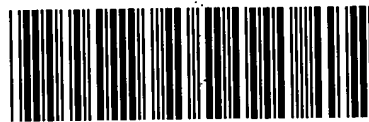


Broadthorpe Limited

Annual report and financial statements  
for the year ended 31 May 2015

Registered number: 716577

TUESDAY



\*A4MT09EQ\*

A21

22/12/2015

#485

COMPANIES HOUSE

# **Broadthorpe Limited**

## **Annual report and financial statements for the year ended 31 May 2015**

<b>Contents</b>	<b>Page</b>
Directors and advisors.....	1
Strategic report for the year ended 31 May 2015.....	2
Directors' report for the year ended 31 May 2015.....	3
Independent auditors' report to the members of Broadthorpe Limited.....	6
Consolidated profit and loss account for the year ended 31 May 2015.....	8
Consolidated and company balance sheets as at 31 May 2015.....	9
Consolidated cash flow statement for the year ended 31 May 2015.....	10
Notes to the financial statements for the year ended 31 May 2015.....	11

# **Broadthorpe Limited**

## **Directors and advisors**

### **Directors**

E Davis MCIOB  
T Higgins OBE FCIS Hon D.Tech  
G Higgins  
M Halley (appointed 1<sup>st</sup> July 2015)  
J Eddershaw  
L Cooke  
G Davis  
W Davis  
D Eddershaw  
H Hellman  
P Higgins  
G Newcombe  
R Pratt  
A Reeves

### **Company Secretary**

G Pearson FCA

### **Registered office**

Forest Field  
Forest Road  
Loughborough  
Leicestershire  
LE11 3NS

### **Bankers**

Barclays Bank PLC

### **Solicitors**

Moss Solicitors  
Bird, Wilford & Sale

### **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 2015**

The directors present their strategic report for the year ended 31 May 2015.

### **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**

Sales of new homes for the year ended 31<sup>st</sup> May 2015 were in line with expectations at 155 plots (2014: 154 plots). In addition, the average selling price of new homes increased by 3.6% to £251,639 in the year. Overall turnover increased by 6.9% to £71.8m.

During the year the Directors undertook a strategic review of its business which resulted in the decision to withdraw from contracting and the group's Joint Venture interests, to concentrate on growing its Private Housing business. As a result of this profit for the year was impacted by £1.2m redundancy and Joint Venture exit costs.

The group also continues to invest in further land in order to expand its house building operations in the medium term.

### **Results and dividends**

The group's profit for the financial year is £2,378,000 (2014: £3,724,000). 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.

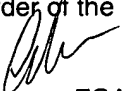
The key business risks affecting the group are considered to relate to competition from both national and independent house builders and contractors, the availability of land at an economic price and government regulations.

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  
13<sup>th</sup> November 2015

# Broadthorpe Limited

## Directors' report for the year ended 31 May 2015

The directors present their annual report and the audited consolidated financial statements of the company for the year ended 31 May 2015.

### 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	Mr M Halley (appointed 1 <sup>st</sup> July 2015)

### Dividends

A final dividend of £210 per ordinary share of £1 and 3pence per A ordinary share, plus an interim dividend of £85.35 per ordinary share of £1 and 1.2pence per A ordinary share were paid within the financial year (2014: final dividend of £62.50 per ordinary share of £1). The aggregate dividends recorded during the financial year amounted to £4,246,867 (2014: £898,694).

### Future developments

The year to 31<sup>st</sup> May 2016 has started in line with expectations with the first quarter reporting reservations of 50 plots, and sales of new homes of 52 plots. Average selling price has risen by 3% since 31<sup>st</sup> May 2015 to £258,814 at the end of the first quarter.

Sales for the forthcoming year to 31<sup>st</sup> May 2016 are budgeted at circa 180 units and the group has recently commenced four major new developments which will deliver further growth from sales in the year to 31<sup>st</sup> May 2017.

In addition, the group's land interests and growing pipeline of consented plots which stands at over 4,000 plots, gives the directors' confidence of achieving long term growth and profitability.

However, as a result of the decision to withdraw from contracting, turnover for the forthcoming year is expected to reduce significantly, with all existing contracting projects expected to be completed by December 2015. The Group expects turnover to then grow in subsequent years as a result of the increased Private Housing sales arising from the recently started developments.

