

**Urban Splash Midlands Limited**  
**Financial Statements**  
**For the year ended**  
**30 September 2016**

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# **Urban Splash Midlands Limited**

## **Financial Statements**

**Year ended 30 September 2016**

<b>Contents</b>	<b>Page</b>
Directors' report	1
Independent auditor's report to the member	3
Statement of income and retained earnings	5
Statement of financial position	6
Notes to the financial statements	7

# **Urban Splash Midlands Limited**

## **Directors' Report**

### **Year ended 30 September 2016**

The directors present their report and the financial statements of the company for the year ended 30 September 2016.

#### **Principal activities**

The principal activity of the company was property development. Following the sale of the company's property assets in July 2013 as a result of the group-wide restructure, the company ceased to trade.

#### **Directors**

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

Mr. T.P.R. Bloxham M.B.E.  
Mr. N. Cornish  
Mr. J.P. Curnuck  
Mr. J.M. Falkingham

#### **Results and dividends**

The profit for the year amounted to £4 (2015: £16,340). The directors have not recommended a dividend (2015: same).

#### **Strategic report**

No separate Strategic Report has been presented as the company is entitled to the small companies exemption.

#### **Going concern**

As a consequence of the sale of the company's only property asset in a prior period, the financial statements are prepared on a basis other than going concern. This has no impact on the value of the assets or liabilities on the balance sheet at 30 September 2016.

#### **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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"). 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 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.

# Urban Splash Midlands Limited

## Directors' Report *(continued)*

**Year ended 30 September 2016**

### **Auditor**

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

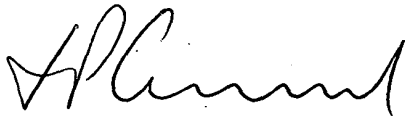
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 26/06/17 and signed on behalf of the board by:



Mr. J.P. Curnuck  
Director

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

# **Urban Splash Midlands Limited**

## **Independent Auditor's Report to the Member of Urban Splash Midlands Limited**

### **Year ended 30 September 2016**

We have audited the financial statements of Urban Splash Midlands Limited for the year ended 30 September 2016 which comprise the statement of income and retained earnings, statement of financial position and the related notes numbered 1 to 14. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's member, 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 member 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 member 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**

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 directors' 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 2016 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.

#### **Emphasis of matter - financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

#### **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.

# Urban Splash Midlands Limited

## Independent Auditor's Report to the Member of Urban Splash Midlands Limited (continued)

**Year ended 30 September 2016**

### **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 exemptions from the requirement to prepare a Strategic Report or in preparing the Directors' Report.



Christopher Robertson (Senior Statutory Auditor)

For and on behalf of  
DELOITTE LLP  
Statutory Auditor

Manchester  
United Kingdom  
27 June 2017

**Urban Splash Midlands Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 30 September 2016**

	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>3</b>	—	1,997
<b>Gross profit</b>		—	1,997
Administrative expenses		—	14,343
<b>Operating profit</b>		—	16,340
Other interest receivable and similar income		4	—
<b>Profit on ordinary activities before taxation</b>		4	16,340
Tax on profit on ordinary activities	<b>5</b>	—	—
<b>Profit for the financial year and total comprehensive income</b>		<u>4</u>	<u>16,340</u>
<b>Retained losses at the start of the year</b>		(5,566,922)	(5,583,262)
<b>Retained losses at the end of the year</b>		<u>(5,566,918)</u>	<u>(5,566,922)</u>

All the activities of the company are from discontinued operations.

The accompanying notes are an integral part of this Statement of Income and Retained Earnings.

The notes on pages 7 to 12 form part of these financial statements.

# Urban Splash Midlands Limited

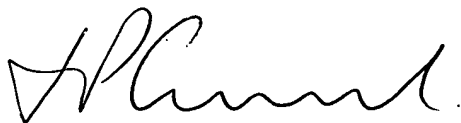
## Statement of Financial Position

30 September 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Investments	6	1	1
<b>Current assets</b>			
Debtors	7	—	23,142
Cash at bank and in hand		821	990
		<u>821</u>	<u>24,132</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(5,567,739)</u>	<u>(5,591,054)</u>
<b>Net current liabilities</b>		<u>(5,566,918)</u>	<u>(5,566,922)</u>
<b>Total assets less current liabilities and net liabilities</b>		<u>(5,566,917)</u>	<u>(5,566,921)</u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account	10	<u>(5,566,918)</u>	<u>(5,566,922)</u>
<b>Member deficit</b>		<u>(5,566,917)</u>	<u>(5,566,921)</u>

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 26/06/17, and are signed on behalf of the board by:



Mr. J.P. Curnuck  
Director

Company registration number: 06030748

The notes on pages 7 to 12 form part of these financial statements.



# Urban Splash Midlands Limited

## Notes to the Financial Statements

### Year ended 30 September 2016

#### 1. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### 2. Accounting policies

##### Basis of accounting

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

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

The company was incorporated in the United Kingdom under the Companies Act.

