Akenside Quays Limited

Directors' report and financial statements

Registered number 6031760

31 December 2012

Contents

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2012

Principal activities

The company's principal activity is that of property development The directors do not anticipate commencing development of the site owned by the company until 2014 at the earliest

Proposed dividend

The directors do not recommend the payment of a dividend *(2011 £nil)*

Directors

The directors who held office during the year were as follows

S Rankin
KA Atkinson
K Rankin

Political and charitable contributions

The company made no political or charitable donations or incurred any political expenditure during the year *(2011 £nil)*

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

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

By order of the board

S Atkinson
Secretary

Metnor House
Mylord Crescent
Killingworth
Newcastle upon Tyne
NE12 5YD

6 June 2013

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

KPMG Audit Plc
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Independent auditor's report to the members of Akenside Quays Limited

We have audited the financial statements of Akenside Quays Limited for the year ended 31 December 2012 set out on pages 5 to 10 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site 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 loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report to the members of Akenside Quays Limited *(continued)*

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

Paul Moran (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

6 June 2013

Profit and Loss Account
for the year ended 31 December 2012

	Note	2012 £000	2011 £000
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Interest payable and sımılar charges	*4*	**(9)**	(9)
Loss on ordınary actıvıtıes before taxatıon	*2-3*	**(9)**	(9)
Tax on loss on ordınary actıvıtıes	*5*	**2**	2
Loss for the financıal year	*10*	**(7)**	(7)

All the results above derıve from contınuıng actıvıtıes

The company has no recognısed gaıns or losses other than those shown above and therefore no separate statement of total recognısed gaıns and losses has been presented

Balance Sheet
at 31 December 2012

	Note	**2012 £000**	2011 £000
Current assets			
Work in progress	*6*	**367**	367
Debtors	*7*	**2**	2
		369	369
Creditors amounts falling due within one year	*8*	**(410)**	(403)
Net liabilities		**(41)**	(34)
Capital and reserves			
Called up share capital	*9*	**-**	-
Profit and loss account	*10*	**(41)**	(34)
Shareholders' deficit	*11*	**(41)**	(34)

These financial statements were approved by the board of directors on 6 June 2013 and were signed on its behalf by

S Rankin
Director

Company registered number 6031760

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Further information on the company's business activities, performance and position are set out in the Directors' Report The company meets its financing requirements through funding provided by other group companies Details of intra group balances are included in notes 7 and 8

Metnor Group plc has indicated that it will continue to provide financial and other support to the company for at least twelve months from the date of signing these financial statements and thereafter for the foreseeable future, to enable the company to continue to trade Detailed information regarding the financial position of the Group, its cash flows, liquidity position and borrowing facilities are included in the financial statements of Metnor Group plc, which can be obtained from the address given in note 12

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 financial statements

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Metnor Group plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group The consolidated financial statements of Metnor Group plc, within which this company is included, can be obtained from the address given in note 12

Work in progress

Development properties are held in the balance sheet at the lower of cost and net realisable value Cost includes direct expenditure and any capitalised interest costs

Borrowing costs in respect of expenditure on properties under development are capitalised Interest is capitalised using the company's average cost of borrowing from the commencement of the development until the date of practical completion

Capitalisation of interest is suspended if there are prolonged periods when development activity is interrupted

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Notes *(continued)*

1 Accounting policies *(continued)*

Classification of financial instruments issued by the company

Financial instruments issued by the company are treated as equity (i e forming part of shareholders' funds) only to the extent that they meet the following two conditions

a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and

b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds

Turnover

Turnover is recognised on completion of a signed sale agreement after all material conditions have been met

Dividends on shares presented within shareholders' funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

2 Auditor's remuneration

No auditor's remuneration has been charged to the profit and loss account as this is borne by the company's ultimate parent undertaking Auditor's remuneration, borne by the company's parent undertaking, in respect of the audit of these financial statements amounted to £500 *(2011 £500)*

3 Remuneration of directors, staff numbers and costs

No remuneration was paid to the directors, in respect of their services to the company, during the year *(2011 £nil)* The company had no employees during the current and the preceding financial year

Notes *(continued)*

4 Interest payable and similar charges

	2012 £000	2011 £000
On loan payable to group undertaking (note 8)	**9**	9

5 Taxation

Analysis of credit in period

	2012 £000	2011 £000
UK corporation tax		
Group relief receivable on loss for the year	**(2)**	(2)

The current tax credit for the period is the same as *(2011 the same as)* the standard rate of corporation tax in the UK, 24 5% *(2011 26 5%)*

6 Work in progress

	2012 £000	2011 £000
Property held for development	**367**	367

No finance costs were capitalised in the year *(2011 £nil)*

7 Debtors

	2012 £000	2011 £000
Amounts owed by group undertakings	**2**	2

8 Creditors: amounts falling due within one year

	2012 £000	2011 £000
Loan from group undertaking	**410**	403

The loan from group undertaking is unsecured and bears interest at 1 75% above the bank's base rate

Notes *(continued)*

9 Called up share capital

	2012 £000	2011 £000
Allotted, called up and fully paid		
1 Ordinary share of £1	-	-

10 Reserves

	Profit and loss account £000
At beginning of year	(34)
Loss for the year	(7)
At end of year	**(41)**

11 Reconciliation of movements in shareholders' deficit

	2012 £000	2011 £000
Loss for the financial year	**(7)**	(7)
Net addition to shareholders' deficit	**(7)**	(7)
Opening shareholders' deficit	**(34)**	(27)
Closing shareholders' deficit	**(41)**	(34)

12 Ultimate parent company

The company is a subsidiary undertaking of Metnor Property Group Limited which itself is a subsidiary undertaking of Metnor Group plc On 5 December 2012 Metnor Group plc became a subsidiary of Timec 1308 Limited Subsequently, on 25 February 2013, Timec 1308 Limited changed its name to Metnor Holdings Limited

The only group in which the results of the company are consolidated, for the year ended 31 December 2012, is that headed by Metnor Group plc The consolidated accounts of this group are available to the public and may be obtained from Metnor House, Mylord Crescent, Killingworth, Tyne and Wear, NE12 5YD