

**BAM Connislow Limited**

**Directors' report and consolidated  
financial statements**

**Registered number SC432532**

**31 December 2017**



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## Directors' report

The directors submit their report and financial statements for the year ended 31 December 2017.

### Activities and review of the business

The principal activity of this company is holding investments in companies that develop student accommodation.

There are no further developments planned by the group. The directors do not intend to acquire a replacement trade therefore the financial statements have not been prepared on a going concern basis. The effect of this is explained in note 1.

### Results and dividends

The loss for the year is shown in the profit and loss account set out on page 5. The directors do not recommend the payment of a dividend.

### Directors

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

Eric J K Parkinson  
Douglas Peters

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**E Miller**  
Secretary

183 St Vincent Street  
Glasgow  
G2 5QD

19 June 2018

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so. As explained in note 1, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAM CONNISLOW LIMITED**

### **Opinion**

We have audited the financial statements of BAM Connislow Limited ("the company") for the year ended 31 December 2017 which comprise the consolidated profit and loss account, consolidated balance sheet, company balance sheet, consolidated cash flow statement, consolidated statement of changes in equity and company statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Emphasis of matter – Non-going concern basis of preparation**

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements.

### **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAM CONNISLOW LIMITED *(continued)*

## **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

## **Directors' responsibilities**

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Gordon Herbertson (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
319 St Vincent Street  
Glasgow  
G2 5AS

Date 21/9/18

**Consolidated profit and loss account**  
*for the year ended 31 December 2017*

	<i>Note</i>	<b>2017</b> <b>£000</b>	2016 £000
<b>Turnover</b>		<b>10,583</b>	14,458
Cost of sales		<b>(10,583)</b>	(14,458)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>-</b>	-
Administrative expenses	2	<b>(6)</b>	(11)
		<hr/>	<hr/>
<b>Operating (loss)</b>		<b>(6)</b>	(11)
Interest payable and similar charges	5	<b>1</b>	-
		<hr/>	<hr/>
<b>(Loss) before taxation</b>		<b>(5)</b>	(11)
Taxation on (loss)	6	<b>1</b>	-
		<hr/>	<hr/>
<b>(Loss) for the financial year</b>		<b>(4)</b>	(11)
		<hr/> <hr/>	<hr/> <hr/>

The loss for the year has been derived from discontinued operating activities.

The Group had no Other Comprehensive Income during the year other than the loss set out above.

The notes on pages 11-15 form part of these financial statements.

**Consolidated balance sheet**  
**at 31 December 2017**

	<i>Note</i>	<b>2017</b> <b>£000</b>	2016 £000
<b>Current assets</b>			
Debtors	8	161	936
Cash at bank and in hand		<b>1033</b>	579
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	9	<b>1,194</b> <b>(1,240)</b>	1,515 (1,557)
		<hr/>	<hr/>
<b>Total assets less current liabilities and net liabilities</b>		<b>(46)</b>	(42)
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account		<b>(46)</b>	(42)
		<hr/>	<hr/>
<b>Shareholders' deficit</b>		<b>(46)</b>	(42)
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the board of directors on 19 June 2018 and were signed on its behalf by:



**E J K Parkinson**  
 Director



**D Peters**  
 Director

Company registered number: SC432532

The notes on pages 11-15 form part of these financial statements.



**Company balance sheet**  
 at 31 December 2017

	Note	2017 £000	2016 £000
<b>Fixed assets</b>			
Investment in subsidiaries	7	-	-
<b>Current assets</b>			
Debtors	8	1	-
Cash at bank and in hand		10	49
		<u>11</u>	<u>49</u>
<b>Creditors: amounts falling due within one year</b>	9	(57)	(90)
		<u>(46)</u>	<u>(41)</u>
<b>Net current liabilities</b>		(46)	(41)
		<u>(46)</u>	<u>(41)</u>
<b>Total assets less current liabilities and net liabilities</b>		<u>(46)</u>	<u>(41)</u>
<b>Capital and reserves</b>			
Called up share capital	10	-	-
Profit and loss account		(46)	(41)
		<u>(46)</u>	<u>(41)</u>
<b>Shareholders' deficit</b>		<u>(46)</u>	<u>(41)</u>

These financial statements were approved by the board of directors on 19<sup>th</sup> June 2018 and were signed on its behalf by:



**E J K Parkinson**  
 Director



**D Peters**  
 Director

Company registered number: SC432532

The notes on pages 11-15 form part of these financial statements.

**Consolidated cash flow statement**  
*for the year ended 31 December 2017*

	<b>2017</b>	2016
	<b>£000</b>	£000
Cash flows from operating activities		
(Loss)/profit for the year	(4)	(11)
Adjustments for:		
Interest (income)/payable and similar charges	(1)	-
Taxation	(1)	-
	<hr/>	<hr/>
	(6)	(11)
Decrease in debtors	777	76
(Decrease)/increase in trade and other creditors	(317)	26
	<hr/>	<hr/>
<b>Net cash from operating activities</b>	<b>454</b>	91
<b>Cash flows from financing activities</b>		
Interest paid	-	-
	<hr/>	<hr/>
<b>Net cash from financing activities</b>	-	-
Net increase in cash and cash equivalents	454	91
Cash and cash equivalents at start of period	579	488
	<hr/>	<hr/>
<b>Cash and cash equivalents at period end</b>	<b>1033</b>	579
	<hr/> <hr/>	<hr/> <hr/>

**Consolidated Statement of Changes in Equity**  
*for the year ended 31 December 2017*

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance as at 1 January 2016,	-	(31)	(31)
<b>Total comprehensive income for the period</b>			
Loss for the financial year	-	(11)	(11)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(42)	(42)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2016</b>	<b>-</b>	<b>(42)</b>	<b>(42)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance as at 1 January 2017	-	(42)	(42)
<b>Total comprehensive income for the period</b>			
Loss for the financial year	-	(4)	(4)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(4)	(4)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2017</b>	<b>-</b>	<b>(46)</b>	<b>(46)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Company Statement of Changes in Equity**  
*for the year ended 31 December 2017*

