

Broadthorpe Limited

Annual report and financial statements
for the year ended 31 May 2014

Registered number: 716577

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Broadthorpe Limited

Annual report and financial statements for the year ended 31 May 2014

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Broadthorpe Limited

Directors and advisors

Directors

E Davis MCIOB
T Higgins OBE FCIS Hon D.Tech
Mrs J Eddershaw
G Higgins
W Davis
Ms H Hellman
G Davis
Ms R Pratt
Ms P Higgins
Ms G Newcombe
Ms L Cooke
Mr D Eddershaw
Ms A Reeves

Company Secretary

G Pearson FCA

Registered office

Forest Field
Forest Road
Loughborough
Leicestershire
LE11 3NS

Bankers

Cater Allen
Barclays Bank PLC

Solicitors

Moss Solicitors

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Donington Court
Pegasus Business Park
Castle Donington
East Midlands
DE74 2UZ

Broadthorpe Limited

Strategic report for the year ended 31 May 2014

The directors present their strategic report for the year ended 31 May 2014.

Principal activities

The principal activity of the companies within the group is that of house building, contracting and trading in land. The company is a non trading holding company.

Business review

The housing market continues to show signs of an improving market and the sales of new homes increased in the year by 29% to 154 units (2013: 119 units). In addition, the average selling price of new homes increased by 13% to £224,000. As a result of this, overall turnover increased by 22% to £69m with turnover in the contracting business remaining steady at just under £30m. During the year the group started four major new Private Housing developments. The group also continues to invest in further land in order to continue and expand house building operations in the medium term.

Results and dividends

The group's profit for the financial year is £3,724,000 (2013: £5,711,000). The results for the year are set out on page 8.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks, managed by the board through monitoring of the market and utilisation of the group's long term land stocks.

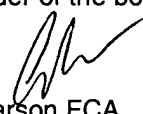
The key business risks affecting the group are considered to relate to competition from both national and independent house builders and contractors, the availability of land at an economic price and government regulations.

In the housing market the availability of funds to potential customers may affect turnover.

Key Performance Indicators ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using any KPIs additional to those in this report is not necessary for an understanding of the development, performance or position of the business.

By order of the board



G Pearson FCA
Company secretary
17th November 2014

Broadthorpe Limited

Directors' report for the year ended 31 May 2014

The directors present their annual report and the audited consolidated financial statements of the company for the year ended 31 May 2014.

Directors

The following were directors of the company during the year and up to the date of signing the financial statements:

E Davis

Ms R Pratt

T Higgins

Ms P Higgins

Mrs J Eddershaw

Ms G Newcombe

G Higgins

Ms L Cooke

W Davis

Mr D Eddershaw

Ms H Hellman

Ms A Reeves

G Davis

Dividends

A final dividend of £62.50 per ordinary share of £1 was paid within the financial year (2013: final and interim of £56.25 and £62.50 respectively). The aggregate dividends recorded during the financial year amounted to £898,694 (2013: £1,707,150).

Future developments

The year to 31st May 2015 has started well with the first quarter reporting sales of new homes at 28 units and average selling price continues to rise. Sales from the recently commenced new developments have been positive and this, together with a further four major developments scheduled to start in the current year, leaves the group well placed to achieve a similar level of sales of new homes as in 2014. Contracting volumes are also expected to remain similar to 2014 levels in the short term.

The group's land interests and growing pipeline of consented plots gives the directors' confidence of achieving longer term growth and profitability.

Financial risk management

The group's operations expose it to a variety of financial risks that include the effects of price risk, credit risk, liquidity risk and interest rate risk. The group has been maintaining cash balances for liquidity and has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group. Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

Price risk

The group is exposed to commodity price risk as a result of its operations. However, given the size of the group's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The group has indirect exposure to equity securities price risk through the equity investments held by the pension scheme which are managed as part of the longer term nature of the pension liabilities.

