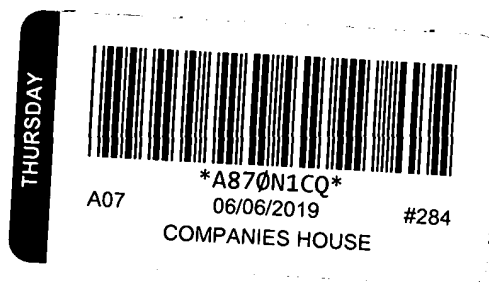


Urban Splash Midlands Limited
Financial Statements
For the year ended
30 September 2018



Urban Splash Midlands Limited

Financial Statements

Year ended 30 September 2018

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Urban Splash Midlands Limited

Directors' Report

Year ended 30 September 2018

The directors present their report and the financial statements of the company for the year ended 30 September 2018.

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 £517 (2017: £2). The directors have not recommended a dividend (2017: 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 statement of financial position at 30 September 2017.

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 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.

Urban Splash Midlands Limited

Directors' Report *(continued)*

Year ended 30 September 2018

Directors' responsibilities statement *(continued)*

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.

Auditor

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

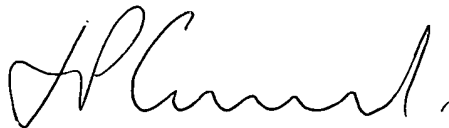
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.
- this confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act.

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 4th March 2019 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 2018

Opinion

In our opinion the financial statements of Urban Splash Midlands Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of income and retained earnings;
- the statement of financial position; and
- the notes to the financial statements numbered 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We draw attention to note 3 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Urban Splash Midlands Limited

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

Year ended 30 September 2018

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Urban Splash Midlands Limited

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

Year ended 30 September 2018

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



4.3.19

Andrew Basger BA FCA (Senior Statutory Auditor)

For and on behalf of
Edwards Veeder (UK) Limited
Chartered accountants & statutory auditor
4 Broadgate
Broadway Business Park
Chadderton
Oldham
OL9 9XA

Urban Splash Midlands Limited

Statement of Income and Retained Earnings

Year ended 30 September 2018

	Note	2018 £	2017 £
Other interest receivable and similar income	5	517	2
Profit before taxation		<u>517</u>	<u>2</u>
Tax on profit		—	—
Profit for the financial year and total comprehensive income		<u>517</u>	<u>2</u>
Retained losses at the start of the year		(5,566,916)	(5,566,918)
Retained losses at the end of the year		<u>(5,566,399)</u>	<u>(5,566,916)</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 8 to 12 form part of these financial statements.

Urban Splash Midlands Limited

Statement of Financial Position

30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	6	1	1
Current assets			
Cash at bank and in hand		1,340	822
Creditors: amounts falling due within one year	7	(5,567,739)	(5,567,738)
Net current liabilities		(5,566,399)	(5,566,916)
Total assets less current liabilities		<u>(5,566,398)</u>	<u>(5,566,915)</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	(5,566,399)	(5,566,916)
Member deficit		<u>(5,566,398)</u>	<u>(5,566,915)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 4th March 2019, and are signed on behalf of the board by:



Mr. J.P. Curnuck
Director

Company registration number: 06030748

The notes on pages 8 to 12 form part of these financial statements.

Urban Splash Midlands Limited

Notes to the Financial Statements

Year ended 30 September 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Timber Wharf, 16-22 Worsley Street, Castlefield, Manchester, M15 4LD.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. 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 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 company ceased to trade and therefore the financial statements are prepared on a basis other than going concern. The directors' intention is to wind up the company in due course. This has no impact on the value of the assets or liabilities on the statement of financial position at 30 September 2018.

Investment in subsidiary undertakings

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

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.

Urban Splash Midlands Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

3. Accounting policies *(continued)*

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.

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 statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 statement of financial position 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 statement of financial position 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 2018

3. 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 statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income. 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.

4. Operating profit

Audit fees of the company were borne by another group company, but if recharged, would have amounted to £900 (2017: £440).

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

Urban Splash Midlands Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

5. Other interest receivable and similar income

	2018 £	2017 £
Interest on cash and cash equivalents	4	2
Other interest receivable	<u>513</u>	<u>—</u>
	<u>517</u>	<u>2</u>

6. Investments

	Shares in group undertakings £
Cost	
At 1 October 2017 and 30 September 2018	<u>1</u>
Impairment	
At 1 October 2017 and 30 September 2018	<u>—</u>
Carrying amount	
At 30 September 2018	<u>1</u>
At 30 September 2017	<u>1</u>

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

7. Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	<u>5,567,739</u>	<u>5,567,738</u>

8. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

9. Reserves

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

10. Contingencies

During a 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 £40,404,886 (2017: £40,404,886).

Urban Splash Midlands Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

11. 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.

12. Controlling party

Urban Splash Holdings Limited, a company incorporated in England, was the ultimate parent company as at 30 September 2018. Subsequent to the year-end, a newly incorporated ultimate parent company (Urban Splash Newco 1 Limited) acquired 100% of the share capital of Urban Splash Holdings Limited via a share for share exchange. The directors still continue to 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.