### 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.

# **Broadthorpe Limited**

## **Directors' report for the year ended 31 May 2015 (continued)**

### **Financial risk management (continued)**

#### *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.

#### *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 year. In preparing these financial statements, the directors are required to:

# **Broadthorpe Limited**

## **Directors' report for the year ended 31 May 2015 (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; and
- 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.

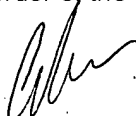
### **Qualifying third party indemnity provision**

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  
13<sup>th</sup> November 2015

# **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 2015 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 2015;
- the consolidated profit and loss account;
- 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.

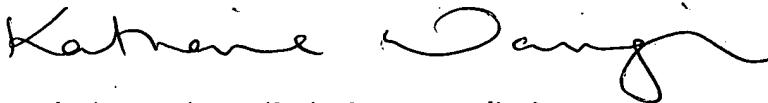
#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 3, 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

13<sup>th</sup> November 2015

## Broadthorpe Limited

### Consolidated profit and loss account for the year ended 31 May 2015

		2015	2014
	Note	£'000	£'000
<b>Total turnover: group and share of joint ventures</b>		<b>71,810</b>	67,176
Less: Share of joint ventures' turnover		-	-
<b>Group turnover</b>	2	<b>71,810</b>	67,176
<b>Group operating profit</b>	2	<b>3,437</b>	5,205
Share of joint ventures' operating loss		(42)	(628)
<b>Total operating profit: group and share of joint ventures</b>		<b>3,395</b>	4,577
Interest receivable and similar income	4	161	285
Loss on sale of Investment in joint venture	9	(243)	-
Write off of Joint Venture Loan on Sale of investment		(255)	-
<b>Profit on ordinary activities before taxation</b>		<b>3,058</b>	4,862
Tax on profit on ordinary activities	5	(680)	(1,138)
<b>Profit for the financial year</b>	16	<b>2,378</b>	3,724

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 2015

		Group		Company	
		2015	2014	2015	2014
Note		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Intangible assets	7	-	-	-	-
Tangible assets	8	6,546	6,351	-	-
Investment in subsidiary undertaking	9	-	-	3,413	3,413
Interests in joint ventures:	9				
Share of gross assets		-	1,802	-	-
Share of gross liabilities		-	(1,533)	-	-
		6,546	6,620	3,413	3,413
<b>Current assets</b>					
Stocks	10	81,098	80,454	-	-
Debtors	11	6,066	6,131	-	-
Cash at bank and in hand		22,722	29,031	2	73
		109,886	115,616	2	73
<b>Creditors: amounts falling due within one year</b>	12	(13,307)	(17,466)	(1)	-
<b>Net current assets</b>		96,579	98,150	1	73
<b>Total assets less current liabilities</b>		103,125	104,770	3,414	3,486
<b>Provisions for liabilities</b>	13	(1,287)	(1,063)	-	-
<b>Net assets</b>		101,838	103,707	3,414	3,486
<b>Capital and reserves</b>					
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	89,675	91,544	116	188
<b>Total shareholders' funds</b>	17	101,838	103,707	3,414	3,486

These financial statements on pages 8 to 29 were approved by the board on 13<sup>th</sup> November 2015.

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 2015

		2015	2014
	Note	£'000	£'000
<b>Cash inflow/(outflow) from operating activities</b>	18	<b>239</b>	<b>(2,809)</b>
<b>Dividend received from joint venture</b>		<b>-</b>	<b>4,000</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		161	285
Net cash inflow from returns on investments and servicing of finance		161	4,285
<b>Taxation</b>			
UK corporation tax paid		(679)	(708)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(1,374)	(1,376)
Receipts from sale of tangible fixed assets		363	238
Loans advanced from/(to) related parties		223	(160)
Loans repaid to joint venture		(995)	(4,709)
Net cash outflow from capital expenditure and financial investment		(1,783)	(6,007)
<b>Equity dividends paid</b>	6	<b>(4,247)</b>	<b>(899)</b>
Net cash outflow before use of liquid resources and financing		(6,309)	(6,138)
<b>Management of liquid resources</b>			
Decrease in cash on deposit		3,000	5,000
<b>Financing</b>			
Share capital issued		-	-
Decrease in cash	19	(3,309)	(1,138)

