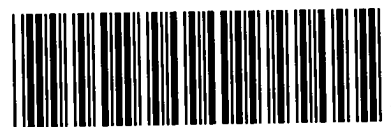


URBAN SPLASH GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2014

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URBAN SPLASH GROUP LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

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URBAN SPLASH GROUP LIMITED

STRATEGIC REPORT

YEAR ENDED 30 SEPTEMBER 2014

PRINCIPAL ACTIVITIES

The principal activity of the company is that of a holding company. During the previous financial period, the company was acquired by Urban Splash Holdings Limited and the majority of the head office functions previously carried out by Urban Splash Group Limited were transferred to another group company. The company continues to undertake some management activities for its trading subsidiaries.

STRATEGIC REVIEW

Turnover has decreased from £3,391,424 to £nil as a consequence of the head office functions previously carried out by the company being transferred to another group company. Turnover in the previous year represented fees for management services provided to other group companies. The loss for the period was £44,601 (2013: £8,391,978). The previous period's loss included an exceptional investment write off of £7,110,260. Net liabilities at the year end were £1,561,463 (2013: £1,516,862).

KEY PERFORMANCE INDICATORS

On the basis that the company solely acts as a holding company, it is not considered necessary to consider key performance indicators further. Key performance indicators are managed on a group wide basis and regularly monitored by the board.

PRINCIPAL RISKS AND UNCERTAINTIES

The group monitors principal risks and uncertainties on a group wide basis. The principal risks for the company are as follows:

- Recoverability of amounts owed by group undertakings
- Ability for the subsidiaries to pay dividends to the company

The directors monitor the performance of the subsidiaries on a regular basis in order to manage these risks.

FUTURE DEVELOPMENTS

The directors expect the general level of activity to remain consistent with 2014 in the forthcoming year.

Signed on behalf of the directors



Mr. J.P. Curnuck

Director

Approved by the directors on 26 June 2015

URBAN SPLASH GROUP LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2014

The directors present their report and the financial statements of the company for the year ended 30 September 2014.

RESULTS AND DIVIDENDS

The loss for the year amounted to £44,601. The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

Mr. T.P.R. Bloxham M.B.E.
Mr. J. M. Falkingham
Mr. J.P. Curnuck
Mr. S.D. Gawthorpe
Mr. M.J. Everett

Mr. M.J. Everett retired as a director on 10 November 2014.

GOING CONCERN

The directors wish to draw attention to the statement of accounting policies regarding the basis of preparation of the accounts. The company relies on the support of the parent company, Urban Splash Holdings Limited ('the group') to meet its liabilities as they fall due and has received confirmation from the parent company that it will provide such support as is necessary to enable the company to meet its liabilities as they fall due. Accordingly, the financial statements have been prepared on a going concern basis.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 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 year.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

URBAN SPLASH GROUP LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2014

AUDITOR

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

The confirmation below is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is 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.

Registered office:
16-22 Worsley Street
Castlefield
Manchester
M15 4LD

Signed on behalf of the directors



Mr. J.P. Curnuck

Director

Approved by the directors on 26 June 2015

URBAN SPLASH GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF URBAN SPLASH GROUP LIMITED

YEAR ENDED 30 SEPTEMBER 2014

We have audited the financial statements of Urban Splash Group Limited for the year ended 30 September 2014 which comprise the Profit and Loss Account, Balance Sheet, Accounting Policies and the related notes 1 to 21. The financial reporting 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 shareholders, 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 shareholders 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 shareholders 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 September 2014 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

URBAN SPLASH GROUP LIMITED

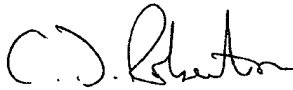
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF URBAN SPLASH GROUP LIMITED *(continued)*

YEAR ENDED 30 SEPTEMBER 2014

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.



