



Urban Splash Group Limited

and subsidiary undertakings

Extract from annual report and financial statements
for the year ended 31 March 2007

Registered number: 03141013

Chairman's report

for the year ended 31 March 2007

This year has been another solid year of growth for Urban Splash. We have seen turnover increase to a record level of £62.1 million (up 8%) but more importantly, we have seen a record total return (profit plus commercial property revaluation) of £18.8million (up 53%). This reflects not only the quality of both the commercial and residential buildings developed by the Group but also the quality and ambition of our staff and all those partners who work with Urban Splash on our many schemes across the UK.

During the year we completed on 308 apartments, collected £6.4 million in rental income, exchanged contracts on a further 902 apartments with a sales value of £118 million and net assets rose to £70.7 million. At the end of the year we had a future development programme with a gross final value in excess of £1 billion and exchanged contracts worth £138 million or approximately 2 years of future sales.

Post year end we have continued to be successful with sales and lettings, particularly at Fort Dunlop, which is now 96% let, two years ahead of schedule. We have also continued to build our future development pipeline and have been fortunate to win new schemes in Birmingham, Stoke, Shrewsbury and Liverpool and made several strategic land purchases across the UK.

However, we are conscious we are entering into uncertain times particularly in terms of the availability of credit. Though we believe that fundamental imbalance in demand and supply for residential housing and the continued demand for high quality office accommodation, alongside our commitment to quality architecture, our diverse geographical spread, low cost of accommodation on offer and the energy, vitality and quality of our people leave us well placed to take the business forward.

Thanks go to all my colleagues, our suppliers, customers, partners and other stakeholders that have helped deliver and sustain the continued growth and development of Urban Splash.



Tom Bloxham MBE
Group Chairman



Consolidated profit and loss account for the year ended 31 March 2007

	2007 £	2006 £
Turnover: Group and share of joint ventures'	62,138,481	57,332,236
Less: share of joint ventures' turnover	<u>(86,121)</u>	<u>(80,904)</u>
Group turnover	62,052,360	57,251,332
Cost of sales	<u>(44,039,431)</u>	<u>(39,435,000)</u>
Gross profit	18,012,929	17,816,332
Other operating expenses (net)	<u>(13,234,148)</u>	<u>(7,173,914)</u>
Operating profit	4,778,781	10,642,418
Profit on sale of tangible fixed assets	1,576,511	1,207,370
Share of joint ventures' operating profit	<u>38,920</u>	<u>24,150</u>
Profit on ordinary activities before finance charges	6,394,212	11,873,938
Finance charges (net)		
Group	(3,426,822)	(2,932,082)
Joint ventures	<u>(71,141)</u>	<u>(81,359)</u>
	<u>(3,497,963)</u>	<u>(3,013,441)</u>
Profit on ordinary activities before taxation	2,896,249	8,860,497
Tax on profit on ordinary activities	<u>(469,589)</u>	<u>(2,576,211)</u>
Profit on ordinary activities after taxation	2,426,660	6,284,286
Dividends paid	<u>(1,571,072)</u>	<u>-</u>
Retained profit for the year	<u>855,588</u>	<u>6,284,286</u>

All activities arose from continuing operations.

Consolidated balance sheet

31 March 2007

	2007 £	2006 £
Fixed assets		
Tangible assets	166,813,106	102,013,834
Investments in joint ventures:		
- share of gross assets	1,484,626	1,499,564
- share of gross liabilities	<u>(1,600,404)</u>	<u>(1,583,123)</u>
	<u>166,697,328</u>	<u>101,930,275</u>
Current assets		
Stock	70,534,919	73,403,546
Debtors		
- due within one year	17,644,257	18,945,934
- due after one year	899,145	866,090
Current asset investments	1,827,707	1,434,598
Cash at bank and in hand	<u>6,645</u>	<u>5,396,195</u>
	90,912,673	100,046,363
Creditors: Amounts falling due within one year	<u>(102,333,112)</u>	<u>(81,431,166)</u>
Net current (liabilities) assets	<u>(11,420,439)</u>	<u>18,615,197</u>
Total assets less current liabilities	155,276,889	120,545,472
Creditors: Amounts falling due after more than one year	(84,038,475)	(66,488,325)
Provisions for liabilities	<u>(506,803)</u>	<u>(547,562)</u>
Net assets	<u>70,731,611</u>	<u>53,509,585</u>
Capital and reserves		
Called-up equity share capital	2,000,000	2,000,000
Share premium account	4,609,464	4,609,464
Revaluation reserve	47,025,805	30,659,367
Other reserve	32,229	32,229
Profit and loss account	<u>17,064,113</u>	<u>16,208,525</u>
Equity shareholders' funds	<u>70,731,611</u>	<u>53,509,585</u>