# **Broadthorpe Limited**

## **Notes to the financial statements for the year ended 31 May 2015**

### **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 2015. 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.

#### **Stocks**

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 2015 (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 2015 (continued)

### 1 Accounting policies (continued)

#### Pension costs

The group operates a defined benefit pension scheme and three 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:

	2015	2014
	£'000	£'000
<b>Turnover</b>	<b>71,810</b>	<b>67,176</b>
<b>Less:</b>		
Change in work in progress	3,436	(2,194)
Raw materials and consumables	(21,950)	(15,430)
Other external charges	(25,748)	(25,645)
Staff costs:		
Wages and salaries	(17,733)	(14,126)
Social security costs	(2,002)	(1,692)
Other pension costs (note 14)	(1,257)	(890)
Redundancy costs	(697)	-
Depreciation (note 8)	(1,105)	(904)
Other operating charges	(1,446)	(1,227)
	<b>(68,502)</b>	<b>(62,108)</b>
	<b>3,308</b>	<b>5,068</b>
Rent receivable (net of outgoings)	129	137
<b>Operating profit</b>	<b>3,437</b>	<b>5,205</b>

# Broadthorpe Limited

## Notes to the financial statements for the year ended 31 May 2015 (continued)

### 2 Operating profit (continued)

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

	2015	2014
	£'000	£'000
Auditors' remuneration		
- for the audit of the parent company and consolidated financial statements	1	2
- for the audit of the company's subsidiaries pursuant to legislation	46	45
- for taxation compliance services	12	10
- in respect of the group pension scheme audit	5	4
Hire of plant and machinery	831	537
Net profit on sale of tangible fixed assets	(289)	(180)

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

	2015	2014
	£'000	£'000
Directors' aggregate emoluments	1,680	1,149
Highest paid director's emoluments	1,098	712

	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 2015 is £nil (2014: £nil).

Monthly average number of persons employed:

Administration	80	82
Production & Sales	381	314
	461	396



# Broadthorpe Limited

## Notes to the financial statements for the year ended 31 May 2015 (continued)

### 4 Interest receivable and similar income

	2015	2014
	£'000	£'000
Bank interest	161	285

### 5 Tax on profit on ordinary activities

#### (a) Analysis of tax charge in the year

	2015	2014
	£'000	£'000
<b>Current taxation</b>		
UK corporation tax on profit for the year	582	1,139
Share of joint venture taxation	16	(162)
Adjustments in respect of prior years	(107)	(40)
Total current taxation (note 5b)	491	937
<b>Deferred taxation</b>		
Timing differences, origination and reversal	96	71
Change in rate (2014: 23% to 20%)	-	69
Adjustments in respect of prior years	93	61
Total deferred taxation (note 11)	189	201
<b>Tax on profit on ordinary activities</b>	<b>680</b>	<b>1,138</b>

The Finance Act 2013, which was substantively enacted on 2 July 2013, introduced legislation to reduce the main rate of corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015.

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. The deferred tax asset is recognised accordingly at the enacted rate of 20% at 31 May 2015 (20% at 31 May 2014).

# Broadthorpe Limited

## Notes to the financial statements for the year ended 31 May 2015 (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 20.83% (2014: 22.67%). The tax assessed for the current year is lower (2014: lower) than the standard rate for the reasons set out in the following reconciliation:

	2015	2014
	£'000	£'000
<b>Profit on ordinary activities before taxation</b>	<b>3,058</b>	<b>4,862</b>
Tax on profit on ordinary activities at the standard rate of 20.83% (2014: 22.67%)	639	1,119
<b>Effects of:</b>		
Loss on sale of Investment in Joint Venture	49	-
Disallowable expenses	9	9
Capital allowances in excess of depreciation	(43)	(55)
Adjustments in respect of prior years	(107)	(40)
Other timing differences	(56)	(96)
<b>Current year tax charge (note 5a)</b>	<b>491</b>	<b>937</b>

