

# Financial Statements

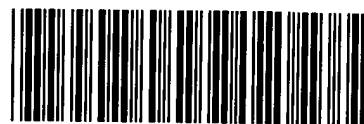
## D4E Mulberry Limited

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For the year ended 31 March 2015

Registered number: 04367731

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COMPANIES HOUSE

## Company Information

<b>Directors</b>	M T Smith (appointed 31 October 2014) N Rae C J Blundell K M Hill I B Balfour (resigned 31 October 2014) D G Swinburn
<b>Company secretary</b>	Semperian Secretariat Services Limited
<b>Registered number</b>	04367731
<b>Registered office</b>	Third Floor Broad Quay House Prince Street Bristol BS1 4DJ
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
<b>Bankers</b>	Bank of Scotland plc New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN
<b>Solicitors</b>	Bevan Brittan LLP Kings Orchard 1 Queen Street Bristol BS2 0HQ

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## Directors' report

For the year ended 31 March 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

### **Directors' responsibilities statement**

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 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 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.

### **Principal activities**

The company was formed to design, construct refurbish and to provide lifecycle maintenance and facility management services to Mulberry Girls School in the London Borough of Tower Hamlets for a period of 28 years. The partnership with the London Borough of Tower Hamlets has been procured under the government's Public Private Partnership initiative.

### **Directors**

The directors who served during the year were:

M T Smith (appointed 31 October 2014)  
N Rae  
C J Blundell  
K M Hill  
I B Balfour (resigned 31 October 2014)  
D G Swinburn

## Directors' report

For the year ended 31 March 2015

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

Grant Thornton UK LLP, having offered themselves for reappointment as auditors, shall be deemed to be reappointed for the next financial year in accordance with Section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

### **Business Review**

There was a profit for the period after taxation of £140,204 (2014: £221,466). The directors do not recommend the payment of a dividend (2014: £Nil).

### **Financial risk management objectives and policies**

The company is exempt from disclosing financial risk management objectives and policies on the basis it meets the size criteria for a small company.

This report was approved by the board and signed on its behalf.



**N Rae**  
Director

Date: 19 OCT 2015

## Independent auditor's report to the members of D4E Mulberry Limited

We have audited the financial statements of D4E Mulberry Limited for the year ended 31 March 2015, which comprise the Profit and loss account, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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, 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 website at [www.frc.org.uk/auditscopeukprivate](http://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 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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 D4E Mulberry Limited

### **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 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 Directors' report.

*Grant Thornton UK LLP*

Fiona Baldwin (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Manchester

Date: *4 November 2015*

## Profit and loss account

For the year ended 31 March 2015

	Note	2015 £	2014 £
Turnover	1	1,875,296	1,845,596
Cost of sales		(909,379)	(945,642)
<b>Gross profit</b>		<b>965,917</b>	<b>899,954</b>
Administrative expenses		(874,689)	(742,884)
<b>Operating profit</b>	2	<b>91,228</b>	<b>157,070</b>
Interest receivable and similar income	3	399,622	418,038
Interest payable and similar charges	4	(315,595)	(344,861)
<b>Profit on ordinary activities before taxation</b>		<b>175,255</b>	<b>230,247</b>
Tax on profit on ordinary activities	5	(35,051)	(8,781)
<b>Profit for the financial year</b>	11	<b>140,204</b>	<b>221,466</b>

The notes on pages 7 to 13 form part of these financial statements.



## Balance sheet

As at 31 March 2015

	Note	£	2015 £	2014 £
<b>Current assets</b>				
Debtors: amounts falling due after more than one year	6	4,901,816	5,118,486	
Debtors: amounts falling due within one year	6	499,475	229,857	
Cash at bank		1,547,123	1,408,939	
		<u>6,948,414</u>	<u>6,757,282</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(3,151,625)</u>	<u>(2,740,505)</u>	
<b>Net current assets</b>			<u>3,796,789</u>	<u>4,016,777</u>
<b>Total assets less current liabilities</b>			<u>3,796,789</u>	<u>4,016,777</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(4,994,465)		(5,389,708)
<b>Provisions for liabilities</b>				
Deferred tax	9	(329,552)		(294,501)
<b>Net liabilities</b>		<u>(1,527,228)</u>		<u>(1,667,432)</u>
<b>Capital and reserves</b>				
Called up share capital	10	1,500		1,500
Profit and loss account	11	(1,528,728)		(1,668,932)
<b>Shareholders' deficit</b>	12	<u>(1,527,228)</u>		<u>(1,667,432)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**N Rae**  
Director

Date: 19 OCT 2015

The notes on pages 7 to 13 form part of these financial statements.