Broadthorpe Limited

Directors' report for the year ended 31 May 2014 (continued)

Financial risk management (continued)

Credit risk

The group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board.

Interest rate cash flow risk

The group has interest bearing assets. Interest bearing assets include only cash balances, all of which earn interest at fixed rate and which are placed with banks with a strong credit rating. The group has a policy of maintaining debt, when utilised, at fixed rate to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature.

Employee involvement

Regular meetings are held with employees' representatives to discuss group companies' financial positions, market conditions, employment requirements and the day to day operating situation.

Information on matters of concern to employees is given through information bulletins, reports and newsletters. The group is an equal opportunity employer and the aim of its policy is to ensure that no job applicant or employee receives less favourable treatment on the grounds of sex, marital status, physical disability, race, colour, nationality, or ethnic or national origins, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. Selection criteria and procedures will be frequently reviewed to ensure that individuals are selected, promoted and treated on the basis of their relevant merits and abilities. All employees will be given equal opportunity and, where appropriate, special training, to progress within the organisation. The group is committed to a programme of action to make this policy fully effective.

Employment of disabled persons

Applications for employment by disabled persons are always fully considered taking into account the aptitudes and abilities of the applicant concerned. Where employees become disabled, the group endeavours to continue to employ such people provided there are duties which they can perform bearing in mind the handicap or disability. It is the policy of the group that training, career development and promotion of disabled employees should, as far as possible, be identical to that of other employees.

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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 prepared the group and parent company 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

Broadthorpe Limited

Directors' report for the year ended 31 May 2014 (continued)

Directors' responsibilities statement (continued)

- 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under section 418 the following applies:

- (a) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (b) each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Qualifying third party indemnity provision

The company has provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Independent auditors

A resolution to confirm and reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By order of the board



G Pearson FCA
Company secretary
17th November 2014

Broadthorpe Limited

Independent auditors' report to the members of Broadthorpe Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the group's and of the company's affairs as at 31 May 2014 and of the group's profit and cash flows 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.

This opinion is to be read in the context of what we say in the remainder of this report.

✓ What we have audited

The group financial statements and company financial statements (the "financial statements"), which are prepared by Broadthorpe Limited, comprise:

- the consolidated and company balance sheets as at 31 May 2014;
- the consolidated profit and loss account for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 group's and 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 Annual Report and Financial Statements 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 other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Broadthorpe Limited

Independent auditors' report to the members of Broadthorpe Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

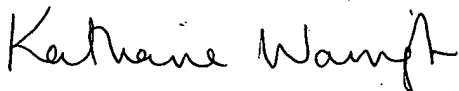
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4 and 5, 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Katharine Warrington (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

18 November 2014

Broadthorpe Limited

Consolidated profit and loss account for the year ended 31 May 2014

		2014	2013
	Note	£'000	£'000
Total turnover: group and share of joint ventures		67,176	65,557
Less: Share of joint ventures' turnover		-	(8,505)
Group turnover	2	67,176	57,052
Group operating profit	2	5,205	2,124
Share of joint ventures' operating (loss) /profit		(628)	4,687
Total operating profit: group and share of joint ventures		4,577	6,811
Interest receivable and similar income	4	285	572
Profit on ordinary activities before taxation		4,862	7,383
Tax on profit on ordinary activities	5	(1,138)	(1,672)
Profit for the financial year	16	3,724	5,711

All results are derived from continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

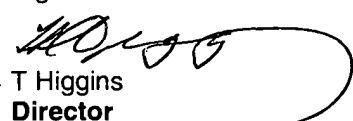
The group has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