Christopher Robertson (Senior Statutory Auditor)
For and on behalf of
Deloitte LLP
Chartered Accountants & Statutory Auditor
Manchester
United Kingdom

26 June 2015

URBAN SPLASH GROUP LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2014

| | Note | Year to 30 Sep 14 £ | Period from 1 Apr 12 to 30 Sep 13 £ |
|--|----------|---------------------------|--|
| TURNOVER | 1 | – | 3,391,424 |
| Administrative expenses | | (44,602) | (4,386,266) |
| OPERATING LOSS | 2 | (44,602) | (994,842) |
| Profit on disposal of fixed assets | 5 | 1 | 254,180 |
| Cost of restructuring the company | 6 | – | (486,460) |
| Amounts written off investments | 7 | – | (7,110,260) |
| Interest payable and similar charges | 8 | – | (54,596) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (44,601) | (8,391,978) |
| Tax on loss on ordinary activities | 9 | – | – |
| LOSS FOR THE FINANCIAL YEAR | | <u>(44,601)</u> | <u>(8,391,978)</u> |

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The accompanying notes are an integral part of this profit and loss account.

The accounting policies and notes on pages 8 to 18 form part of these financial statements.

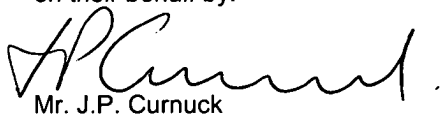
URBAN SPLASH GROUP LIMITED

BALANCE SHEET

30 SEPTEMBER 2014

| | Note | 2014 £ | 2013 £ |
|--|------|--------------|--------------|
| FIXED ASSETS | | | |
| Investments | 10 | — | — |
| CURRENT ASSETS | | | |
| Debtors | 11 | 23,443,321 | 24,120,368 |
| Cash at bank and in hand | | 700 | 360,406 |
| | | 23,444,021 | 24,480,774 |
| CREDITORS: Amounts falling due within one year | 12 | (24,755,484) | (25,747,636) |
| NET CURRENT LIABILITIES | | (1,311,463) | (1,266,862) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | (1,311,463) | (1,266,862) |
| CREDITORS: Amounts falling due after more than one year | 13 | (250,000) | (250,000) |
| NET LIABILITIES | | (1,561,463) | (1,516,862) |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 16 | 2,010,130 | 2,010,130 |
| Share premium account | 17 | 4,609,464 | 4,609,464 |
| Other reserves | 17 | (1,649,408) | (1,649,408) |
| Profit and loss account | 17 | (6,531,649) | (6,487,048) |
| SHAREHOLDERS' DEFICIT | 18 | (1,561,463) | (1,516,862) |

These accounts were approved by the directors and authorised for issue on 26 June 2015, and are signed on their behalf by:



Mr. J.P. Curnuck
Director

Company Registration Number: 03141013

The accounting policies and notes on pages 8 to 18 form part of these financial statements.

URBAN SPLASH GROUP LIMITED

ACCOUNTING POLICIES

YEAR ENDED 30 SEPTEMBER 2014

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, subject to the departures referred to below.

Accounting reference date

The company has an accounting reference date of 27 September, however the financial statements for both periods have been prepared up to the financial period ended 30 September.

The principal accounting policies are summarised below. They have all been consistently applied throughout the year and the preceding period.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Cash flow statement

The company is a wholly owned subsidiary of Urban Splash Holdings Limited, which prepares consolidated financial statements which are publicly available. On this basis, the company is exempt from the requirement of Financial Reporting Standard No. 1 (revised) to present a cash flow statement.

URBAN SPLASH GROUP LIMITED

ACCOUNTING POLICIES *(continued)*

YEAR ENDED 30 SEPTEMBER 2014

Going concern

The financial statements have been prepared on a going concern basis.

The company is a subsidiary of Urban Splash Holdings Limited, which manages its working capital and funding on a pooled basis across certain companies within the Group. Based on the relationship between the company and the parent company, the directors of the company have sought and received an expression of the parent company's intention not to require repayment of the intercompany balances which are due from this company, and to continue to support the company for not less than 12 months from the date of signing of these financial statements. In relying on this parent company support, the directors of the company are cognisant of the following going concern disclosure which appears in the financial statements of Urban Splash Holdings Limited for the period ended 30 September 2014;

" The financial statements have been prepared on a going concern basis.

