

COMPANY REGISTRATION NUMBER: 09733162

4 Canal Street Limited
Financial Statements
For the period ended
30 September 2016

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4 Canal Street Limited

Financial Statements

Period from 14 August 2015 to 30 September 2016

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4 Canal Street Limited

Directors' Report

Period from 14 August 2015 to 30 September 2016

The directors present their report and the financial statements of the company for the period ended 30 September 2016.

Directors

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

Mr. T.P.R. Bloxham M.B.E.	(Appointed 14 August 2015)
Mr J.P. Curnuck	(Appointed 14 August 2015)
Mr M.T. Baker	(Appointed 14 August 2015)
Mr D.A. Pears	(Appointed 14 August 2015)

Principal activities and business review

The principal activity of the company is property investment.

Results and dividends

The profit for the year amounted to £40,605. The directors have not recommended a dividend.

Strategic report

No separate Strategic Report has been presented as the company is entitled to the small companies exemption.

Going concern

As described in the accounting policies, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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 period. 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.

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.

4 Canal Street Limited

Directors' Report *(continued)*

Period from 14 August 2015 to 30 September 2016

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.

Small company provisions

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



Mr. J.P. Curnuck
For and on behalf of 4 Canal Street Limited

Registered office:
Timber Wharf
16-22 Worsley Street
Castlefield
Manchester
M15 4LD

4 Canal Street Limited

Independent Auditor's Report to the Members of 4 Canal Street Limited

Period from 14 August 2015 to 30 September 2016

We have audited the financial statements of 4 Canal Street Limited for the period ended 30 September 2016 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

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. 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

4 Canal Street Limited

Independent Auditor's Report to the Members of 4 Canal Street Limited *(continued)*

Period from 14 August 2015 to 30 September 2016

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 financial statements in accordance with the small companies regime and take advantage of the small companies exemptions from the requirement to prepare a strategic report or in preparing the directors' report.

 11.5.17

Andrew Basger (Senior Statutory Auditor)

For and on behalf of
Edwards Veeder (UK) Limited
Chartered accountant & statutory auditor

4 Broadgate
Oldham Broadway Business Park
Chadderton
Oldham
OL9 9XA

4 Canal Street Limited

Statement of Comprehensive Income

Period from 14 August 2015 to 30 September 2016

		Period from 14 Aug 15 to 30 Sep 16
	Note	£
Turnover	3	194,912
Gross profit		<u>194,912</u>
Administrative expenses		(46,250)
Operating profit	4	148,662
Other interest receivable and similar income		67
Interest payable and similar charges	6	<u>(97,973)</u>
Profit on ordinary activities before taxation		50,756
Tax on profit on ordinary activities	7	<u>(10,151)</u>
Profit for the financial period and total comprehensive income		<u>40,605</u>

All the activities of the company are from continuing operations.

The accompanying notes are an integral part of this Statement of Comprehensive Income.

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

4 Canal Street Limited

Statement of Financial Position

30 September 2016

	Note	30 Sep 16 £
Fixed assets		
Tangible assets	8	2,300,000
Current assets		
Debtors	9	9,133
Cash at bank and in hand		<u>189,709</u>
		198,842
Creditors: amounts falling due within one year	10	<u>(1,316,995)</u>
Net current liabilities		<u>(1,118,153)</u>
Total assets less current liabilities		1,181,847
Creditors: amounts falling due after more than one year	11	<u>(1,141,240)</u>
Net assets		<u>40,607</u>
Capital and reserves		
Called up share capital	12	2
Profit and loss account	13	<u>40,605</u>
Members funds		<u>40,607</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 4/5/2017, and are signed on behalf of the board by:



Mr. J.P. Curnuck
For and on behalf of 4 Canal Street Limited

Company registration number: 09733162

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

4 Canal Street Limited

Statement of Changes in Equity

Period from 14 August 2015 to 30 September 2016

	Called up share capital £	Profit and loss account £	Total £
At 14 August 2015	—	—	—
Profit for the period	—	40,605	40,605
Total comprehensive income for the period	—	40,605	40,605
Issue of shares	2	—	2
Total investments by and distributions to owners	2	—	2
At 30 September 2016	<u>2</u>	<u>40,605</u>	<u>40,607</u>

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

4 Canal Street Limited

Notes to the Financial Statements

Period from 14 August 2015 to 30 September 2016

1. Statement of compliance

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

2. Accounting policies

Basis of accounting

The financial statements have been prepared on historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in sterling, which is the functional currency of the entity.

The company is limited by shares and is incorporated in England. The registered office is Timber Wharf, 16-22 Worsley Street, Castlefield, Manchester, M15 4LD.

Going concern

The company meets its day to day working capital requirements through existing cash resources. The directors expect to be able to operate within the level of its current resources, given forecast rental and other income, capital receipts, expected expenditure and resources available. Consequently, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102.