Broadthorpe Limited

Consolidated and company balance sheets as at 31 May 2014

		Group		Company	
		2014	2013	2014	2013
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	7	-	-	-	-
Tangible assets	8	6,351	5,937	-	-
Investment in subsidiary undertaking	9	-	-	3,413	3,413
Interests in joint ventures:	9				
Share of gross assets		1,802	5,575	-	-
Share of gross liabilities		(1,533)	(840)	-	-
		6,620	10,672	3,413	3,413
Current assets					
Stocks	10	80,454	64,595	-	-
Debtors	11	6,131	10,034	-	1
Cash at bank and in hand		29,031	35,169	73	75
		115,616	109,798	73	76
Creditors: amounts falling due within one year	12	(17,466)	(18,145)	-	(3)
Net current assets		98,150	91,653	73	73
Total assets less current liabilities		104,770	102,325	3,486	3,486
Provisions for liabilities	13	(1,063)	(1,443)	-	-
Net assets		103,707	100,882	3,486	3,486
Capital and reserves					
Called up share capital	15	36	36	36	36
Share premium account	16	3,262	3,262	3,262	3,262
Other reserves	16	8,865	8,865	-	-
Profit and loss account	16	91,544	88,719	188	188
Total shareholders' funds	17	103,707	100,882	3,486	3,486

These financial statements on pages 8 to 30 were approved by the board on 17th November 2014.
Signed on behalf of the board of directors by:


T Higgins
Director

Broadthorpe Limited

Registered number: 716577

Broadthorpe Limited

Consolidated cash flow statement for the year ended 31 May 2014

		2014	2013
	Note	£'000	£'000
Cash (outflow)/inflow from operating activities	18	(2,809)	901
Dividend received from joint venture		4,000	-
Returns on investments and servicing of finance			
Interest received		285	572
Net cash inflow from returns on investments and servicing of finance		4,285	572
Taxation			
UK corporation tax paid		(708)	(1,219)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(1,376)	(921)
Receipts from sale of tangible fixed assets		238	113
Loans advanced (to) related parties		(160)	-
Loans (repaid to)/advanced by joint venture		(4,709)	5,884
Net cash (outflow)/inflow from capital expenditure and financial investment		(6,007)	5,076
Equity dividends paid	6	(899)	(1,707)
Net cash (outflow)/inflow before use of liquid resources and financing		(6,138)	3,623
Management of liquid resources			
Decrease in cash on deposit		5,000	19,000
Financing			
Share capital issued		-	22
(Decrease)/increase in cash	19	(1,138)	22,645

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014

1 Accounting policies

These financial statements are prepared under the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) and applicable accounting standards in the United Kingdom. They are prepared on the going concern basis and under the historical cost convention. The principal accounting policies, which have been applied consistently, are set out below.

Group financial statements and basis of consolidation

The group financial statements comprise a consolidation of the results and net assets of the company, its subsidiaries and joint ventures for the year ended 31 May 2014. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Intra-group trading and balances including any profit or loss are eliminated on consolidation. Acquisitions are accounted for under the acquisition method. Group reorganizations are accounted for under the merger accounting method.

Joint ventures are consolidated using the gross equity method.

Turnover

Turnover represents sales of property and services supplied to third parties and to affiliated companies. Turnover is recognised on completion for property or land sales and as services are delivered under long term contracts.

No profits are credited to the profit and loss account until the outcome of contracts can reasonably be foreseen at which time estimated profits proportional to the amount of work completed at the year end date are reflected in the financial statements.

Provision is made in full for anticipated future losses on uncompleted contracts and income is deferred where obligations remain in respect of site infrastructure costs.

Long term contract balances

Long term contracts are all contracts which have an expected performance period in excess of one year.

The balance at the year end represents the accumulated costs, including appropriate overheads, of uncompleted contracts, net of amounts transferred to the profit and loss account in respect of work carried out to date, less provision for losses which are currently estimated to arise over the duration of those contracts, and less progress payments received and receivable on account of those contracts. Claims by the company for additional income are not recognised in the financial statements until their outcome has been resolved.

Stock

Stocks excluding long term contract balances, have been valued at the lower of cost and net realisable value. Provisions are made by management to ensure stock values are accurately stated at their net realisable value on resale or for development.

