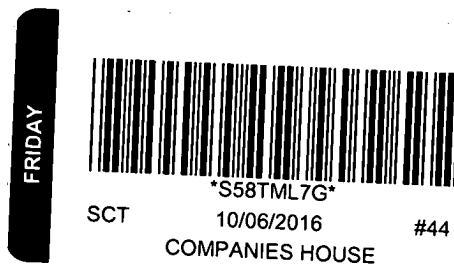


URBAN&CIVIC (MANAGEMENT) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2015



URBAN&CIVIC (MANAGEMENT) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

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URBAN&CIVIC (MANAGEMENT) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

P A J Leech
J M Austen

Company secretary

Urban&Civic (Secretaries) Limited

Registered office

4th Floor
115 George Street
Edinburgh
EH2 4JN

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

URBAN&CIVIC (MANAGEMENT) LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2015

The directors present their report and the financial statements of the company for the year ended 30 September 2015.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of management and administration services.

DIRECTORS

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

P A J Leech

J M Austen

The company has granted an indemnity to its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

DIRECTORS' RESPONSIBILITIES

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 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.

AUDITOR

BDO LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

URBAN&CIVIC (MANAGEMENT) LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2015

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.

SMALL COMPANY PROVISIONS

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

Registered office:
4th Floor
115 George Street
Edinburgh
EH2 4JN

Signed by order of the directors



URBAN&CIVIC (SECRETARIES)
LIMITED
Company Secretary

Approved by the directors on 8 June 2016

URBAN&CIVIC (MANAGEMENT) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
URBAN&CIVIC (MANAGEMENT) LIMITED
YEAR ENDED 30 SEPTEMBER 2015

We have audited the financial statements of Urban&Civic (Management) Limited for the year ended 30 September 2015 which comprise the Profit and Loss Account, Balance Sheet and the related notes. 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 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 AUDITORS

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

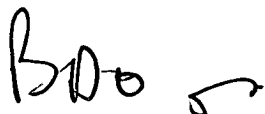
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

URBAN&CIVIC (MANAGEMENT) LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
URBAN&CIVIC (MANAGEMENT) LIMITED *(continued)*
YEAR ENDED 30 SEPTEMBER 2015

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 directors' report in accordance with the small companies regime and were exempt from the requirement to prepare a strategic report.



RUSSELL FIELD (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
55 Baker Street
London
W1U 7EU

8 June 2016

BDO LLP is a limited liability partnership registered in England & Wales (with registered number OC305127).

URBAN&CIVIC (MANAGEMENT) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 £	2014 £
TURNOVER	2	11,248,582	9,056,352
Administrative expenses		(10,569,038)	(10,424,085)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		679,544	(1,367,733)
Tax on profit/(loss) on ordinary activities	6	(307,849)	262,152
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>371,695</u>	<u>(1,105,581)</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 notes on pages 8 to 13 form part of these financial statements.

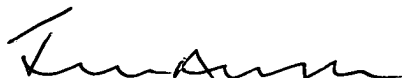
URBAN&CIVIC (MANAGEMENT) LIMITED

BALANCE SHEET

30 SEPTEMBER 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible assets	7	<u>316,663</u>	<u>80,769</u>
CURRENT ASSETS			
Debtors	8	11,808,296	3,098,533
Cash at bank and in hand		<u>38,111</u>	<u>71,766</u>
		<u>11,846,407</u>	<u>3,170,299</u>
CREDITORS: Amounts falling due within one year	9	<u>(9,141,244)</u>	<u>(1,859,285)</u>
NET CURRENT ASSETS		<u>2,705,163</u>	<u>1,311,014</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,021,826</u>	<u>1,391,783</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	10	<u>(45,697)</u>	<u>—</u>
		<u>2,976,129</u>	<u>1,391,783</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	300,000	300,000
Profit and loss account	13	<u>2,676,129</u>	<u>1,091,783</u>
SHAREHOLDERS' FUNDS	14	<u>2,976,129</u>	<u>1,391,783</u>

These accounts were approved by the directors and authorised for issue on 8 June 2016, and are signed on their behalf by:



J M AUSTEN

Company Registration Number: SC149767

The notes on pages 8 to 13 form part of these financial statements.

URBAN&CIVIC (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

Turnover represents fees receivable for services excluding VAT in the normal course of business.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land & buildings	- over the length of the lease
Ride to Work	- straight line over twelve months
Fixtures & Fittings	- 25% straight line
Equipment	- 25% straight line

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

URBAN&CIVIC (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Pension costs

Contributions to defined contribution pension schemes are charged to the profit and loss account in the year in which they become payable.

Share-based payments

The fair value of granting share awards under the performance share plan and the other share-based remuneration to directors and other employees is recognised through the Profit and Loss Account. The fair value of shares awarded is calculated by using a stochastic pricing model. The resulting fair value is amortised through the Profit and Loss Account on a straight-line basis over the vesting period. The charge is reversed if it is likely that any non-market based criteria will not be met. Disclosures relating to the share-based payments can be found in the Consolidated Financial Statements of Urban&Civic Plc.

2. TURNOVER

An analysis of turnover is given below:

	2015 £	2014 £
United Kingdom	<u>11,248,582</u>	<u>9,056,352</u>

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2015 £	2014 £
Depreciation of owned fixed assets	57,417	66,911
Loss on disposal of fixed assets	<u>1,704</u>	<u>—</u>

Auditor's remuneration is paid by the ultimate parent company.

