

COMPANY REGISTRATION NUMBER 2693490

TERRACE HILL DEVELOPMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2014

FRIDAY



A48GLSZV

A29

29/05/2015

#10

COMPANIES HOUSE

TERRACE HILL DEVELOPMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

| CONTENTS | PAGE |
|---|-------------|
| Officers and professional advisers | 1 |
| Directors' report | 2 |
| Independent auditor's report to the members | 4 |
| Profit and loss account | 6 |
| Balance sheet | 7 |
| Notes to the financial statements | 8 |

TERRACE HILL DEVELOPMENTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

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

Company secretary

Terrace Hill (Secretaries) Limited

Registered office

1 Portland Place
London
W1B 1PN

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

TERRACE HILL DEVELOPMENTS 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

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

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.

TERRACE HILL DEVELOPMENTS 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:
1 Portland Place
London
W1B 1PN

Signed by order of the directors



TERRACE HILL (SECRETARIES)
LIMITED
Company Secretary

Approved by the directors on 6 May 2015

TERRACE HILL DEVELOPMENTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRACE
HILL DEVELOPMENTS LIMITED
YEAR ENDED 30 SEPTEMBER 2014

We have audited the financial statements of Terrace Hill Developments 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 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

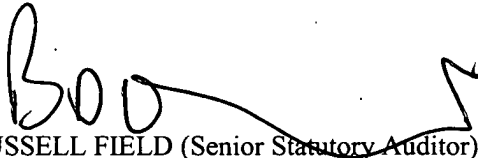
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRACE HILL DEVELOPMENTS LIMITED (continued)

YEAR ENDED 30 SEPTEMBER 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
55 Baker Street
London
W1U 7EU

6 May 2015

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 2014

| | Note | 2014 £ | 2013 £ |
|--|-------------|-------------------------|-------------------------|
| TURNOVER | 2 | 611,022 | 653,635 |
| Cost of sales | | — | (37,208) |
| GROSS PROFIT | | 611,022 | 616,427 |
| Administrative expenses | | (306,814) | (450,023) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 304,208 | 166,404 |
| Tax on profit on ordinary activities | 5 | 44,021 | — |
| PROFIT FOR THE FINANCIAL YEAR | | 348,229 | 166,404 |

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 11 form part of these financial statements.

TERRACE HILL DEVELOPMENTS LIMITED

BALANCE SHEET

30 SEPTEMBER 2014

| | Note | 2014 £ | 2013 £ |
|---|------|------------------|------------------|
| CURRENT ASSETS | | | |
| Stocks | 6 | 30,983 | 1,409 |
| Debtors | 7 | 222,521 | 53,118 |
| Cash at bank | | 2,324 | 97 |
| | | <u>255,828</u> | <u>54,624</u> |
| CREDITORS: Amounts falling due within one year | 9 | 407,421 | 554,446 |
| NET CURRENT LIABILITIES | | <u>(151,593)</u> | <u>(499,822)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>(151,593)</u> | <u>(499,822)</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 11 | 750,000 | 750,000 |
| Profit and loss account | 12 | (901,593) | (1,249,822) |
| SHAREHOLDERS' DEFICIT | 13 | <u>(151,593)</u> | <u>(499,822)</u> |

These accounts were approved by the directors and authorised for issue on 6 May 2015, and are signed on their behalf by:



J M AUSTEN
Director

Company Registration Number: 2693490

The notes on pages 8 to 11 form part of these financial statements.

TERRACE HILL DEVELOPMENTS 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.

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.

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.

TERRACE HILL DEVELOPMENTS 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.

2. TURNOVER

An analysis of turnover is given below:

| | 2014 £ | 2013 £ |
|----------------|----------------|----------------|
| United Kingdom | <u>611,022</u> | <u>653,635</u> |

3. OPERATING PROFIT

Operating profit is stated after crediting:

| | 2014 £ | 2013 £ |
|--|-----------|-----------|
| Directors' remuneration | <u>-</u> | <u>-</u> |
| Auditor's remuneration is paid by the ultimate parent company. | | |

4. PARTICULARS OF EMPLOYEES

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

5. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

| | 2014 £ | 2013 £ |
|--|-----------------|-----------|
| Deferred tax: | | |
| Origination and reversal of timing differences | <u>(44,021)</u> | <u>-</u> |

Factors affecting current tax charge

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

| | 2014 £ | 2013 £ |
|---|-----------------|-----------------|
| Profit on ordinary activities before taxation | <u>304,208</u> | <u>166,404</u> |
| Profit on ordinary activities by rate of tax | 83,426 | 39,105 |
| Losses brought forward | <u>(83,426)</u> | <u>(39,105)</u> |
| Total current tax | <u>-</u> | <u>-</u> |

TERRACE HILL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

6. STOCKS

| | 2014 | 2013 |
|------------------|---------------|--------------|
| | £ | £ |
| Work in progress | <u>30,983</u> | <u>1,409</u> |

No interest was capitalised in work in progress.

7. DEBTORS

| | 2014 | 2013 |
|------------------------------------|----------------|---------------|
| | £ | £ |
| Amounts owed by group undertakings | 178,499 | - |
| Other debtors | 1 | 31,742 |
| Prepayments and accrued income | - | 21,376 |
| Deferred taxation (note 8) | <u>44,021</u> | - |
| | <u>222,521</u> | <u>53,118</u> |

8. DEFERRED TAXATION

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

| | 2014 | 2013 |
|------------------------------|---------------|------|
| | £ | £ |
| Included in debtors (note 7) | <u>44,021</u> | - |

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

| | 2014 | 2013 |
|--|---------------|------|
| | £ | £ |
| Profit and loss account movement arising during the year | <u>44,021</u> | - |
| Balance carried forward | <u>44,021</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>44,021</u> | - |
| | <u>44,021</u> | - |

9. CREDITORS: Amounts falling due within one year

| | 2014 | 2013 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 4,646 | 3,490 |
| Amounts owed to group undertakings | 38,583 | 550,956 |
| Other taxation | 64,192 | - |
| Accruals and deferred income | <u>300,000</u> | - |
| | <u>407,421</u> | <u>554,446</u> |

TERRACE HILL DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2014

10. 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 Urban&Civic Plc and are 100% owned.

11. SHARE CAPITAL

Allotted, called up and fully paid:

| | 2014 | | 2013 | |
|----------------------------|----------------|----------------|----------------|----------------|
| | No | £ | No | £ |
| Ordinary shares of £1 each | <u>750,000</u> | <u>750,000</u> | <u>750,000</u> | <u>750,000</u> |

12. PROFIT AND LOSS ACCOUNT

| | 2014 | 2013 |
|-------------------------------|------------------|--------------------|
| | £ | £ |
| Balance brought forward | (1,249,822) | (1,416,226) |
| Profit for the financial year | <u>348,229</u> | <u>166,404</u> |
| Balance carried forward | <u>(901,593)</u> | <u>(1,249,822)</u> |

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2014 | 2013 |
|-------------------------------|------------------|------------------|
| | £ | £ |
| Profit for the financial year | 348,229 | 166,404 |
| Opening shareholders' deficit | <u>(499,822)</u> | <u>(666,226)</u> |
| Closing shareholders' deficit | <u>(151,593)</u> | <u>(499,822)</u> |

14. ULTIMATE PARENT COMPANY

The immediate parent company is Terrace Hill Limited, a company registered in England and Wales. 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.