Maintenance guarantees

Provision has been made for the estimated future cost of the company's liability for maintenance in respect of houses sold and any remedial work on contracts.

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

1 Accounting policies (continued)

Repairs to plant

Plant repairs are written off in the year in which the expenditure was incurred.

Options to purchase land

These are only recognised as assets where valuable realisation can be reasonably foreseen.

Intangible fixed assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its estimated useful economic life of 5 years. Provision is made for any impairment. No amortisation is provided in the year of acquisition.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical purchase cost, net of accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bring the asset to its working condition for its intended use. Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. Impairment reviews are performed by the directors when there has been an indication of potential impairment. The asset lives used are as follows:

Freehold buildings	10-50 years
Plant & machinery	3-5 years
Motor Vehicles	4 years

Freehold land is not depreciated.

Investments

Investments are held at cost less amounts charged for any impairment in value. For detail regarding the Joint Venture, refer to note 9.

Taxation

UK corporation tax is provided at amounts, expected to be paid (or recovered) using the tax rates and laws that have been enacted in respect of the financial year.

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. A net deferred tax asset is recognised 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 against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

1 Accounting policies (continued)

Pension costs

The group operates a defined benefit pension scheme and two money purchase pension schemes.

The defined benefit pension scheme fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. A resulting pension scheme deficit is fully recognised and a surplus recognised to the extent it is realisable by the group on the balance sheet net of deferred taxation and any resulting actuarial gains and losses are recognised immediately in the statement of recognised gains and losses.

Contributions to the money purchase pension schemes are charged to profit and loss account as they become payable in accordance with rules of the schemes.

Dividends

Dividends are recognised when declared and the company has an obligation to pay these out.

2 Operating profit

Analysis of operating profit:

	2014	2013
	£'000	£'000
Turnover	67,176	57,052
Less:		
Change in work in progress	(2,194)	(2,148)
Raw materials and consumables	(15,430)	(17,453)
Other external charges	(25,645)	(18,156)
Staff costs:		
Wages and salaries	(14,126)	(12,905)
Social security costs	(1,692)	(1,520)
Other pension costs (note 14)	(890)	(924)
Depreciation (note 8)	(904)	(726)
Other operating charges	(1,227)	(1,209)
	(62,108)	(55,041)
	5,068	2,011
Rent receivable (net of outgoings)	137	113
Operating profit	5,205	2,124

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

2 Operating profit (continued)

Operating profit is arrived at after charging/(crediting):

	2014	2013
	£'000	£'000
Auditors' remuneration		
- for the audit of the parent company and consolidated financial statements	2	2
- for the audit of the company's subsidiaries pursuant to legislation	45	45
- for taxation compliance services	10	32
- in respect of the group pension scheme audit	4	3
Hire of plant and machinery	537	1,118
Net profit on sale of tangible fixed assets	(180)	(90)

Turnover and results all arise in the United Kingdom from the principal activities of the group. The directors believe that it would be seriously prejudicial to the interests of the group to separately disclose a split of turnover.

3 Information regarding directors and employees

	2014	2013
	£'000	£'000
Directors' aggregate emoluments	1,149	376
Highest paid director's emoluments	712	210

	Number	Number
Number of directors who are members of defined benefit or contribution pension schemes	-	-

The amount of the accrued pension of the highest paid director at 31 May 2014 is £NIL (2013: £nil).