### 6 Dividends

	2015	2014
	£'000	£'000
Final paid £210 per ordinary share (2014: £62.50 per ordinary share)	3,019	899
Final paid 3 pence per A ordinary share (2014: n/a)	1	-
Interim paid £85.35 per ordinary share (2014: £0.00 per ordinary share)	1,227	-
	<b>4,247</b>	<b>899</b>

# Broadthorpe Limited

## Notes to the financial statements for the year ended 31 May 2015 (continued)

### 7 Intangible assets

#### The group

	2015	2014
	£'000	£'000
<b>Goodwill</b>		
<b>Net book value</b>		
At 1 June 2014 and at 31 May 2015	-	-

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

### 8 Tangible assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 June 2014	4,704	6,058	2,653	13,415
Additions	-	787	587	1,374
Disposals	-	(837)	(584)	(1,421)
<b>At 31 May 2015</b>	<b>4,704</b>	<b>6,008</b>	<b>2,656</b>	<b>13,368</b>
<b>Accumulated depreciation</b>				
At 1 June 2014	578	4,846	1,640	7,064
Charge for the year	30	595	480	1,105
Disposals	-	(836)	(511)	(1,347)
<b>At 31 May 2015</b>	<b>608</b>	<b>4,605</b>	<b>1,609</b>	<b>6,822</b>
<b>Net book value</b>				
<b>At 31 May 2015</b>	<b>4,096</b>	<b>1,403</b>	<b>1,047</b>	<b>6,546</b>
At 31 May 2014	4,126	1,212	1,013	6,351

The cost of land included in freehold land and buildings is £1,034,000 (2014: £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 2015 (continued)

### 9 Investments

	Group Interest in joint ventures		Company Shares in subsidiary companies	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
At 1 June	269	4,735	3,413	3,413
Share of joint venture (loss) net of tax	(26)	(466)	-	-
Dividend paid by joint venture	-	(4,000)	-	-
Loss on sale of Investment in Joint Venture	(243)	-	-	-
<b>At 31 May</b>	<b>-</b>	<b>269</b>	<b>3,413</b>	<b>3,413</b>

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
<b>Holdings of the parent company</b>		
William Davis Limited	100	Building/contracting
Davis (Forest Field) Limited	100	Management company
<b>Holdings of William Davis Limited</b>		
Davis Westbridge Limited	100	Land development

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

William Davis Limited previously held a 50% interest in a joint venture company, Ingleby (1245) Limited, a company incorporated in Great Britain and registered in England and Wales. This investment was disposed of on 23<sup>rd</sup> October 2014.

## Broadthorpe Limited

### Notes to the financial statements for the year ended 31 May 2015 (continued)

#### 10 Stocks

##### The group

	2015	2014
	£'000	£'000
Raw materials and consumables	1,130	1,250
Land held for development	46,289	48,961
Work in progress:		
Net cost less foreseeable losses	33,544	30,108
Finished goods and goods for resale	135	135
	81,098	80,454

##### The company

The company does not hold any stock at 31<sup>st</sup> May 2015 or at 31<sup>st</sup> May 2014.

#### 11 Debtors

##### The group

	2015	2014
	£'000	£'000
Amounts falling due within one year		
Trade debtors	4,352	4,067
Amounts owed by related parties	4	218
Deferred taxation asset	201	390
Other debtors	1,178	1,306
Prepayments and accrued income	331	150
	6,066	6,131

##### The company

The company did not have any debtors at 31<sup>st</sup> May 2015 or at 31<sup>st</sup> May 2014.

# Broadthorpe Limited

## Notes to the financial statements for the year ended 31 May 2015 (continued)

### 11 Debtors (continued)

#### Deferred taxation

The movements in deferred taxation as calculated on the liability method at 20% (2014: 20%) and are set out below:

	2015	2014
	£'000	£'000
At 1 June	390	591
Profit and loss charge for the year (note 5a)	(189)	(201)
At 31 May	201	390

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

	2015	2014
	£'000	£'000
Depreciation in excess of capital allowances	197	58
Other timing differences	4	332
	201	390

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 2015 (continued)