The group's business activities, together with the factors likely to affect its future development, performance and position, and its exposures to liquidity risk are set out in this Strategic Report on pages 3 to 7. The financial position of the group, its cash flows, liquidity position, borrowing facilities, objectives and details of its financial instruments and hedging activities are described in notes 18, 19 and 27.

Subsequent to the year end, the group's shareholders purchased the remaining bank debt including accrued interest from HSBC at which point, all of the group's legacy bank debt had been refinanced in full. Whilst on demand, the shareholders have indicated they do not intend to demand any repayments unless the group has significant forecast headroom.

As detailed in note 27, the group has £99.7 million of net debt as at 30 September 2014 which is provided through a number of secured facilities from banks and a private company. At 31 May 2015 total net debt, was £92.5 million.

The principal components of the group's funding at 31 May 2015 were as follows:

- an on-demand loan facility from the group shareholders totalling £28.9 million excluding accrued interest under a facility which expires on 24 July 2015;*
- a term bank loan facility totalling £10.2 million excluding accrued interest under a facility which expires on 31 October 2019;*
- an on-demand (with 6 week notice to demand) £58.2 million loan facility, excluding accrued interest, provided by a private company, and;*
- £4.8 million of cash*

All of the group's debt is performing in line with the expectations of its lenders and where tested, loan covenants are met with clear headroom and are forecast to continue to be so for the foreseeable future. The group has no overdraft facility and meets its day to day working capital requirements through trading activities and cash flows generated from asset sales. The current cash flow forecasts indicate that no further facilities are required in the foreseeable future.

The directors have prepared financial projections for the foreseeable future which reflect the existing facilities currently being made available to the group, albeit the majority of these facilities are on demand as set out above.

Although the economic environment has improved significantly over the period, there remain a number of uncertainties for all companies in the sectors in which the group operates with regard to future market valuation movements, mortgage availability as a result of market regulation, rental demand and the resultant impact on occupancy and the group's ability to realise assets via sale in the short term should a need arise.

URBAN SPLASH GROUP LIMITED

ACCOUNTING POLICIES

YEAR ENDED 30 SEPTEMBER 2014

In addition to the above, the directors remain focussed on working capital management and the management of operating costs to ensure that the day to day cash flow requirements of the business are controlled.

On the basis of the forecasts, existing cash resources and that the group's lenders have indicated that the current on-demand facilities will not be demanded, the directors consider that the group and the company will continue to be meet its working capital requirements and not require any additional facilities for the foreseeable future.

On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis."

Turnover

Turnover represents amounts receivable for properties and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account (or capitalised into work in progress or assets under construction as appropriate) using the effective interest method and are added to accruals to the extent they are not settled in the period in which they arise.

Investment in subsidiary undertaking

Fixed asset investments are shown at cost less provision for impairment.

URBAN SPLASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

1. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

| | Year to 30 Sep 14 £ | Period from 1 Apr 12 to 30 Sep 13 £ |
|----------------|------------------------------------|--|
| United Kingdom | - | <u>3,391,424</u> |

2. OPERATING LOSS

Operating loss is stated after charging:

| | Year to 30 Sep 14 £ | Period from 1 Apr 12 to 30 Sep 13 £ |
|------------------------------------|------------------------------------|--|
| Depreciation of owned fixed assets | - | <u>73,772</u> |

Audit fees of the company were borne by another group company, but if recharged, would have amounted to £396 (2013: £2,975).

Amounts payable to Deloitte LLP and their associates by the company in respect of non-audit services were:

| | 2014 £ | 2013 £ |
|---------------------------------------|-------------------|-------------------|
| Corporation tax compliance and advice | - | 51,200 |
| Other taxation advice | 1,800 | 213,138 |
| Corporate finance services | 1,127 | 838,242 |
| Other accounting services | <u>6,000</u> | <u>-</u> |
| | <u>8,927</u> | <u>1,102,580</u> |

