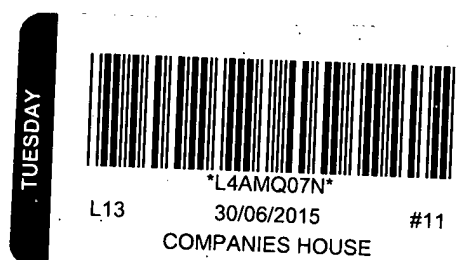


**URBAN&CIVIC (MANAGEMENT) LIMITED
FORMERLY TERRACE HILL (MANAGEMENT)
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2014



**URBAN&CIVIC (MANAGEMENT) LIMITED FORMERLY TERRACE
HILL (MANAGEMENT) LIMITED**

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

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**URBAN&CIVIC (MANAGEMENT) LIMITED FORMERLY TERRACE
HILL (MANAGEMENT) LIMITED**

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

P A J Leech
J M Austen

Company secretary

Terrace Hill (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 FORMERLY TERRACE HILL (MANAGEMENT) LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 SEPTEMBER 2014

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

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

On 19 September 2014 the company changed its name to Urban&Civic Management Limited.

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 FORMERLY TERRACE
HILL (MANAGEMENT) LIMITED**

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 SEPTEMBER 2014

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



TERRACE HILL (SECRETARIES)
LIMITED
Company Secretary

Approved by the directors on 30 June 2015

URBAN&CIVIC (MANAGEMENT) LIMITED FORMERLY TERRACE HILL (MANAGEMENT) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF URBAN&CIVIC (MANAGEMENT) LIMITED FORMERLY TERRACE HILL (MANAGEMENT) LIMITED

YEAR ENDED 30 SEPTEMBER 2014

We have audited the financial statements of Urban&Civic (Management) Limited Formerly Terrace Hill (Management) Limited for the year ended 30 September 2014 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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**URBAN&CIVIC (MANAGEMENT) LIMITED FORMERLY TERRACE
HILL (MANAGEMENT) LIMITED**

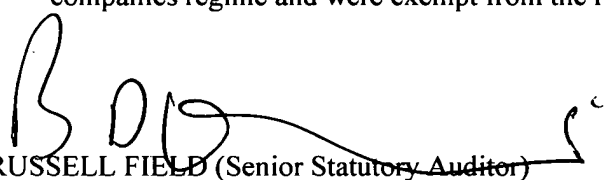
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
URBAN&CIVIC (MANAGEMENT) LIMITED FORMERLY TERRACE HILL
(MANAGEMENT) LIMITED *(continued)***

YEAR ENDED 30 SEPTEMBER 2014

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; 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

30 June 2015

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

**URBAN&CIVIC (MANAGEMENT) LIMITED FORMERLY TERRACE
HILL (MANAGEMENT) LIMITED**

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2014

	Note	2014 £	2013 £
TURNOVER	2	9,056,352	9,214,956
Administrative expenses		<u>(10,424,085)</u>	<u>(4,329,851)</u>
OPERATING (LOSS)/PROFIT	3	(1,367,733)	4,885,105
Interest payable and similar charges	6	–	(26)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(1,367,733)</u>	4,885,079
Tax on (loss)/profit on ordinary activities	7	262,152	–
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(1,105,581)</u>	<u>4,885,079</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 FORMERLY TERRACE
HILL (MANAGEMENT) LIMITED**

BALANCE SHEET

30 SEPTEMBER 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Tangible assets	8	<u>80,769</u>	<u>95,080</u>
CURRENT ASSETS			
Debtors	9	3,098,533	2,089,608
Cash at bank and in hand		<u>71,766</u>	<u>34,924</u>
		3,170,299	2,124,532
CREDITORS: Amounts falling due within one year	11	<u>1,859,285</u>	<u>767,425</u>
NET CURRENT ASSETS		<u>1,311,014</u>	<u>1,357,107</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,391,783</u>	<u>1,452,187</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	300,000	300,000
Profit and loss account	14	<u>1,091,783</u>	<u>1,152,187</u>
SHAREHOLDERS' FUNDS	15	<u>1,391,783</u>	<u>1,452,187</u>

These accounts were approved by the directors and authorised for issue on 30 June 2015, 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 FORMERLY TERRACE HILL (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

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 FORMERLY TERRACE HILL (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

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:

	2014	2013
	£	£
United Kingdom	<u>9,056,352</u>	<u>9,214,956</u>

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2014	2013
	£	£
Depreciation of owned fixed assets	<u>66,911</u>	<u>46,141</u>

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

URBAN&CIVIC (MANAGEMENT) LIMITED FORMERLY TERRACE HILL (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

4. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company during the financial year, including the directors, amounted to 24 (2013 - 27).