URBAN&CIVIC (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

4. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the financial year, including the directors, amounted to 25 (2014 - 24).

The aggregate payroll costs of the above were:

	2015 £	2014 £
Wages and salaries	5,696,249	6,772,604
Social security costs	609,054	940,576
Other pension costs	374,263	409,004
	<u>6,679,566</u>	<u>8,122,184</u>

5. DIRECTORS' REMUNERATION

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

	2015 £	2014 £
Remuneration receivable	595,000	562,000
Value of company pension contributions to money purchase schemes	90,000	74,164
	<u>685,000</u>	<u>636,164</u>

Remuneration of highest paid director:

	2015 £	2014 £
Total remuneration (excluding pension contributions)	325,000	307,000
Value of company pension contributions to money purchase schemes	49,000	49,164
	<u>374,000</u>	<u>356,164</u>

During the year the company paid cash in lieu of pension contributions to money purchase schemes to 2 directors (2014 - 2).

6. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2015 £	2014 £
Deferred tax:		
Origination and reversal of timing differences (note 10)		
Losses	<u>307,849</u>	<u>(262,152)</u>

URBAN&CIVIC (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

6. TAXATION ON ORDINARY ACTIVITIES *(continued)*

Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20.42% (2014 - 22%).

	2015 £	2014 £
Profit/(loss) on ordinary activities before taxation	<u>679,544</u>	<u>(1,367,733)</u>
Profit/(loss) on ordinary activities by rate of tax	138,763	(300,901)
Expenses not deductible for tax purposes and non-taxable income	270,113	9,826
Depreciation in excess of capital allowances for the period	(51,902)	8,191
Losses carried forward	-	282,884
Group relief	(357,322)	-
(Gain)/loss on sales of assets	348	-
Total current tax	<u>-</u>	<u>-</u>

7. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Bike to work	Fixtures & Fittings	Equipment	Total
	£	£	£	£	£
COST					
At 1 October 2014	159,119	27,317	114,338	235,329	536,103
Additions	-	1,520	159,292	134,204	295,016
Disposals	(82,732)	(9,864)	(91,178)	(95,191)	(278,965)
At 30 September 2015	<u>76,387</u>	<u>18,973</u>	<u>182,452</u>	<u>274,342</u>	<u>552,154</u>
DEPRECIATION					
At 1 October 2014	138,771	25,868	113,888	176,807	455,334
Charge for the year	7,639	2,528	13,445	33,806	57,418
On disposals	(82,732)	(9,864)	(91,178)	(93,487)	(277,261)
At 30 September 2015	<u>63,678</u>	<u>18,532</u>	<u>36,155</u>	<u>117,126</u>	<u>235,491</u>
NET BOOK VALUE					
At 30 September 2015	<u>12,709</u>	<u>441</u>	<u>146,297</u>	<u>157,216</u>	<u>316,663</u>
At 30 September 2014	<u>20,348</u>	<u>1,449</u>	<u>450</u>	<u>58,522</u>	<u>80,769</u>

URBAN&CIVIC (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

8. DEBTORS

	2015	2014
	£	£
Trade debtors	1,565	1,565
Amounts owed by group undertakings	–	571,082
VAT recoverable	473,456	263,999
Other debtors	908	–
Prepayments and accrued income	11,332,367	1,999,735
Deferred taxation (note 10)	–	262,152
	<u>11,808,296</u>	<u>3,098,533</u>

9. CREDITORS: Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	162,999	76,238
Amounts owed to group undertakings	7,090,116	–
PAYE and social security	267,299	403,123
Other creditors	6,285	4,962
Accruals and deferred income	1,614,545	1,374,962
	<u>9,141,244</u>	<u>1,859,285</u>

10. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows:

	2015	2014
	£	£
Included in debtors (note 8)	–	(262,152)
Included in provisions	45,697	–
	<u>45,697</u>	<u>(262,152)</u>

The movement in the deferred taxation account during the year was:

	2015	2014
	£	£
Balance brought forward	(262,152)	–
Profit and loss account movement arising during the year	307,849	(262,152)
Balance carried forward	<u>45,697</u>	<u>(262,152)</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2015	2014
	£	£
Tax losses available	45,697	(262,152)
	<u>45,697</u>	<u>(262,152)</u>

URBAN&CIVIC (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2015

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed by FRS 8 not to disclose related party transactions with entities that are included in the consolidated financial statements of Urban&Civic Plc and are 100% owned.

12. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	£	No	£
Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

13. PROFIT AND LOSS ACCOUNT

	2015	2014
	£	£
Balance brought forward	1,091,783	1,152,187
Profit/(loss) for the financial year	371,695	(1,105,581)
Share based payment	1,212,651	1,045,177
Balance carried forward	<u>2,676,129</u>	<u>1,091,783</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015	2014
	£	£
Profit/(loss) for the financial year	371,695	(1,105,581)
Discount on purchase of own ordinary shares	1,212,651	1,045,177
Net addition/(reduction) to shareholders' funds	1,584,346	(60,404)
Opening shareholders' funds	1,391,783	1,452,187
Closing shareholders' funds	<u>2,976,129</u>	<u>1,391,783</u>

15. ULTIMATE PARENT COMPANY

The ultimate parent company is Urban&Civic Plc, which is registered in Scotland.

Copies of the consolidated financial statements of Urban&Civic Plc are available from the company's registered office.