URBAN SPLASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

| | Year to 30 Sep 14 | Period from 1 Apr 12 to 30 Sep 13 |
|--------------------------------|------------------------------|--|
| | No | No |
| Number of construction staff | 1 | 2 |
| Number of administrative staff | 13 | 29 |
| Number of development staff | 3 | 9 |
| | <u>17</u> | <u>40</u> |

The aggregate payroll costs of the above were:

| | Year to 30 Sep 14 | Period from 1 Apr 12 to 30 Sep 13 |
|-----------------------|------------------------------|--|
| | £ | £ |
| Wages and salaries | 1,139,110 | 3,975,025 |
| Social security costs | 134,968 | 406,791 |
| Other pension costs | 78,558 | 143,046 |
| | <u>1,352,636</u> | <u>4,524,862</u> |

Wages and salaries includes £nil (2013: £424,397) of redundancy costs. During the year £1,363,467 (2013: £307,466) of payroll costs were recharged to fellow group companies resulting in a credit of £10,831 (2013: charge of £4,217,396) of payroll costs to the profit and loss account.

4. DIRECTORS' REMUNERATION

The directors' aggregate remuneration and other payments in respect of qualifying services were:

| | Year to 30 Sep 14 | Period from 1 Apr 12 to 30 Sep 13 |
|--|------------------------------|--|
| | £ | £ |
| Aggregate remuneration | 615,276 | 1,340,967 |
| Value of company pension contributions to money purchase schemes | 62,021 | 106,972 |
| Compensation for loss of directorship | — | 232,500 |
| | <u>677,297</u> | <u>1,680,439</u> |

URBAN SPLASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

4. DIRECTORS' REMUNERATION *(continued)*

Remuneration of highest paid director:

| | Year to 30 Sep 14 £ | Period from 1 Apr 12 to 30 Sep 13 £ |
|--|------------------------------------|--|
| Total remuneration (excluding pension contributions) | 119,684 | 464,728 |
| Value of company pension contributions to money purchase schemes | 34,709 | — |
| | <u>154,393</u> | <u>464,728</u> |

The maximum amount of the overdrawn directors' current accounts during the year was the same as the amount outstanding at the year-end.

5. PROFIT ON DISPOSAL OF FIXED ASSETS

| | Year to 30 Sep 14 £ | Period from 1 Apr 12 to 30 Sep 13 £ |
|------------------------------------|------------------------------------|--|
| Profit on disposal of fixed assets | <u>1</u> | <u>254,180</u> |

6. COST OF REORGANISATION OR RESTRUCTURING

| | Year to 30 Sep 14 £ | Period from 1 Apr 12 to 30 Sep 13 £ |
|-------------------------------|------------------------------------|--|
| Cost of restructuring company | <u>—</u> | <u>486,460</u> |

7. AMOUNTS WRITTEN OFF INVESTMENTS

| | Year to 30 Sep 14 £ | Period from 1 Apr 12 to 30 Sep 13 £ |
|--------------------------------|------------------------------------|--|
| Amount written off investments | <u>—</u> | <u>7,110,260</u> |

URBAN SPLASH GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2014

8. INTEREST PAYABLE AND SIMILAR CHARGES

| | Year to 30 Sep 14 £ | Period from 1 Apr 12 to 30 Sep 13 £ |
|------------------------------------|------------------------------------|--|
| Interest payable on bank borrowing | - | 53,619 |
| Other similar charges | - | 977 |
| | <u>-</u> | <u>54,596</u> |

9. TAXATION ON ORDINARY ACTIVITIES

There is no current or deferred taxation charge for the year/period (2013: £nil).

(a) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 22% (2013 - 23.67%).

| | Year to 30 Sep 14 £ | Period from 1 Apr 12 to 30 Sep 13 £ |
|---|------------------------------------|--|
| Loss on ordinary activities before taxation | <u>(44,601)</u> | <u>(8,391,978)</u> |
| Loss on ordinary activities by rate of tax | (9,812) | (1,986,381) |
| Expenses not deductible for tax purposes | - | 1,682,999 |
| Capital allowances for period in excess of depreciation | - | 17,462 |
| Unrelieved tax losses | 9,812 | 187,861 |
| Group relief surrendered | - | 174,526 |
| Profit on sale of fixed assets | - | (76,467) |
| Total current tax | <u>-</u> | <u>-</u> |

URBAN SPLASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

9. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors that may affect future tax charges

Legislation to reduce the main rate of UK corporation tax to 20% was passed by parliament on 18 July 2013 to take effect from 1 April 2015. The reduction in the main rate had been substantively enacted at the balance sheet date and, therefore, the group's closing unrecognised deferred tax balances are measured at this rate.