Monthly average number of persons employed:

Administration	82	80
Production	314	302
	396	382

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

4 Interest receivable and similar income

	2014	2013
	£'000	£'000
Bank interest	285	572

5 Tax charge on profit on ordinary activities

(a) Analysis of tax charge in the year

	2014	2013
	£'000	£'000
Current taxation		
UK corporation tax on profit for the year	1,139	529
Share of joint venture taxation	(162)	1,082
Adjustment in respect of prior year	(40)	(39)
Total current taxation (note 5b)	937	1,572
Deferred taxation		
Timing differences, origination and reversal	71	130
Change in rate from 23% to 20% (2013: 24% to 23%)	69	31
Adjustment in respect of prior years	61	(61)
Total deferred taxation (note 11)	201	100
Tax on profit on ordinary activities	1,138	1,672

Reductions in the corporation tax rate to 21% from April 2014 and to 20% from April 2015 were enacted in July 2013. The deferred tax asset is accordingly recognised at the enacted rate of 20% at 31 May 2014 (23% at 31 May 2013).

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

5 Tax on profit on ordinary activities (continued)

b) Factors affecting the tax charge for the year

The standard rate of tax for the year was based on the UK effective rate of corporation tax of 22.67% (2013: 23.83%). The tax assessed for the current year is lower (2013: lower) than the standard rate for the reasons set out in the following reconciliation:

	2014	2013
	£'000	£'000
Profit on ordinary activities before taxation	4,862	7,383
Tax on profit on ordinary activities at the standard rate of 22.67% (2013: 23.83%)	1,119	1,732
Effects of:		
Disallowable expenses	9	12
Capital allowances in excess of depreciation	(55)	(16)
Adjustment in respect of prior years	(40)	(39)
Other timing differences	(96)	(117)
Current year tax charge (note 5a)	937	1,572

6 Dividends

	2014	2013
	£'000	£'000
Final paid £62.50 per ordinary share (2013: £56.25 per ordinary share)	899	809
Interim paid £0.00 per ordinary share (2013: £62.50 per ordinary share)	-	898
	899	1,707

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

7 Intangible fixed assets

The group

	2014	2013
	£'000	£'000

Goodwill

At 1 June 2013 and at 31 May 2014

Goodwill comprises cost of £2,324,000 and accumulated amortisation of £2,324,000.

8 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 June 2013	4,704	5,836	2,814	13,354
Additions	-	844	532	1,376
Disposals	-	(622)	(693)	(1,315)
At 31 May 2014	4,704	6,058	2,653	13,415
Accumulated depreciation				
At 1 June 2013	539	5,059	1,819	7,417
Charge for the year	39	404	461	904
Disposals	-	(617)	(640)	(1,257)
At 31 May 2014	578	4,846	1,640	7,064
Net book value				
At 31 May 2014	4,126	1,212	1,013	6,351
At 31 May 2013	4,165	777	995	5,937

The cost of land included in freehold land and buildings is £1,034,000 (2013: £1,034,000). The company does not have any tangible fixed assets.

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

9 Fixed asset investments

	Group		Company	
	Interest in joint ventures		Shares in subsidiary companies	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
At 1 June	4,735	1,130	3,413	3,413
Share of joint venture (loss)/profit net of tax	(466)	3,605	-	-
Dividend paid by joint venture	(4,000)	-	-	-
At 31 May	269	4,735	3,413	3,413

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

The subsidiary companies and proportions of ordinary shares held are:

	Percentage of ordinary share capital held	Principal activity
Holdings of the parent company		
William Davis Limited	100	Building/contracting
Davis (Forest Field) Limited	100	Management company
Holdings of William Davis Limited		
Davis Westbridge Limited	100	Land development
The joint venture company and proportion of ordinary share held by William Davis Limited is:		
Ingleby (1245) Limited	50	Joint venture, land development

Joint ownership is based on equal board representation and equal share of profits or net assets on a winding up of the joint venture companies.

All subsidiary companies and joint ventures are incorporated in Great Britain and registered in England and Wales.

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

10 Stocks

The group

	2014	2013
	£'000	£'000
Raw materials and consumables	1,250	416
Land held for development	48,961	30,993
Work in progress:		
Net cost less foreseeable losses	30,108	32,301
Finished goods and goods for resale	135	885
	80,454	64,595

The company does not have any stocks.

