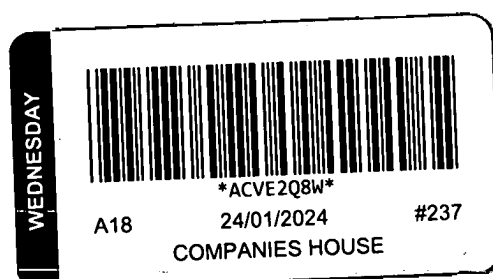


Registered number: 00784694

**A C LLOYD HOMES LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**



# **A C LLOYD HOMES LIMITED**

## **CONTENTS**

	<b>Page</b>
<b>Strategic report</b>	<b>1 - 2</b>
<b>Directors' report</b>	<b>3 - 4</b>
<b>Independent auditor's report</b>	<b>5 - 8</b>
<b>Profit and loss account</b>	<b>9</b>
<b>Balance sheet</b>	<b>10</b>
<b>Statement of changes in equity</b>	<b>11</b>
<b>Notes to the financial statements</b>	<b>12 - 22</b>

## **A C LLOYD HOMES LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023**

#### **Introduction**

The principal activity of the company is the development of land and construction of residential buildings.

#### **Business review**

The company has achieved another very sound result for the financial year. The trading profit for the year after taxation was £3,224,845 (2022: £8,032,341). This outcome for the year is again well above forecast.

During the early part of the financial year the Directors carried out a review of the house building division and concluded that it was going to be very difficult to continue to compete with National House Builders in the medium term. At that time there were a number of problems confronting the business including:

- Extremely high land values
- Ever increasing material costs
- Shortage of skilled labour
- Increasing labour costs
- Difficulties with the planning process resulting in long delays in obtaining permissions

With profit margins being squeezed, and a recession looming it was decided to proceed with caution and concentrate on just two housing development sites for which outline planning consent had been obtained. However, in December 2022 the reserved matters planning application (which had already been approved by Warwick District Council) for a site at Sydenham was blocked by a holding objection of the Secretary of State and a few months later the application was officially called in. In the circumstances the development of the site had to be postponed indefinitely whilst the planning situation was resolved. At the same time significant delays were encountered with the other site at Oakley Grove which suggested that this site would not be ready for development to commence for some time.

Given that there were no sites available for development because of the planning problems and also in light of all of the other challenges and risks associated with house building the decision was taken, reluctantly, to close the house building division. A phased redundancy programme was implemented, and the activities of the division wound down. As at the date of this report many long serving members of staff have left and others will follow over the course of the next few months.

The Board of Directors are extremely grateful to all members of staff for their enormous contribution to the success of the house building business over the years.

#### **Principal risks and uncertainties**

In common with many businesses operating in the residential market the company is exposed to the risks presented by the general economic climate and the impact of movement in interest rates. The company has a small rental portfolio and the risks in this rental business mostly relate to the ability of tenants to pay rent and/or willingness to renew leases.

Going forward the activities of the business will focus on obtaining planning permission on the remaining owned residential development land and selling the same to house developers. The risks associated with this activity are significantly lower than the risks of developing housing units for sale.

**A C LLOYD HOMES LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**Financial key performance indicators**

The business uses various performance measures to manage the business and drive the creation of value for shareholders. This includes financial performance measures, the setting of financial budgets and monitoring progress against these at company and divisional levels as well as non-financial performance objectives to manage the performance of the staff and management team.

As part of ongoing monitoring of the business the Board regularly review the general economic climate, the markets in which the business operates and impacts on the business model. The Board will flex the business model as circumstances require.

This report was approved by the board and signed on its behalf by:



**H P Skeat**  
Director

Date: 9/1/2024

## **A C LLOYD HOMES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The directors present their report and the financial statements for the year ended 30 September 2023.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £3,224,845 (2022: £8,032,341).

During the year the company paid an interim dividend of £7,982,341 (2022: 8,032,341) to A.C. Lloyd (Asset Management) Limited, its parent company. The directors do not recommend the payment of a final dividend.