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

- Revaluation of investment properties

Revenue recognition

Turnover is generated in the UK and represents amounts receivable for properties and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

Interest received on the company's current account and cash held in solicitors' accounts is accounted for on a cash basis.

4 Canal Street Limited

Notes to the Financial Statements *(continued)*

Period from 14 August 2015 to 30 September 2016

2. Accounting policies *(continued)*

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 balance sheet date.

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 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 balance sheet 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 balance sheet 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.

Tangible assets

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the profit and loss account.

Investment property sales are recognised upon unconditional exchange.

4 Canal Street Limited

Notes to the Financial Statements *(continued)*

Period from 14 August 2015 to 30 September 2016

2. Accounting policies *(continued)*

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 performance. 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.

3. Turnover

Turnover arises from:

	Period from 14 Aug 15 to 30 Sep 16 £
Commercial rental income	<u>194,912</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

4. Operating profit

Operating profit or loss is stated after charging:

	Period from 14 Aug 15 to 30 Sep 16 £
Total impairment losses recognised in:	
Administrative expenses	<u>6,241</u>

No non-audit fees were payable to the auditor during the period.

There were no employees employed by the company during the period.

4 Canal Street Limited

Notes to the Financial Statements *(continued)*

Period from 14 August 2015 to 30 September 2016

5. Auditor's remuneration

	Period from 14 Aug 15 to 30 Sep 16 £
Fees payable for the audit of the financial statements	<u>3,800</u>

6. Interest payable and similar charges

	Period from 14 Aug 15 to 30 Sep 16 £
Interest on banks loans and overdrafts	20,191
Other interest payable and similar charges	<u>77,782</u>
	<u>97,973</u>

7. Tax on profit on ordinary activities

Major components of tax expense

	Period from 14 Aug 15 to 30 Sep 16 £
Current tax:	
UK current tax expense	10,151
Tax on profit on ordinary activities	<u>10,151</u>

8. Tangible assets

	Investment properties £
Cost	
Additions	2,306,241
At 30 September 2016	<u>2,306,241</u>
Depreciation	
Impairment losses	6,241
At 30 September 2016	<u>6,241</u>
Carrying amount	
At 30 September 2016	<u>2,300,000</u>

4 Canal Street Limited

Notes to the Financial Statements *(continued)*

Period from 14 August 2015 to 30 September 2016

8. Tangible assets *(continued)*

Tangible assets held at valuation

The company's investment property, which is freehold, was valued on an open market existing use basis at 31 March 2016 by Jones Lang LaSalle Limited, an external firm of property consultants. The investment property is not depreciated. The directors do not believe there was a material change in value during the last six months of the year.

If the investment property had not been revalued, it would have been included at a historical cost of £2,306,241.

9. Debtors

	30 Sep 16
	£
Amounts owed by related parties	1
Prepayments and accrued income	9,132
	<u>9,133</u>

10. Creditors: amounts falling due within one year

	30 Sep 16
	£
Bank loans and overdrafts	47,000
Deposits held	105,018
Trade creditors	14,897
Amounts owed to related parties	1,087,978
Accruals and deferred income	43,229
Corporation tax	10,151
Social security and other taxes	8,722
	<u>1,316,995</u>

Amounts owed to related parties represents a loan of £543,989 from Urban Splash Assets 2 Limited and a loan of £543,989 from Pears Property Ventures Limited. The loans bear interest at 4% plus base rate, there is no fixed repayment date and the loans are unsecured.

11. Creditors: amounts falling due after more than one year

	30 Sep 16
	£
Bank loans and overdrafts	<u>1,141,240</u>

During the period, the company took out a commercial bank loan which bears interest at 3.325%, is repayable in full on 29th March 2021 and is secured against the investment property owned by the company.

12. Called up share capital

Issued, called up and fully paid

	30 Sep 16	
	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

4 Canal Street Limited

Notes to the Financial Statements *(continued)*

Period from 14 August 2015 to 30 September 2016

13. Reserves

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

14. Related party transactions

Included within amounts owed to related parties is £543,989 due to Urban Splash Assets 2 Limited and £543,989 due to Pears Property Ventures Limited, who are the sole shareholders of the company. During the year interest of £90,373 was paid to shareholders under the terms of the loan facility agreement.

During the year, Urban Splash Management Limited charged £24,900 of administration fees to the company, at the year-end £13,770 remained outstanding within trade creditors. Urban Splash Management Limited is a fellow subsidiary undertaking of Urban Splash Assets 2 Limited.

15. Controlling party

4 Canal Street Limited is a joint venture company owned 50% each by Urban Splash Assets 2 Limited and Pears Property Ventures Limited. The directors consider that these companies jointly control 4 Canal Street Limited.