11 Debtors

The group

	2014	2013
	£'000	£'000
Amounts falling due within one year		
Trade debtors	4,067	7,168
Amounts owed by related parties	218	58
Deferred taxation asset	390	591
Other debtors	1,306	1,735
Prepayments and accrued income	150	482
	6,131	10,034

The company

	2014	2013
	£'000	£'000
Corporation tax recoverable	-	1

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

11 Debtors: (continued)

Deferred taxation

The movements in deferred taxation as calculated on the liability method at 20% (2013: 23%) are set out below:

	2014	2013
	£'000	£'000
At 1 June	591	691
Profit and loss charge for the year (note 5a)	(201)	(100)
At 31 May	390	591

The amounts of deferred taxation recognised in the financial statements are as follows

	2014	2013
	£'000	£'000
Depreciation in excess of capital allowances	58	118
Other timing differences	332	473
	390	591

The deferred tax asset has been recognised as the group is expected to be profitable in the future.

Freehold land and buildings were fair valued on acquisition of Davis (Forest Field) Limited in a prior year. A taxation liability would arise on this if they were sold at their recorded fair value. The extent of the provision has not been computed and no provisions have been made as there is no contract in place to sell the asset.

There are no unprovided amounts in relation to deferred taxation.

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

12 Creditors: amounts falling due within one year

The group

	2014	2013
	£'000	£'000
Payments received on account	505	34
Trade creditors	10,128	5,871
Amount owed to joint venture company	740	5,449
Taxation and social security	768	724
Corporation tax	488	97
Accruals and deferred income	4,837	5,970
	17,466	18,145

The company

	2014	2013
	£'000	£'000
Accruals and deferred income	-	3

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

13 Provisions for liabilities

The group

	Maintenance guarantee
	£'000
At 1 June 2013	1,443
Utilised in the year	(712)
Charge for the year	332
At 31 May 2014	1,063

The provision for maintenance guarantees relates to the estimated cost of remedial work which will become due within the next two years on private housing and contracts.

The company does not have any provisions.

14 Pension schemes

Money purchase pension schemes

The group makes payments to two money purchase pension schemes, the assets of which are held separately in independently administered funds. The employer contributions in the year were £587,003 (2013: £627,371).

Pension and life assurance scheme

The group sponsors the Davis (Forest Field) Limited Pension and Life Assurance Scheme, which is a defined benefit arrangement. The last full actuarial valuation of this scheme was carried out by a qualified independent actuary as at 1 September 2011. This disclosure note is based on membership information current as at 31 May 2014.

A full actuarial valuation was carried out on 1 September 2011 which reported a funding level of 115%. The actuarial method used is a projected unit method. The principal actuarial assumptions are pre-retirement valuation rate of interest of 6.4% per annum, post retirement valuation rate of interest of 4.9% per annum, increases in pensionable salaries is no longer applicable due to scheme closure and an increase of 2.05% per annum for inflation.

The employer contributions to the scheme over the financial year ended 31 May 2014 have been £NIL (2013: £ NIL). The scheme closed in respect of future benefit accrual at 31 August 2010. In addition, amounts of £ NIL (2013: £ NIL) were also paid by the employer in the year in respect of the deficit.

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

14 Pension schemes (continued)

Financial Reporting Standard 17 – 'Retirement benefits'

The assets of the scheme have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions:

	2014	2013	2012
	%	%	%
Rate of increase in salaries	n/a	n/a	n/a
Inflation rate	3.5	3.4	3.7
Discount rate	4.1	4.1	4.1
Pension in payment increases	3.4	3.3	2.4

The mortality assumes individual medium cohort year of birth improvements such that life expectancy for a male/female currently aged 65 is 22.5/24.8 years and for a male/female at 65 currently aged 45 is 24.3/26.7 years respectively.