The deferred tax asset has increased to £1,321,979 (2013: £1,144,531) during the year and has not been recognised because, in the opinion of the directors, there will be no suitable taxable profits available in the foreseeable future.

Analysis of deferred tax asset:-

| | 30 Sep 14 £ | 30 Sep 13 £ |
|----------------|------------------|------------------|
| Fixed assets | 114,364 | 10,817 |
| Trading losses | 1,207,615 | 1,133,714 |
| | <u>1,321,979</u> | <u>1,144,531</u> |

10. INVESTMENTS

| | Investments in subsidiary undertakings £ |
|---|---|
| COST | |
| At 1 October 2013 | 6,786,728 |
| Disposals | (750,115) |
| At 30 September 2014 | <u>6,036,613</u> |
| AMOUNTS WRITTEN OFF | |
| At 1 October 2013 | 6,786,728 |
| Written off in prior years written back | (750,115) |
| At 30 September 2014 | <u>6,036,613</u> |
| NET BOOK VALUE | |
| At 30 September 2014 | - |
| At 30 September 2013 | - |

URBAN SPLASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

10. INVESTMENTS *(continued)*

The company's principal investments are:

| Name | Country of incorporation | Holding | Proportion of voting rights | Principal activity |
|--|---------------------------------|-----------------|------------------------------------|----------------------------------|
| Subsidiary undertakings | | | | |
| Urban Splash Limited | England | Ordinary shares | 100% | Property development |
| Urban Splash Build Limited | England | Ordinary shares | 100% | Property construction |
| Urban Splash Work Limited | England | Ordinary shares | 100% | Property investment and lettings |
| Urban Splash Yorkshire Limited | England | Ordinary shares | 100% | Property development |
| Urban Splash (South West) Limited | England | Ordinary shares | 100% | Property development |
| Urban Splash (South West) Birnbeck Limited | England | Ordinary shares | 100%* | Property development |
| Urban Splash Lakes Limited | England | Ordinary shares | 100% | Property development |
| Urban Splash Director Limited | England | Ordinary shares | 100% | Holding company |
| New Islington Utilities Company Limited | England | Ordinary shares | 100% | Provision of utilities |

* indirect holding

On 11 July 2014, the company disposed of its investment in Urban Splash (Fort Dunlop) Limited for £1, generating a profit of £1.

11. DEBTORS

| | 2014 | 2013 |
|------------------------------------|-------------------|-------------------|
| | £ | £ |
| Trade debtors | 77,895 | 23,189 |
| Amounts owed by group undertakings | 23,323,984 | 24,027,903 |
| VAT recoverable | 9,215 | 4,967 |
| Directors' current accounts | 13,374 | 14,000 |
| Other debtors | 18,853 | 49,990 |
| Prepayments and accrued income | — | 319 |
| | <u>23,443,321</u> | <u>24,120,368</u> |

URBAN SPLASH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

12. CREDITORS: Amounts falling due within one year

| | 2014 | 2013 |
|--|-------------------|-------------------|
| | £ | £ |
| Bank loans and overdrafts | 9,739,487 | 17,346,817 |
| Trade creditors | 102,610 | 136,208 |
| Amounts owed to group undertakings | 12,261,498 | 4,820,836 |
| Amounts owed to undertakings in which the company has a participating interest | - | 181 |
| PAYE and social security | - | 57,033 |
| Other creditors | 5,637 | - |
| Accruals and deferred income | 2,646,252 | 3,386,561 |
| | <u>24,755,484</u> | <u>25,747,636</u> |

All bank loans and overdrafts are secured through a fixed charge on the freehold properties of certain group companies, together with a floating charge over the company's assets.