The principal accounting policies are summarised below, which have been applied consistently throughout the current and preceding years.

##### Going concern

As a consequence of the sale of the company's property assets in a prior period, the financial statements are prepared on a basis other than going concern. This has no impact on the value of the assets or liabilities on the balance sheet at 30 September 2016.

##### Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 October 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 14.

##### Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Urban Splash Holdings Limited which are publicly available. As such, advantage has been taken of the following disclosure exemption available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

Consolidated financial statements are not presented as the company takes advantage of the exemption afforded by Section 400 of the Companies Act 2006, because it is a wholly owned subsidiary of Urban Splash Holdings Limited which prepares consolidated financial statements which are publicly available.

##### Judgements and key sources of estimation uncertainty

The preparation of the financial statement requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The directors do not consider any estimates or assumption to be "key" warranting disclosure.

# Urban Splash Midlands Limited

## Notes to the Financial Statements *(continued)*

### Year ended 30 September 2016

#### 2. Accounting policies *(continued)*

##### Revenue recognition

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

##### Taxation

Corporation tax is provided at amounts expected to be paid 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 periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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 is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property measured at fair value is calculated using the tax rates and allowances that would apply to the disposal of such assets. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

##### Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

##### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

# Urban Splash Midlands Limited

## Notes to the Financial Statements *(continued)*

### Year ended 30 September 2016

#### 2. Accounting policies *(continued)*

##### **Impairment of fixed assets *(continued)***

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

##### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future payment discounted at a market rate of interest.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or are settled or when the company transfers to another party the financial asset and substantially all of the risks and rewards of ownership of the financial asset.

Financial liabilities are derecognised only when the obligation specified on the contract is discharged, cancelled or expires.

##### **Investment in subsidiary undertakings**

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

#### 3. Turnover

Turnover arises from:

	2016	2015
	£	£
Other income	-	1,997

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

# Urban Splash Midlands Limited

## Notes to the Financial Statements *(continued)*

### Year ended 30 September 2016

#### 4. Operating profit

Audit fees of the company were borne by another group company, but if recharged, would have amounted to £440 (2015: £424).

There were no employees employed by the company during either year. The directors' remuneration was borne by another group company in both years.

#### 5. Tax on profit on ordinary activities

##### Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.50%).

	2016 £	2015 £
Profit on ordinary activities before taxation	4	16,340
Profit on ordinary activities by rate of tax	1	3,350
Effect of expenses not deductible for tax purposes	(1)	(3,350)
Tax on profit on ordinary activities	-	-

##### Factors that may affect future tax income

Finance Act 2016, which was substantively enacted in September 2016, included provisions to reduce the rate of UK corporation tax to 17% with effect from 1 April 2020. Accordingly, as this legislation was substantively enacted by 30 September 2016, unrecognised deferred tax balances have been revalued to the lower rate of 17% in these accounts.

A deferred tax asset amounting to £81,238 (2015: £98,843) in respect of £81,035 (2015: £98,603) for non-trade deficits plus £204 (2015: £240) as a result of capital losses has not been recognised because, in the opinion of the directors there will be no suitable taxable profits available in the next 12 months.

#### 6. Investments

	Shares in group undertakings £
Cost	
At 1 Oct 2015 and 30 Sep 2016	1
Impairment	
At 1 Oct 2015 and 30 Sep 2016	-
Carrying amount	
At 30 September 2016	1

The company owns 100% of the issued share capital of Urban Splash Walsall Limited, a dormant company incorporated in England.

# Urban Splash Midlands Limited

## Notes to the Financial Statements *(continued)*

Year ended 30 September 2016

### 7. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	—	23,141
Other debtors	—	1
	<u>—</u>	<u>23,142</u>

### 8. Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	5,567,739	5,588,744
Social security and other taxes	—	2,309
Other creditors	—	1
	<u>5,567,739</u>	<u>5,591,054</u>

### 9. Called up share capital

Issued, called up and fully paid

	2016 No	£	2015 No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

### 10. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 11. Contingencies

During the prior year, the ultimate parent company's shareholders purchased all debt and accrued interest due to HSBC plc. All terms and conditions of the facility agreements remain in place, and under these agreements, the company has provided unlimited multilateral guarantees in respect of certain of the group's loan balances. At the year end, the contingent liability in respect of the guarantees was £40,904,886 (2015: £40,904,886).

### 12. Related party transactions

As a subsidiary undertaking of Urban Splash Holdings Limited, the company has taken advantage of the exemption in section 33 of FRS102, from disclosing transactions with other members of the group headed by Urban Splash Holdings Limited.

### 13. Controlling party

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.

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.

# **Urban Splash Midlands Limited**

## **Notes to the Financial Statements** *(continued)*

### **Year ended 30 September 2016**

#### **14. Transition to FRS 102**

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 October 2014.

No transitional adjustments were required in equity or profit or loss for the year.