	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
Balance as at 1 January 2016	-	(29)	(29)
<b>Total comprehensive income for the period</b>			
Loss for the financial year	-	(12)	(12)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(12)	(12)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2016</b>	<b>-</b>	<b>(41)</b>	<b>(41)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>Called up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
Balance as at 1 January 2017	-	(41)	(41)
<b>Total comprehensive income for the period</b>			
Loss for the financial year	-	(5)	(5)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(5)	(5)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2017</b>	<b>-</b>	<b>(46)</b>	<b>(46)</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## **Notes** *(forming part of the financial statements)*

### **1 Accounting policies**

BAM Connislow Limited is a private company limited by shares and incorporated and domiciled in the UK.

These group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemption available under FRS 102 in respect of certain disclosures for the parent company financial statements has been applied:

- No separate parent company Cash Flow Statement with related notes is included.

#### ***Basis of preparation***

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

In terms of a joint venture agreement entered into by the company and its shareholders the group will undertake certain works on the basis of funding supplied by its shareholders.

Liabilities are recognised within the financial statements for obligations under the joint venture agreement and contributions have been received to fund these obligations.

At 31 December 2017 there were no outstanding receipts of contributions under the joint venture agreement.

#### ***Going Concern***

In previous years the financial statements have been prepared on a going concern basis. However, the final trading activity occurred in the year to 31 December 2017 and no further trading activities are planned for the company or the group. The directors do not intend to acquire a replacement trade therefore the directors have not prepared the accounts on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

#### ***Measurement convention***

The financial statements have been prepared under the historical cost accounting rules and comply with applicable accounting standards.

#### ***Basis of consolidation***

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 December 2017. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

#### ***Turnover***

Turnover represents the invoiced value of sales in the United Kingdom in respect of commercial property developments. Turnover is stated net of VAT.

**Notes** (continued)

**1 Accounting policies** (continued)

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits

**2 Expenses and auditor's remuneration**

	2017 £000	2016 £000
<i>Included in operating (loss) is the following:</i>		
Auditors' remuneration:		
- group and company	6	5

**3 Employee costs**

The company did not employ any personnel in this period (2016: nil).

**4 Directors' remuneration**

No remuneration was paid to any director during this period (2016: £nil).

**5 Interest payable and similar charges**

	2017 £000	2016 £000
Interest payable to joint venture parties	1	-

**Notes** (continued)

**6 Taxation**

**Total tax expense recognised in the profit and loss account and equity**

	2017 £000	2016 £000
<i>Current tax</i>		
Current period corporation tax charge for the period	(1)	-
Total current tax charge	(1)	-
<i>Deferred tax</i>		
Origination/reversal of timing differences	-	-
Total deferred tax charge	-	-
Total tax	(1)	-

The current tax charge for the year is equal to (2016: lower) the standard rate of corporation tax in the UK (19.25%) (2016: 20%).

**Reconciliation of effective tax rate**

	2017 £000	2016 £000
(Loss) on ordinary activities before tax	(4)	(11)
Tax (credit) using the UK corporation tax rate of 19.25% (2016: 20%)	(1)	(2)
Tax losses created, not utilised	1	2
Tax losses utilised	-	-
Timing differences	(1)	-
Tax (credit)	(1)	-

The standard rate of UK corporation tax changed from 20% to 19% with effect from 1 April 2017. An additional reduction to 17% will come into effect from 1 April 2020, which will reduce the company's future current tax charge accordingly.

**7 Fixed asset investment**

	Shares in group undertakings £
Cost at 1 January 2017 and 31 December 2017	6

**Notes** (continued)

**7 Fixed asset investment** (continued)

The undertakings in which the Group's and Company's interest at the year-end is more than 20% are as follows:

	Registered office address	Principal activity	Class and percentage of shares held
BAM Connislow (Ainsley Street) Limited	183 St Vincent Street, Glasgow, Scotland	Development of student accommodation	100% Ordinary
BAM Connislow (Stoddart Street) Limited	183 St Vincent Street, Glasgow, Scotland	Development of student accommodation	100% Ordinary

**8 Debtors**

	Group		Company	
	31 December 2017 £000	31 December 2016 £000	31 December 2017 £000	31 December 2016 £000
Other debtors	26	801	1	-
Prepayments and accrued income	135	135	-	-
	<u>161</u>	<u>936</u>	<u>1</u>	<u>-</u>

**9 Creditors: amounts falling due within one year**

	Group		Company	
	31 December 2017 £000	31 December 2016 £000	31 December 2017 £000	31 December 2016 £000
Accruals and deferred income	-	216	7	6
Due to shareholders	150	893	50	84
Other creditors	1,090	448	-	-
	<u>1,240</u>	<u>1,557</u>	<u>57</u>	<u>90</u>

**10 Called up share capital**

	Group and Company	
	2017 £	2016 £
<b>Authorised, allotted, called up and fully paid</b> 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>



**Notes** *(continued)*

**11 Related party transactions**

At the year end a balance of £84,000 (2016: £84,000) is owed to Connislow Limited and £66,000 (2016: £809,000) is owed to BAM Properties Limited.

**12 Ultimate controlling party**

The company is jointly owned and controlled by BAM Properties Limited and Connislow Limited. The registered address of BAM Properties Limited is Breakspear Park, Breakspear Way, Hemel Hempstead, HP2 4FL and the registered address of Connislow Limited is 24 Cuthberts Way, Darlington, DL1 1GB.