# Notes to the financial statements

For the year ended 31 March 2015

## **1. Accounting policies**

### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements have been prepared on the going concern basis as the financial projections indicate that sufficient funds will be generated to allow ongoing obligations to be met as they fall due.

The accounting policies of the company have remained unchanged from the previous year and are set out below.

### **1.2 Turnover**

Turnover recognised represents the value of work done on long term contracts and the amounts derived (excluding VAT) from the provision of services to customers.

### **1.3 Taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

### **1.4 Capital instruments**

Shares are included in shareholder funds. Other debt instruments, which contain an obligation to repay, are classified as liabilities. The finance cost recognised in the profit and loss account in respect of capital instruments other than shares is allocated to periods over the operating life of the instrument to which they relate at a constant rate on the carrying amount.

### **1.5 Finance debtor**

Costs incurred in the construction of the school have been accounted for under Financial Reporting Standard 5 Application Note F.

Applying the guidance within the Application Note indicates that the project's principle agreement transfers substantially all the risks and rewards of ownership to the customer.

As such the costs incurred on the project have been treated as a finance debtor within these accounts.

# Notes to the financial statements

For the year ended 31 March 2015

## 1. Accounting policies (continued)

### 1.6 Cash flow

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

## 2. Operating profit

Turnover and operating profit arose in the United Kingdom from the principle activity of the company.

The operating profit is stated after charging:

	2015	2014
	£	£
Auditor's remuneration	6,750	4,650
Auditor's remuneration - non-audit	-	2,350
	<u>6,750</u>	<u>7,000</u>

During the year, no director received any emoluments (2014 - £NIL).

The company had no employees, other than directors, during the year or prior period. The emoluments of the directors are paid by the controlling parties. The directors' services to the company and to a number of fellow group companies are primarily of a non-executive nature and their emoluments are deemed to be wholly attributable to the controlling parties. The controlling parties charged £100,148 (2014: £49,815) to the company in respect of these services.

## 3. Interest receivable

	2015	2014
	£	£
Other interest receivable	8,710	10,908
Interest receivable on finance debtor	390,912	407,130
	<u>399,622</u>	<u>418,038</u>

## 4. Interest payable

	2015	2014
	£	£
Interest on bank loan	289,008	312,048
Interest on unsecured loan notes	26,587	32,813
	<u>315,595</u>	<u>344,861</u>

## Notes to the financial statements

For the year ended 31 March 2015

**5. Taxation**

	2015 £	2014 £
<b>Analysis of tax charge in the period</b>		
<b>Deferred tax</b>		
Origination and reversal of timing differences	35,051	46,049
Effect of increased tax rate on opening liability	-	(37,268)
<b>Total deferred tax (see note 9)</b>	<u>35,051</u>	<u>8,781</u>
<b>Tax on profit on ordinary activities</b>	<u>35,051</u>	<u>8,781</u>

**Factors affecting tax charge for the period**

The tax assessed for the year is the same as (2014 - the same as) the standard rate of corporation tax in the UK of 21% (2014 - 23%) as set out below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>175,255</u>	<u>230,247</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	36,804	52,957
<b>Effects of:</b>		
Fixed asset differences	(33,300)	(33,888)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	515,957	558,885
Differences between capital allowances and depreciation	22,311	19,212
Utilisation of tax losses	(59,111)	(72,303)
Short term timing differences	(4)	134
Non-taxable income	(482,657)	(524,997)
<b>Current tax credit for the period (see note above)</b>	<u>-</u>	<u>-</u>

## Notes to the financial statements

For the year ended 31 March 2015

**6. Debtors**

	2015 £	2014 £
<b>Due after more than one year</b>		
Finance debtor	4,901,816	5,118,486
	<hr/>	<hr/>
<b>Due within one year</b>		
Trade debtors	239,380	1,001
Other debtors	27,601	38,144
Finance debtor	232,494	190,712
	<hr/>	<hr/>
	499,475	229,857
	<hr/>	<hr/>
<b>Finance debtor</b>		
At 1 April	5,118,486	5,309,198
Repayments received	(216,670)	(190,712)
	<hr/>	<hr/>
At 31 March	4,901,816	5,118,486
	<hr/>	<hr/>

**7. Creditors:****Amounts falling due within one year**

	2015 £	2014 £
Bank loan	398,567	381,646
Trade creditors	178,358	6,244
Unsecured loan notes	5,273	27,640
Other taxation	60,169	54,839
Accruals and deferred income	2,509,258	2,270,136
	<hr/>	<hr/>
	3,151,625	2,740,505
	<hr/>	<hr/>