13. CREDITORS: Amounts falling due after more than one year

| | 2014 | 2013 |
|--|----------------|----------------|
| | £ | £ |
| Amounts owed to undertakings in which the company has a participating interest | <u>250,000</u> | <u>250,000</u> |

14. CONTINGENCIES

Under facility agreements with certain of the group's banks, the company has provided unlimited multilateral guarantees in respect of the group's overdraft and certain loan balances. At the year end, the contingent liability in respect of the guarantees was £28,249,351 (2013: £68,938,997).

During the year ended 31 March 2009 a debenture was created by the company to secure all monies due or to become due to HSBC plc.

15. RELATED PARTY TRANSACTIONS

As a subsidiary undertaking of Urban Splash Holdings Limited, the company has taken advantage of the exemption in Financial Reporting Standard No. 8, Related Party Disclosures, from disclosing transactions with other members of the group headed by Urban Splash Holdings Limited.

During the year-ended 31 March 2009 the company received a loan of £250,000 from TBI 2000 Limited, a company in which Mr. T.P.R. Bloxham M.B.E. is materially interested as a director and shareholder.

16. SHARE CAPITAL

Allotted, called up and fully paid:

| | 2014 | | 2013 | |
|-----------------------------------|------------------|------------------|------------------|------------------|
| | No | £ | No | £ |
| Ordinary shares of £1 each | 1,993,600 | 1,993,600 | 1,993,600 | 1,993,600 |
| "A" Ordinary shares of £0.20 each | 82,648 | 16,530 | 82,648 | 16,530 |
| | <u>2,076,248</u> | <u>2,010,130</u> | <u>2,076,248</u> | <u>2,010,130</u> |

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17. RESERVES

| | Share premium account £ | Capital redemption reserve £ | Investment in own shares £ | Profit and loss account £ |
|-------------------------|-------------------------------|---------------------------------------|----------------------------------|---------------------------------|
| Balance brought forward | 4,609,464 | 6,400 | (1,655,808) | (6,487,048) |
| Loss for the year | — | — | — | (44,601) |
| Balance carried forward | <u>4,609,464</u> | <u>6,400</u> | <u>(1,655,808)</u> | <u>(6,531,649)</u> |

During the year ended 31 March 2009 the Urban Splash Employee Benefit Trust purchased 42,400 shares from a shareholder for a cash consideration of £1,655,808 resulting in the creation of the reserve for investment in own shares.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

| | 2014 £ | 2013 £ |
|---------------------------------------|--------------------|--------------------|
| Loss for the financial year | (44,601) | (8,391,978) |
| Opening shareholders' (deficit)/funds | <u>(1,516,862)</u> | <u>6,875,116</u> |
| Closing shareholders' deficit | <u>(1,561,463)</u> | <u>(1,516,862)</u> |

19. CAPITAL COMMITMENTS

The directors have confirmed that there were no capital commitments at 30 September 2014 (2013: same).

20. POST BALANCE SHEET EVENTS

On 31 October 2014, the ultimate parent company's shareholders completed the purchase of the remaining HSBC debt and accrued interest owed by the group. The total nominal value was £50,191,097, of which £11,930,828 (including accrued interest) was owed by Urban Splash Group Limited. This purchase completed the refinancing of the Urban Splash group's legacy debt.

21. ULTIMATE PARENT COMPANY

Urban Splash Holdings Limited, a company incorporated in England, is the ultimate parent company. The directors regard T.P.R. Bloxham M.B.E. as the ultimate controlling party.

On 25 July 2013 Urban Splash Holdings Limited acquired the majority of the share capital of Urban Splash Group Limited, and has prepared its first set of consolidated trading accounts for the period from 1 July 2013 to 30 September 2014, which includes the results of the company for this period.

Urban Splash Holdings Limited is the parent company of the largest and smallest group of which the company is a member and for which financial statements are drawn up. Copies of the financial statements are available from Timber Wharf, 16-22 Worsley Street, Castlefield, Manchester, M15 4LD.