The assets in the scheme and the expected rate of return were:

	2014	2014	2013	2013	2012	2012
	%	£'000	%	£'000	%	£'000
Equities	7.8	18,723	7.7	18,237	7.3	14,507
Bonds	4.1	2,211	4.1	2,445	4.2	3,410
Gilts	3.1	1,547	2.6	1,617	2.1	1,096
Property	6.3	2,865	6.2	2,488	5.8	2,751
Other	0.5	1,701	0.5	1,503	0.5	1,602
Total market value of assets		27,047		26,290		23,366
Present value of liabilities		(21,626)		(22,079)		(21,830)
Surplus in the scheme		5,421		4,211		1,536
Irrecoverable surplus		(5,421)		(4,211)		(1,536)
Related deferred tax liability		-		-		-
Net pension asset		-		-		-

The surplus is not recognised as, following, cessation of benefit accrual, it is neither realisable by repayment nor by a reduction in future service contributions.

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

14 Pension schemes (continued)

The expected returns on scheme assets are derived from the weighted average of the expected return for each asset class. Expected yields on fixed interest investments are based on market yields at the balance sheet date. Those on equities and property allow for 3.5% above UK government securities and reflect long-term real rates of return experienced in the respective markets.

Analysis of the amount charged to operating profit

There is no current service cost. The pensions of active members are now subject to index linking and not to any further salary increases.

Analysis of the amount credited to other finance income

	2014 £'000	2013 £'000
Expected return on pension scheme assets	1,667	1,355
Interest on pension scheme liabilities	(879)	(863)
Restriction on expected return	(788)	(492)
Net return	-	-

Analysis of amount recognised in statement of total recognised gains and losses

	2014 £'000	2013 £'000
Actual return less expected return on pension scheme assets	400	3,142
Irrecoverable surplus on pension scheme assets	(422)	(2,183)
Changes in assumptions underlying the present value of the scheme liabilities	22	(959)
Actuarial result (no movement to recognise in statement of total recognised gains and losses)	-	-

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

14 Pension schemes (continued)

Movements in the fair value of assets over the financial year were:

	2014 £'000	2013 £'000
Fair value of scheme assets at beginning of year	26,290	23,366
Expected return on assets	1,667	1,355
Benefits paid	(1,310)	(1,573)
Actuarial gain on assets	400	3,142
Fair value of scheme assets at end of the financial year	27,047	26,290

The actual return on net assets in the year was a gain of £2,067,000 (2013 profit: £4,497,000).

Movements in the present value of scheme liabilities over the financial year were:

	2014 £'000	2013 £'000
Present value at beginning of the financial year	22,079	21,830
Interest cost	879	863
Benefits paid	(1,310)	(1,573)
Actuarial loss	(22)	959
Present value at end of the financial year	21,626	22,079

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

14 Pension schemes (continued)

History of experience gains and losses

	2014	2013	2012	2011	2010
Difference between the expected and actual return on scheme assets:					
Amount (£'000)	400	3,142	(2,499)	1,536	2,473
Percentage of scheme assets	1%	14%	(11)%	6%	11%
Experience gains and losses on scheme liabilities:					
Amount (£'000)	22	(959)	(1,860)	(538)	(1,325)
Percentage of the present value of the scheme liabilities	0%	(4%)	(9)%	(3)%	(6)%
Fair value of the scheme assets (£'000)	27,047	26,290	23,366	25,015	22,514
Present value of the scheme liabilities (£'000)	(21,626)	(22,079)	(21,830)	(19,930)	(20,772)
Irrecoverable surplus (£'000)	5,421	4,211	(1,536)	(5,085)	(1,679)
Surplus recognised	-	-	-	-	63

The cumulative gains and losses recognised in the statement of total recognised gains and losses is a loss of £4,831,000 (2013: £4,831,000).