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	6,772,604	6,080,663
Social security costs	940,576	738,609
Other pension costs	409,004	588,850
	<u>8,122,184</u>	<u>7,408,122</u>

5. DIRECTORS' REMUNERATION

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

	2014	2013
	£	£
Remuneration receivable	562,000	1,665,000
Value of company pension contributions to money purchase schemes	74,164	135,109
	<u>636,164</u>	<u>1,800,109</u>

Remuneration of highest paid director:

	2014	2013
	£	£
Total remuneration (excluding pension contributions)	307,000	589,000
Value of company pension contributions to money purchase schemes	49,164	50,000
	<u>356,164</u>	<u>639,000</u>

Pension contributions to money purchase schemes were made during the year in respect of 2 directors (2013 - 4).

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Interest payable on bank borrowing	<u>—</u>	<u>26</u>

**URBAN&CIVIC (MANAGEMENT) LIMITED FORMERLY TERRACE
HILL (MANAGEMENT) LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

7. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2014 £	2013 £
Deferred tax:		
Origination and reversal of timing differences (note 10)		
Losses	<u>(262,152)</u>	<u>-</u>

Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 22% (2013 - 23.50%).

	2014 £	2013 £
(Loss)/profit on ordinary activities before taxation	<u>(1,367,733)</u>	<u>4,885,079</u>
(Loss)/profit on ordinary activities by rate of tax	(300,901)	1,147,994
Expenses not deductible for tax purposes and non-taxable income	9,826	(1,097,349)
Depreciation in excess of capital allowances for the period	8,191	10,843
Losses carried forward	282,884	-
Group relief	-	(61,488)
Total current tax	<u>-</u>	<u>-</u>

8. TANGIBLE FIXED ASSETS

	Leasehold Improvements	Bike to work	Fixtures & Fittings	Equipment	Total
	£	£	£	£	£
COST					
At 1 October 2013	159,119	24,457	113,820	186,107	483,503
Additions	-	2,860	518	49,222	52,600
At 30 September 2014	<u>159,119</u>	<u>27,317</u>	<u>114,338</u>	<u>235,329</u>	<u>536,103</u>
DEPRECIATION					
At 1 October 2013	101,896	20,178	113,567	152,782	388,423
Charge for the year	36,875	5,690	321	24,025	66,911
At 30 September 2014	<u>138,771</u>	<u>25,868</u>	<u>113,888</u>	<u>176,807</u>	<u>455,334</u>
NET BOOK VALUE					
At 30 September 2014	<u>20,348</u>	<u>1,449</u>	<u>450</u>	<u>58,522</u>	<u>80,769</u>
At 30 September 2013	<u>57,223</u>	<u>4,279</u>	<u>253</u>	<u>33,325</u>	<u>95,080</u>

**URBAN&CIVIC (MANAGEMENT) LIMITED FORMERLY TERRACE
HILL (MANAGEMENT) LIMITED**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

9. DEBTORS

	2014	2013
	£	£
Trade debtors	1,565	1,565
Amounts owed by group undertakings	571,082	–
VAT recoverable	263,999	64,359
Prepayments and accrued income	1,999,735	2,023,684
Deferred taxation (note 10)	262,152	–
	<u>3,098,533</u>	<u>2,089,608</u>

10. DEFERRED TAXATION

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

	2014	2013
	£	£
Included in debtors (note 9)	<u>262,152</u>	–

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

	2014	2013
	£	£
Profit and loss account movement arising during the year	<u>262,152</u>	–
Balance carried forward	<u>262,152</u>	–

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

	2014	2013
	£	£
Tax losses available	<u>262,152</u>	–
	<u>262,152</u>	–

11. CREDITORS: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	76,238	90,322
Amounts owed to group undertakings	–	5,785
PAYE and social security	403,123	115,219
Other creditors	4,962	7,455
Accruals and deferred income	1,374,962	548,644
	<u>1,859,285</u>	<u>767,425</u>

URBAN&CIVIC (MANAGEMENT) LIMITED FORMERLY TERRACE HILL (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

12. 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.

RFM Adair, PAJ Leech and JM Austen are directors in Urban&Civic Plc. Included in management fee income for the year are amounts totalling £nil (2013: £3,050) charged to Terrace Hill Residential plc, an associate company of Urban&Civic Plc. The balance due by Terrace Hill Residential plc at the year end was £nil (2013: £nil).

13. SHARE CAPITAL

Allotted, called up and fully paid:

	2014		2013	
	No	£	No	£
Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>

14. PROFIT AND LOSS ACCOUNT

	2014 £	2013 £
Balance brought forward	1,152,187	(4,136,563)
(Loss)/profit for the financial year	(1,105,581)	4,885,079
Share based payment	1,045,177	403,671
Balance carried forward	<u>1,091,783</u>	<u>1,152,187</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
(Loss)/profit for the financial year	(1,105,581)	4,885,079
Discount on purchase of own ordinary shares	1,045,177	403,671
Net (reduction)/addition to shareholders' funds/(deficit)	(60,404)	5,288,750
Opening shareholders' funds/(deficit)	1,452,187	(3,836,563)
Closing shareholders' funds	<u>1,391,783</u>	<u>1,452,187</u>

16. 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.