

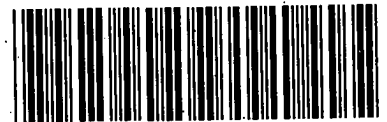
Spinningfields Management Company Limited

Company Number 4479080

Report and Financial statements

For the year ended 31 December 2012

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Spinningfields Management Company Limited

Annual report and financial statements for the year ended 31 December 2012

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Directors

M J Ingall
F P Graham-Watson
S P Lyell

Secretary and registered office

A Campbell
Level 5, Tower 12, 18-22 Bridge Street,
Spinningfields, Manchester, M3 3BZ

Company number

4479080

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Spinningfields Management Company Limited

Report of the directors for the year ended 31 December 2012

The directors present their annual report and financial statements of the company for the period ended 31 December 2012

Results and dividends

The company made a profit of £46,555 during the year (2011: £4,481). The directors do not recommend payment of a dividend. There have been no events since the balance sheet date which materially affect the position of the company.

Activities and future developments

The principal activity of the company is the management of the service charge for the Spinningfields site in Manchester.

Review of the business

The company continued to manage the service charge for the Spinningfields site and the directors expect it to continue this business during the next year.

Directors

The directors of the company during the financial year were:

M J Ingall
F P Graham-Watson
S P Lyell

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 judgments and 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.

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

Auditors

All the current directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office.

In preparing the directors' report advantage has been taken of the small companies exemption under the Companies Act 2006

By order of the Board



F P Graham-Watson
Director

Date:

22 September 2014

Spinningfields Management Company Limited

Independent Auditor's Report to the Members of Spinningfields Management Company Limited

We have audited the financial statements of Spinningfields Management Company Limited for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As explained more fully in the statement of directors' responsibilities, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit 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

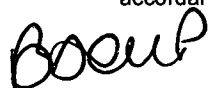
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the director's 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 prepare the financial statements and the directors' report in accordance with the small companies' regime.



Alexander Tapp (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date:

22 SEPTEMBER 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Spinningfields Management Company Limited

Profit and loss account for the year ended 31 December 2012

		2012	2011
			As restated
		£	£
Turnover		1,174,921	1,166,864
Cost of Sales		(1,087,257)	(1,176,864)
Gross Profit		<u>87,664</u>	<u>(10,000)</u>
Other operating income		9,366	14,481
Administrative expenses		(50,475)	-
Profit on ordinary activities before taxation	2	<u>46,555</u>	<u>14,481</u>
Taxation	3	-	-
Profit on ordinary activities after taxation	7	<u><u>46,555</u></u>	<u><u>14,481</u></u>

All amounts relate to continuing activities and all recognised gains and losses are included above.
The result for the year represents the movement on shareholders' funds.

The notes on pages 5 to 6 form part of these financial statements

Spinningfields Management Company Limited

Company Number: 4479080

Balance sheet as at 31 December 2012

	Notes	2012	2011
		£	£
Current Assets			
Debtors	4	473,755	317,016
Cash		165,130	407,675
Total assets		638,885	724,691
Current Liabilities			
Creditors: amounts falling due within one year	5	(572,637)	(704,998)
		(572,637)	(704,998)
Net current assets		66,248	19,693
Net assets		66,248	19,693
Represented by:			
Capital and reserves			
Called up share capital			
'A' redeemable shares of £1 each	6	1	1
'B' ordinary shares of £1 each	6	8	8
Profit and loss account	7	66,239	19,684
Shareholders' funds - equity		66,248	19,693

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

These financial statements were approved by the Board of Directors and authorised for issue on 22 September 2014



F. P. Graham-Watson
Director

The notes on pages 5 to 6 form part of these financial statements.

Spinningfields Management Company Limited

Notes forming part of the financial statements

1. Accounting Policies

The following principal accounting policies have been applied in the preparation of these financial statements.

a) Accounting convention

These accounts have been prepared under the historical cost convention, and in accordance with applicable accounting policies.

b) Turnover

Turnover comprises service charge income, and is stated net of VAT. This is attributed to the company's principal activity that is wholly undertaken in the United Kingdom.

In previous years, the company invoiced tenants for the service charge relating to the Spinningfields estate based upon costs incurred. Gross revenue and costs were not recognised in prior years. The directors have reconsidered the revenue recognition policy in the current year with regards to the service charge accounting. Contracts for services undertaken are entered into by the company and invoices are made by the company to tenants based on periodically agreed charges. To that end, the directors are of the opinion that services charges and costs should be recognised by the company as turnover and costs respectively. A prior period adjustment has been made to increase both cost of sales and turnover by £1,166,864 for the year ended 31 December 2011. There is no impact on profit on ordinary activities after taxation for the year ended 31 December 2011 and no impact on the net assets as at 31 December 2011.

2. Operating profit

Operating profit is shown after charging:	2012	2011
	£	£

Provision for intercompany debtor	50,475	-
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Audit fees are borne by a fellow group undertaking. The company paid no remuneration to the directors (2011: £nil). The company had no employees (2011: nil).

3. Taxation

Analysis of tax credit for the year	2012	2011
	£	£

Profit on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	99	3,837
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Effects of:		
Group relief receivable	(99)	(3,837)

	-	-
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4. Debtors

	2012	2011
	£	£
Trade debtors	414,983	300,480
Other debtors	35,699	15,560
Prepayments	23,073	-
Amounts due from group undertakings	50,475	976
Provision for intercompany debtors	(50,475)	-
	473,755	317,016

All amounts are due within one year.

Spinningfields Management Company Limited

Notes forming part of the financial statements (continued)

5. Creditors: amounts falling due within one year	2012 £	2011 £
Trade creditors	255,506	153,771
Other creditors	25,599	29,585
Accruals & deferred income	291,532	521,642
	<u>572,637</u>	<u>704,998</u>

6. Called up share capital	2012 £	2011 £
Authorised		
'A' redeemable shares of £1	1	1
'B' ordinary shares of £1 each	99	99
	<u>100</u>	<u>100</u>

Allotted, called up and fully paid		
'A' redeemable shares of £1	1	1
'B' ordinary shares of £1 each	8	8
	<u>9</u>	<u>9</u>

The redeemable share is to be redeemed on a date to be fixed on the practical completion of the redevelopment of Spinningfields or such earlier date as agreed by the shareholders. No premium is payable on redemption. The 'A' share carries no votes. In all other respects the 'A' redeemable and 'B' ordinary shares rank pari passu.

7. Reserves

	£
As at 31 December 2011	19,684
Profit for the year	46,555
Balance at 31 December 2012	<u>66,239</u>

8. Cash flow statement

A cash flow statement has not been prepared as the company is a wholly owned subsidiary undertaking of Arrow Property Investments Limited and its funds are managed as part of that company's funds. A group cash flow statement is included in the accounts of Arrow Property Investments Limited.

9. Related Party Transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard No.8, not to disclose details of related party transactions with entities that are included in the consolidated financial statements of Arrow Property Investments Limited and are 100% owned.

At the balance sheet date there are amounts included within debtors of £76,478 and creditors of £39,000 which are due from/to group companies in relation to estate management services. The total amount invoiced to these group companies in the year was £310,767 and is included within turnover.

10. Ultimate Parent Company

Arrow Property Investments Limited, a company registered in England, is the parent company of the largest group of which this company is a member and where accounts are publicly available. Copies of the consolidated financial statements of Arrow Property Investments Limited are available from Companies House. The directors consider the ultimate parent company to be Capital Holdco Limited, a company registered in British Virgin Islands.