

COMPANY REGISTRATION NUMBER: 09733162

4 Canal Street Limited
Financial Statements
For the year ended
30 September 2017

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4 Canal Street Limited

Financial Statements

Year ended 30 September 2017

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4 Canal Street Limited

Directors' Report

Year ended 30 September 2017

The directors present their report and the financial statements of the company for the year ended 30 September 2017.

Directors

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

Mr. T.P.R. Bloxham M.B.E.
Mr J.P. Curnuck
Mr M.T. Baker
Mr D.A. Pears

Principal activities and business review

The principal activity of the company is property investment.

Results and dividends

The profit for the year amounted to £72,690 (2016: £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 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 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)*

Year ended 30 September 2017

Auditor

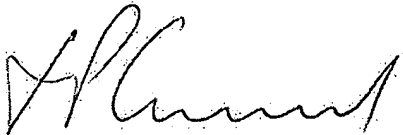
Each of the persons who is a director at the date of approval of this report confirms that:

- 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.

This report was approved by the board of directors on 23/03/18 and signed on behalf of the board by:



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

Year ended 30 September 2017

Opinion

We have audited the financial statements of 4 Canal Street Limited for the year ended 30 September 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

4 Canal Street Limited

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

Year ended 30 September 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the companies act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

4 Canal Street Limited

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

Year ended 30 September 2017

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



23.3.18

Andrew Basger BA Hons FCA (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

Year ended 30 September 2017

		Year to 30 Sep 17 £	Period from 14 Aug 15 to 30 Sep 16 £
Turnover	Note 4	197,622	194,912
Gross profit		<u>197,622</u>	<u>194,912</u>
Administrative expenses		<u>(17,403)</u>	<u>(46,250)</u>
Operating profit	5	180,219	148,662
Other interest receivable and similar income	7	199	67
Interest payable and similar expenses	8	<u>(88,905)</u>	<u>(97,973)</u>
Profit before taxation		91,513	50,756
Tax on profit	9	<u>(18,823)</u>	<u>(10,151)</u>
Profit for the financial year and total comprehensive income		<u>72,690</u>	<u>40,605</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

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

The notes on pages 9 to 14 form part of these financial statements.

4 Canal Street Limited

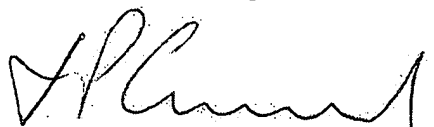
Statement of Financial Position

30 September 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	2,300,000	2,300,000
Current assets			
Debtors	11	1	9,133
Cash at bank and in hand		209,241	189,709
		<u>209,242</u>	<u>198,842</u>
Creditors: amounts falling due within one year	12	(1,297,071)	(1,316,995)
Net current liabilities		<u>(1,087,829)</u>	<u>(1,118,153)</u>
Total assets less current liabilities		1,212,171	1,181,847
Creditors: amounts falling due after more than one year	13	(1,098,874)	(1,141,240)
Net assets		<u>113,297</u>	<u>40,607</u>
Capital and reserves			
Called up share capital	14	2	2
Profit and loss account	15	113,295	40,605
Members funds		<u>113,297</u>	<u>40,607</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 23/03/18, and are signed on behalf of the board by:



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

Company registration number: 09733162

The notes on pages 9 to 14 form part of these financial statements.

4 Canal Street Limited

Statement of Changes in Equity

Year ended 30 September 2017

	Called up share capital £	Profit and loss account £	Total £
At 14 August 2015	—	—	—
Profit for the year	—	40,605	40,605
Total comprehensive income for the year	—	40,605	40,605
Issue of shares	2	—	2
Total investments by and distributions to owners	2	—	2
At 30 September 2016	2	40,605	40,607
Profit for the year	—	72,690	72,690
Total comprehensive income for the year	—	72,690	72,690
At 30 September 2017	2	113,295	113,297

The notes on pages 9 to 14 form part of these financial statements.

4 Canal Street Limited

Notes to the Financial Statements

Year ended 30 September 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Timber Wharf, 16-22 Worsley Street, Castlefield, Manchester, M15 4LD.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. 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.