## Notes to the financial statements

For the year ended 31 March 2015

**8. Creditors:****Amounts falling due after more than one year**

	2015	2014
	£	£
Bank loan	4,952,892	5,351,398
Unsecured loan notes	144,009	149,282
Issue costs	(102,436)	(110,972)
	<u>4,994,465</u>	<u>5,389,708</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2015	2014
	£	£
Repayable by instalments	<u>3,593,050</u>	<u>3,939,748</u>

The borrowings are repayable as follows:

	2015	2014
	£	£
<b>Within one year</b>		
Bank loan	398,567	381,646
Unsecured loan notes	5,273	27,640
<b>After one year and within two years</b>		
Bank loan	399,522	398,567
Unsecured loan notes	5,272	5,272
<b>After two and within five years</b>		
Bank loan	1,093,025	1,146,867
Unsecured loan notes	6,032	10,226
<b>After five years</b>		
Bank loan	3,460,345	3,805,964
Unsecured loan notes	132,705	133,784
<b>Total</b>	<u>5,500,741</u>	<u>5,909,966</u>

Bank loans have been hedged via swaps entered into on 15 May 2002. Swaps resulted in 100% of the outstanding debt being fixed. The fair value of the swap liability amounted to £1,467,906 as at 31 March 2015.

At the period end, bank loans totaling £5,351,458 (2014: £5,733,044) are held with Bank of Scotland plc. Bank of Scotland plc holds fixed and floating charges over the assets of D4E Mulberry (Holdings) Limited and D4E Mulberry Limited, assignment securities from D4E Mulberry (Holdings) Limited and D4E Mulberry Limited over D4E Mulberry Limited's right, title and interest in the Mulberry Schools Project and a deed of pledge from D4E Mulberry (Holdings) Limited in respect of shares in D4E Mulberry Limited.

At the period end £149,282 (2014: £176,923) of unsecured loan notes were in issue to the company's parent company, D4E Mulberry (Holdings) Limited. The notes carry interest at a fixed rate of 16% per annum.

## Notes to the financial statements

For the year ended 31 March 2015

**9. Provision for liabilities**

	2015	2014
	£	£
At beginning of year	294,501	285,720
Charge for year (P&L)	35,051	8,781
At end of year	<u>329,552</u>	<u>294,501</u>

The provision for deferred taxation is made up as follows:

	2015	2014
	£	£
Capital allowances in excess of depreciation	801,376	822,625
Short term timing differences	(485)	(488)
Losses carried forward	(471,339)	(527,636)
	<u>329,552</u>	<u>294,501</u>

**10. Share capital**

	2015	2014
	£	£
Authorised, allotted, called up and fully paid		
1,500 Ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>

**11. Profit and loss account**

	£
At 1 April 2014	(1,668,932)
Profit for the financial period	<u>140,204</u>
At 31 March 2015	<u>(1,528,728)</u>

**12. Reconciliation of movement in shareholders' deficit**

	2015	2014
	£	£
Opening shareholders' deficit	(1,667,432)	(1,888,898)
Profit for the financial period	<u>140,204</u>	<u>221,466</u>
Closing shareholders' deficit	<u>(1,527,228)</u>	<u>(1,667,432)</u>

# Notes to the financial statements

For the year ended 31 March 2015

## 13. Ultimate parent undertaking and controlling party

D4E Mulberry Limited is a wholly owned subsidiary of D4E Mulberry (Holdings) Limited. The accounts of D4E Mulberry (Holdings) Limited can be obtained from Companies House.

Aberdeen Infrastructure (No. 3) Limited, Semperian PPP Investment Partners No. 2 Limited and Parkwood Consultancy Services Limited are all shareholders in D4E Mulberry (Holdings) Limited. The Directors consider there to be no ultimate controlling party.

## 14. Related party transactions

The company purchased services in the normal course of business from two of the shareholders of the parent undertakings or their groups as follows.

Facility management fees were paid to Parkwood Leisure Limited of £803,753 (2014: £786,000). The net balance due to Parkwood Leisure Limited at the year end was £Nil (2014: £Nil).

Management service fees were paid to Semperian Asset Management Limited of £45,488 (2014: £44,303). The net balance due to Semperian Asset Management Limited at the year end was £Nil (2014: £Nil).

Non executive director fees amounting to £100,148 (2014: £49,815) were paid in the period as follows.

	2015	2014
	£	£
Aberdeen Infrastructure (No. 3) Ltd.	42,509	19,926
Parkwood Consultancy Services Limited	22,480	9,963
Semperian PPP Investment Partners No. 2 Limited	35,159	19,926
	<u>100,148</u>	<u>49,815</u>

During the period interest on the subordinated loan was paid to D4E Mulberry (Holdings) Limited of £26,587 (2014: £32,813). There was no balance outstanding at the year end (2014: £Nil).