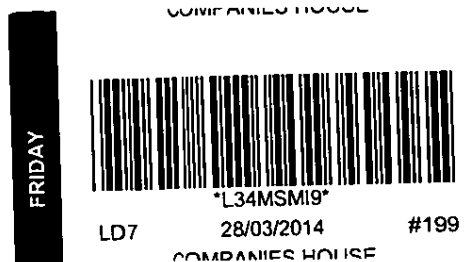


**TERRACE HILL DEVELOPMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 SEPTEMBER 2013**



# **TERRACE HILL DEVELOPMENTS LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30 SEPTEMBER 2013**

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# **TERRACE HILL DEVELOPMENTS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

<b>The board of directors</b>	J M Austen R E Lane P A J Leech A J W Pratt N M Wakefield
<b>Company secretary</b>	Terrace Hill (Secretaries) Limited
<b>Registered office</b>	1 Portland Place London W1B 1PN
<b>Auditor</b>	BDO LLP Statutory Auditor 55 Baker Street London W1U 7EU

# **TERRACE HILL DEVELOPMENTS LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 30 SEPTEMBER 2013**

The directors present their report and the financial statements of the company for the year ended 30 September 2013

#### **PRINCIPAL ACTIVITIES**

The principal activities of the company are property development and the provision of development management services

#### **DIRECTORS**

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

J M Austen  
R E Lane  
P A J Leech  
A J W Pratt  
N M Wakefield  
T G Walsh

J M Austen was appointed as a director on 3 June 2013

T G Walsh resigned as a director on 1 July 2013

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.

# **TERRACE HILL DEVELOPMENTS LIMITED**

## **DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 30 SEPTEMBER 2013**

### **AUDITOR**

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

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  
1 Portland Place  
London  
W1B 1PN

Signed by order of the directors



TERRACE HILL (SECRETARIES)  
LIMITED  
Company Secretary

Approved by the directors on 28 March 2014

**TERRACE HILL DEVELOPMENTS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRACE**  
**HILL DEVELOPMENTS LIMITED**  
**YEAR ENDED 30 SEPTEMBER 2013**

We have audited the financial statements of Terrace Hill Developments Limited for the year ended 30 September 2013 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 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](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 30 September 2013 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.

# **TERRACE HILL DEVELOPMENTS LIMITED**


## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRACE HILL DEVELOPMENTS LIMITED *(continued)***

**YEAR ENDED 30 SEPTEMBER 2013**

### **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 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

28 March 2014

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

# TERRACE HILL DEVELOPMENTS LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 SEPTEMBER 2013

	Note	2013 £	2012 £
<b>TURNOVER</b>	<b>2</b>	<b>653,635</b>	<b>269,947</b>
Cost of sales		<u>(37,208)</u>	<u>(7,790)</u>
<b>GROSS PROFIT</b>		<b>616,427</b>	<b>262,157</b>
Administrative expenses		<u>(450,023)</u>	<u>(300,038)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>166,404</b>	<b>(37,881)</b>
Tax on profit/(loss) on ordinary activities	<b>5</b>	<u>—</u>	<u>—</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<b><u>166,404</u></b>	<b><u>(37,881)</u></b>

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 10 form part of these financial statements.



# TERRACE HILL DEVELOPMENTS LIMITED

## BALANCE SHEET

30 SEPTEMBER 2013

	Note	2013 £	2012 £
<b>CURRENT ASSETS</b>			
Stocks	6	1,409	175,359
Debtors	7	53,118	94,337
Cash at bank		97	86
		<u>54,624</u>	<u>269,782</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	554,446	936,008
<b>NET CURRENT LIABILITIES</b>		<u>(499,822)</u>	<u>(666,226)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(499,822)</u>	<u>(666,226)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	10	750,000	750,000
Profit and loss account	11	(1,249,822)	(1,416,226)
<b>SHAREHOLDER'S DEFICIT</b>	12	<u>(499,822)</u>	<u>(666,226)</u>

These accounts were approved by the directors and authorised for issue on 28 March 2014, and are signed on their behalf by



J M AUSTEN  
Director

Company Registration Number 2693490

The notes on pages 8 to 10 form part of these financial statements.

# TERRACE HILL DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2013

### 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

These financial statements have been prepared in accordance with the going concern concept which the directors consider to be appropriate due to the continued financial support of fellow subsidiary undertakings

#### Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) 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 excluding Value Added Tax and arises solely within the United Kingdom

#### Work in progress

Development work in progress is valued at the lower of cost and net realisable value Interest and other attributable costs are included in the value of work in progress where appropriate

Provision is made for any foreseeable losses where appropriate No element of profit is included in work in progress

#### 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

### 2. TURNOVER

An analysis of turnover is given below

	2013	2012
	£	£
United Kingdom	<u>653,635</u>	<u>269,947</u>

### 3 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after crediting

	2013	2012
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

Auditor's remuneration is paid by the parent company

# TERRACE HILL DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2013

### 4. PARTICULARS OF EMPLOYEES

There were no employees other than the directors, during the year

### 5. TAXATION ON ORDINARY ACTIVITIES

#### 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 23.50% (2012 - 25%)

	2013 £	2012 £
Profit/(loss) on ordinary activities before taxation	<u>166,404</u>	<u>(37,881)</u>
Profit/(loss) on ordinary activities by rate of tax	39,105	(9,470)
Losses brought forward	(39,105)	-
Group Relief	-	9,470
Total current tax	<u>-</u>	<u>-</u>

### 6. STOCKS

	2013 £	2012 £
Work in progress	<u>1,409</u>	<u>175,359</u>

No interest was capitalised in work in progress

### 7. DEBTORS

	2013 £	2012 £
Trade debtors	-	29,773
Other debtors	31,742	38,651
Prepayments and accrued income	<u>21,376</u>	<u>25,913</u>
	<u>53,118</u>	<u>94,337</u>

### 8. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	3,490	90,031
Amounts owed to group undertakings	<u>550,956</u>	<u>845,977</u>
	<u>554,446</u>	<u>936,008</u>

### 9. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, 'Related Party Transactions', not to disclose any transactions with entities that are included in the consolidated financial statements of Terrace Hill Group Plc and are 100% owned

# TERRACE HILL DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 30 SEPTEMBER 2013**

### 10. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of 1 each of £1 each	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>

### 11 PROFIT AND LOSS ACCOUNT

	2013	2012
	£	£
Balance brought forward	(1,416,226)	(1,378,345)
Profit/(loss) for the financial year	<u>166,404</u>	<u>(37,881)</u>
Balance carried forward	<u>(1,249,822)</u>	<u>(1,416,226)</u>

### 12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit/(loss) for the financial year	166,404	(37,881)
Opening shareholders' deficit	<u>(666,226)</u>	<u>(628,345)</u>
Closing shareholders' deficit	<u>(499,822)</u>	<u>(666,226)</u>

### 13 ULTIMATE PARENT COMPANY

The immediate parent company is Terrace Hill Limited, a company registered in England and Wales  
The ultimate parent company is Terrace Hill Group Plc which is registered in Scotland

Copies of the consolidated financial statements of Terrace Hill Group Plc are available from the company's registered office