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

4 Canal Street Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

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.

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)*

Year ended 30 September 2017

3. 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.

4. Turnover

Turnover arises from:

	Year to 30 Sep 17 £	Period from 14 Aug 15 to 30 Sep 16 £
Commercial rental income	197,622	194,912

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

5. Operating profit

Operating profit or loss is stated after (crediting)/charging:

	Year to 30 Sep 17 £	Period from 14 Aug 15 to 30 Sep 16 £
Impairment of tangible assets recognised in: Administrative expenses	(1,380)	6,241

4 Canal Street Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

5. Operating profit *(continued)*

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

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

6. Auditor's remuneration

	Year to 30 Sep 17 £	Period from 14 Aug 15 to 30 Sep 16 £
Fees payable for the audit of the financial statements	<u>2,700</u>	<u>3,800</u>

7. Other interest receivable and similar income

	Year to 30 Sep 17 £	Period from 14 Aug 15 to 30 Sep 16 £
Interest on cash and cash equivalents	<u>199</u>	<u>67</u>

8. Interest payable and similar expenses

	Year to 30 Sep 17 £	Period from 14 Aug 15 to 30 Sep 16 £
Interest on banks loans and overdrafts	38,953	20,191
Other interest payable and similar charges	<u>49,952</u>	<u>77,782</u>
	<u>88,905</u>	<u>97,973</u>

9. Tax on profit

Major components of tax expense

	Year to 30 Sep 17 £	Period from 14 Aug 15 to 30 Sep 16 £
Current tax:		
UK current tax expense	17,575	10,151
Adjustments in respect of prior periods	<u>1,248</u>	<u>—</u>
Total current tax	<u>18,823</u>	<u>10,151</u>
Tax on profit	<u>18,823</u>	<u>10,151</u>

4 Canal Street Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

10. Tangible assets

	Investment properties £
Cost	
At 1 October 2016	2,306,241
Additions	(1,380)
At 30 September 2017	2,304,861
Depreciation	
At 1 October 2016	6,241
Reversal of impairment losses	(1,380)
At 30 September 2017	4,861
Carrying amount	
At 30 September 2017	2,300,000
At 30 September 2016	2,300,000

Tangible assets held at valuation

The company's investment property, which is freehold, was valued on an open market existing use basis at 30 September 2017 by a director of the company. Such properties are not depreciated.

If the investment property had not been revalued, it would have been included at a historical cost of £2,304,861 (2016: £2,306,241).

11. Debtors

	2017 £	2016 £
Amounts owed by undertakings in which the company has a participating interest	1	1
Prepayments and accrued income	–	9,132
	<u>1</u>	<u>9,133</u>

12. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	44,683	47,000
Deposits held	105,019	105,018
Trade creditors	2,047	14,897
Amounts owed to related parties	1,087,978	1,087,978
Accruals and deferred income	32,927	43,229
Corporation tax	17,575	10,151
Social security and other taxes	6,842	8,722
	<u>1,297,071</u>	<u>1,316,995</u>

Amounts owed to related parties represents a loan of £543,989 (2016: same) from Urban Splash Assets 2 Limited and a loan of £543,989 (2016: same) 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.

4 Canal Street Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

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

	2017	2016
	£	£
Bank loans and overdrafts	<u>1,098,874</u>	<u>1,141,240</u>

During the prior 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.

14. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No	£	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

15. Reserves

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

16. Related party transactions

Included within amounts owed to related parties is £543,989 (2016: same) due to Urban Splash Assets 2 Limited and £543,989 (2016: same) due to Pears Property Ventures Limited, who are the sole shareholders of the company. During the year interest of £49,952 (2016: £77,782) was paid to shareholders under the terms of the loan facility agreement.

During the year, Urban Splash Management Limited charged £24,900 (2016: same) of administration fees to the company, at the year-end £nil (2016: £13,770) remained outstanding within trade creditors. Urban Splash Management Limited is a fellow subsidiary undertaking of Urban Splash Assets 2 Limited.

17. 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.