15 Called up share capital

	2014	2013
	£	£
Allotted and fully paid		
14,376 (2013: 14,376) ordinary shares of £1 each	14,376	14,376
21,564 (2013: 21,564) A ordinary shares of £1 each	21,564	21,564

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

16 Reserves

	Merger reserve	Share premium account	Profit and loss account	Total
	£'000	£'000	£'000	£'000
Group				
Balance at 1 June 2013	8,865	3,262	88,719	100,846
Profit for the financial year	-	-	3,724	3,724
Dividends (note 6)	-	-	(899)	(899)
Balance at 31 May 2014	8,865	3,262	91,544	103,671
Company				
Balance at 1 June 2013	-	3,262	188	3,450
Profit for the financial year	-	-	899	899
Dividends (note 6)	-	-	(899)	(899)
Balance at 31 May 2014	-	3,262	188	3,450

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

17 Reconciliation of movement in group shareholders' funds

	2014	2013
	£'000	£'000
Profit for the financial year	3,724	5,711
Dividends	(899)	(1,707)
Share capital issued	-	22
Net increase in shareholders' funds	2,825	4,026
Opening shareholders' funds	100,882	96,856
Closing shareholders' funds	103,707	100,882

18 Reconciliation of operating profit to operating cash flows

	2014	2013
	£'000	£'000
Operating profit	5,205	2,124
Depreciation charges	904	726
Profit on disposal of tangible fixed assets	(180)	(90)
(Increase)/decrease in stock	(15,859)	938
Decrease/(increase) in debtors	3,862	(936)
Increase/(decrease) in creditors	3,259	(1,861)
Net cash (outflow)/inflow from operating activities	(2,809)	901

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

19 Reconciliation of net cash flow to movement in net funds

	2014	2013
	£'000	£'000
(Decrease)/increase in cash in the year	(1,138)	22,645
Decrease in cash deposits	(5,000)	(19,000)
Net funds at 1 June	35,169	31,524
Net funds at 31 May	29,031	35,169

20 Analysis of net funds

	As at 1 June 2013	Cash flow	As at 31 May 2014
	£'000	£'000	£'000
Cash at bank and in hand	27,169	(1,138)	26,031
Term deposits	8,000	(5,000)	3,000
	35,169	(6,138)	29,031

21 Capital commitments

At 31 May 2014 and 31 May 2013, there were no capital commitments.

22 Contingent liabilities and guarantees

A subsidiary company has entered into Performance Bonds in the normal course of its business. It has also entered into certain option agreements and conditional contracts to purchase land which, if exercised, will result in the acquisition of assets which the Directors consider will have a value at least equal to cost.

The company is party to a banking arrangement with a number of group and related companies. The maximum contingent liability under this guarantee was £Nil (2013: £nil).

Broadthorpe Limited

Notes to the financial statements for the year ended 31 May 2014 (continued)

23 Profit of parent company

As permitted by section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit after tax for the financial year amounted to £898,990 (2013: £1,708,000) before dividend payments of £898,694 (2013: £1,707,150).

24 Related party transactions

The group has taken advantage of the exemption under FRS 8 related Party Disclosures not to disclose related party transactions between companies which are wholly owned by the ultimate parent company and which are publically available.

During the year and prior year, the following transactions occurred between the group and companies related to it by virtue of common ownership and directors. All such transactions have been undertaken in the normal course of business and constitute arms length transactions:

	2014 Sold to	2014 Purchased from	2014 Debtor	2014 Creditor
	£'000	£'000	£'000	£'000
Ingleby (1245) Limited	10	-	12	740
William Davis & Co (Loughborough) Limited	24	60	1	-

	2013 Sold to	2013 Purchased from	2013 Debtor	2013 Creditor
	£'000	£'000	£'000	£'000
Ingleby (1245) Limited	10	-	12	5,449
William Davis & Co (Loughborough) Limited	37	43	-	52

25 Ultimate controlling party

The ultimate controlling party is the William Davis Settlement Trust.