#### 12 Creditors: amounts falling due within one year

##### The group

	2015	2014
	£'000	£'000
Payments received on account	159	505
Trade creditors	5,627	10,128
Amount owed to related parties	9	-
Amount owed to joint venture company	-	740
Other taxation and social security	736	768
Corporation tax	316	488
Accruals and deferred income	6,460	4,837
	13,307	17,466

##### The company

	2015	2014
	£'000	£'000
Accruals and deferred income	1	-

## Broadthorpe Limited

### Notes to the financial statements for the year ended 31 May 2015 (continued)

#### 13 Provisions for liabilities

##### The group

	Maintenance guarantee
	£'000
At 1 June 2014	1,063
Utilised in the year	(174)
Charge for the year	398
<b>At 31 May 2015</b>	<b>1,287</b>

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 three money purchase pension schemes, the assets of which are held separately in independently administered funds. The employer contributions in the year were £742,285 (2014: £587,003).

##### 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 2014. This disclosure note is based on membership information current as at 31 May 2015.

A full actuarial valuation was carried out on 1 September 2014 which reported a funding level of 113%. The actuarial method used is a projected unit method. The principal actuarial assumptions are pre-retirement valuation rate of interest of 5.1% per annum, post retirement valuation rate of interest of 3.45% per annum, increases in pensionable salaries is no longer applicable due to scheme closure and an increase of 2.45% per annum for inflation.

The employer contributions to the scheme over the financial year ended 31 May 2015 have been £nil (2014: £nil). The scheme closed in respect of future benefit accrual at 31 August 2010.



# Broadthorpe Limited

## Notes to the financial statements for the year ended 31 May 2015 (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:

	2015	2014	2013
	%	%	%
Rate of increase in salaries	n/a	n/a	n/a
Inflation rate	3.3	3.5	3.4
Discount rate	3.3	4.1	4.1
Pension in payment increases	3.2	3.4	3.3

The mortality assumes individual medium cohort year of birth improvements such that life expectancy for a male/female currently aged 65 is 22.4/24.4 years and for a male/female at 65 currently aged 45 is 24.1/26.3 years respectively.

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

	2015	2015	2014	2014	2013	2013
	%	£'000	%	£'000	%	£'000
Equities	7.6	19,926	7.8	18,723	7.7	18,237
Bonds	3.3	1,781	4.1	2,211	4.1	2,445
Gilts	2.3	2,476	3.1	1,547	2.6	1,617
Property	6.1	3,026	6.3	2,865	6.2	2,488
Other	0.5	1,838	0.5	1,701	0.5	1,503
Total market value of liabilities		29,047		27,047		26,290
Present value of liabilities		(25,271)		(21,626)		(22,079)
Surplus in the scheme		3,776		5,421		4,211
Irrecoverable surplus		(3,776)		(5,421)		(4,211)
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 2015 (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 3.3% 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

	2015	2014
	£'000	£'000
Expected return on pension scheme assets	1,753	1,667
Interest on pension scheme liabilities	(865)	(879)
Restriction on expected return	(888)	(788)
Net return	-	-

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

	2015	2014
	£'000	£'000
Actual return less expected return on pension scheme assets	1,303	400
Changes in assumptions underlying the present value of the scheme liabilities	(3,836)	22
Limit on recognition of pension scheme assets	2,533	(422)
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 2015 (continued)

### 14 Pension schemes (continued)

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

	2015 £'000	2014 £'000
Fair value of scheme assets at beginning of year	27,047	26,290
Expected return on assets	1,753	1,667
Benefits paid	(1,056)	(1,310)
Actuarial gain on assets	1,303	400
<b>Fair value of scheme assets at end of the financial year</b>	<b>29,047</b>	<b>27,047</b>

The actual return on net assets in the year was a gain of £3,056,000 (2014 gain: £2,067,000).

