310
At 31 May 2021	<u>24,604</u>	<u>14,898</u>	<u>39,502</u>
Net book value			
At 31 May 2021	<u>1,640</u>	<u>807</u>	<u>2,447</u>
At 31 May 2020	<u>8,201</u>	<u>4,556</u>	<u>12,757</u>

8. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	23,963	11,640
Amounts owed by group undertakings	10,398	415,501
Other debtors	174,497	472,450
	<u>208,858</u>	<u>899,591</u>

9. Cash at bank and in hand

	2021 £	2020 £
Cash restricted for use (held in escrow)	124,000	124,000
Cash	773,341	676,191
	<u>918,623</u>	<u>1,800,191</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

	2021 £	2020 £
Trade creditors	34,743	58,689
Amounts owed to group undertakings	862,377	2,320,144
Accruals and deferred income	47,549	25,109
	<u>944,669</u>	<u>2,403,942</u>

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

**Notes to the Financial Statements - continued
for the year ended 31 May 2021**

11. Leasing agreements

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

	2021	2020
	£	£
Within one year	24,926	24,926
Between one and five years	-	49,852
	<u>24,926</u>	<u>74,778</u>

12. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
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 (2020: £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 £10,398 (2020: £301,651). The amounts owed to these entities was £59,324 (2019: £253,049).

The company is owed £NIL (2020: £113,850) in respect of loans given to group companies and owes £7,062 (2020: £9,252) to the same group companies.

There is £NIL (2020: £1,263,411) 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.