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

	2015 £'000	2014 £'000
Present value at beginning of the financial year	21,626	22,079
Interest cost	865	879
Benefits paid	(1,056)	(1,310)
Actuarial loss/(gain)	3,836	(22)
<b>Present value at end of the financial year</b>	<b>25,271</b>	<b>21,626</b>

# Broadthorpe Limited

## Notes to the financial statements for the year ended 31 May 2015 (continued)

### 14 Pension schemes (continued)

#### History of experience gains and losses

	2015	2014	2013	2012	2011
Difference between the expected and actual return on scheme assets:					
Amount (£'000)	1,303	400	3,142	(2,499)	1,536
Percentage of scheme assets	4%	1%	12%	(11%)	6%
Experience gains and losses on scheme liabilities:					
Amount (£'000)	(3,836)	22	(959)	(1,860)	(538)
Percentage of the present value of the scheme liabilities	(15%)	0%	(4%)	(9%)	(3%)
Fair value of the scheme assets (£'000)	29,047	27,047	26,290	23,366	25,015
Present value of the scheme liabilities (£'000)	(25,271)	(21,626)	(22,079)	(21,830)	(19,930)
Irrecoverable surplus (£'000)	3,776	5,421	4,211	(1,536)	(5,085)
Surplus recognised	-	-	-	-	-

The cumulative gains and losses recognised in the statement of total recognised gains and losses is a loss of £4,831,000 (2014: £4,831,000).

### 15 Called up share capital

	2015	2014
	£	£
<b>Allotted and fully paid</b>		
14,376 (2014: 14,376) ordinary shares of £1 each	14,376	14,376
21,564 (2014: 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 2015 (continued)

### 16 Reserves

	Other reserves	Share premium account	Profit and loss account	Total
	£'000	£'000	£'000	£'000
<b>Group</b>				
Balance at 1 June 2014	8,865	3,262	91,544	103,671
Profit for the financial year	-	-	2,378	2,378
Dividends (note 6)	-	-	(4,247)	(4,247)
<b>Balance at 31 May 2015</b>	<b>8,865</b>	<b>3,262</b>	<b>89,675</b>	<b>101,802</b>
<b>Company</b>				
Balance at 1 June 2014	-	3,262	188	3,450
Profit for the financial year	-	-	4,175	4,175
Dividends (note 6)	-	-	(4,247)	(4,247)
<b>Balance at 31 May 2015</b>	<b>-</b>	<b>3,262</b>	<b>116</b>	<b>3,378</b>

### 17 Reconciliation of movements in group shareholders' funds

	2015	2014
	£'000	£'000
Profit for the financial year	2,378	3,724
Dividends	(4,247)	(899)
Share capital issued	-	-
Net (decrease)/ increase in shareholders' funds	(1,869)	2,825
Opening shareholders' funds	103,707	100,882
<b>Closing shareholders' funds</b>	<b>101,838</b>	<b>103,707</b>

# Broadthorpe Limited

## Notes to the financial statements for the year ended 31 May 2015 (continued)

### 18 Reconciliation of operating profit to operating cash flows

	2015	2014
	£'000	£'000
Operating profit	3,437	5,205
Depreciation charges	1,105	904
Profit on disposal of tangible fixed assets	(289)	(180)
Increase in stock	(644)	(15,859)
(Increase)/decrease in debtors	(338)	3,862
(Decrease)/increase in creditors	(3,032)	3,259
Net cash inflow/(outflow) from operating activities	239	(2,809)

### 19 Reconciliation of net cash flow to movement in net funds

	2015	2014
	£'000	£'000
Decrease in cash in the year	(3,309)	(1,138)
Decrease in cash deposits	(3,000)	(5,000)
Net funds at 1 June	29,031	35,169
<b>Net funds at 31 May</b>	<b>22,722</b>	<b>29,031</b>

### 20 Analysis of net funds

	As at 1 June 2014	Cash flow	As at 31 May 2015
	£'000	£'000	£'000
Cash at bank and in hand	26,031	(3,309)	22,722
Term deposits	3,000	(3,000)	-
	29,031	(6,309)	22,722

# Broadthorpe Limited

## Notes to the financial statements for the year ended 31 May 2015 (continued)

### 21 Capital commitments

At 31 May 2015 and 31 May 2014, 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 (2014: £nil).

### 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 £4,174,989 (2014: £898,990) before dividend payments of £4,246,867 (2014: £898,694).

### 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:

	2015 Sold to	2015 Purchased from	2015 Debtor	2015 Creditor
	£'000	£'000	£'000	£'000
William Davis & Co (Loughborough) Limited	18	70	-	9

	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	-

### 25 Ultimate controlling party

The ultimate controlling party is William Davis Settlement Trust.