#### **Directors**

The directors who served during the year were:

P C Beddoes  
R A Clark  
H P Skeat  
D P Wynne (retired 30 September 2023)  
D P Henley  
D M Meredith  
D Avern  
M R Edwards  
G M Langham

D M Meredith, R A Clark and H P Skeat retire by rotation and, being eligible, offer themselves for re-election.

#### **Strategic report**

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's Strategic Report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7 to be contained in the directors' report.

**A C LLOYD HOMES LIMITED**

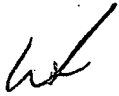
**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board and signed on its behalf.



**H P Skeat**  
Director

Date: 9/1/2024

## **A C LLOYD HOMES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A C LLOYD HOMES LIMITED**

#### **Opinion**

We have audited the financial statements of A C Lloyd Homes Limited (the 'company') for the year ended 30 September 2023, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2023 and of its profit 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.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **A C LLOYD HOMES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A C LLOYD HOMES LIMITED (CONTINUED)**

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



## **A C LLOYD HOMES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A C LLOYD HOMES LIMITED (CONTINUED)**

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to the following:

- obtaining an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework, including a review of legal and professional nominal codes;
- obtaining an understanding of the company's policies and procedures and how the company has complied with these, through discussions and walkthroughs;
- designing our audit procedures to respond to our risk assessment;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- obtaining an understanding and testing of the assumptions and calculations involved in the recognition of work in progress, including reviews of forecasts, detailed cost allocation testing and a review of the completeness of provisions for loss making developments;
- reviewing the recoverability of work in progress with reference to post year end sales; and
- reviewing the carrying value of work in progress at the year end and the company's policies in respect of revenue and profit recognition on property related sales.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquires of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

In response to the risk of irregularities in relation to non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims including a review of legal and professional nominal codes.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our audit approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

**A C LLOYD HOMES LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A C LLOYD HOMES LIMITED  
(CONTINUED)**

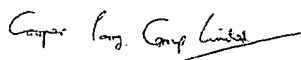
**Auditor's responsibilities for the audit of the financial statements (continued)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Faye Wyles (Senior Statutory Auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Statutory Auditor

Sky View  
Argosy Road  
East Midlands Airport  
Castle Donington  
Derby  
DE74 2SA

Date: 09 January 2024

**A C LLOYD HOMES LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 £	2022 £
<b>Turnover</b>	3	16,728,766	32,672,091
<b>Cost of sales</b>		(12,177,410)	(22,327,151)
<b>Gross profit</b>		<u>4,551,356</u>	<u>10,344,940</u>
Administrative expenses		(1,161,256)	(1,133,343)
Other operating income	4	82,510	162,655
<b>Operating profit</b>	5	<u>3,472,610</u>	<u>9,374,252</u>
Income from investment property	7	642,198	491,125
(Loss)/gain from changes in fair value of investment property	11	(375,000)	50,000
<b>Profit on ordinary activities before taxation</b>		<u>3,739,808</u>	<u>9,915,377</u>
Taxation on profit on ordinary activities	8	(514,963)	(1,883,036)
<b>Profit for the financial year</b>		<u><u>3,224,845</u></u>	<u><u>8,032,341</u></u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the profit and loss account.

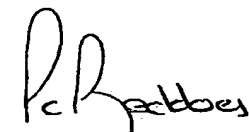
The notes on pages 12 to 22 form part of these financial statements.

**A C LLOYD HOMES LIMITED**  
**REGISTERED NUMBER: 00784694**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	10	1,740	13,153
Investment property	11	5,650,000	6,025,000
		<u>5,651,740</u>	<u>6,038,153</u>
<b>Current assets</b>			
Stocks	12	27,772,393	32,517,801
Debtors	13	1,014,703	3,195,497
Cash at bank and in hand		6,545,643	4,194,223
		<u>35,332,739</u>	<u>39,907,521</u>
<b>Creditors: amount falling due within one year</b>	15	<u>(6,654,245)</u>	<u>(8,761,341)</u>
<b>Net current assets</b>		<u>28,678,494</u>	<u>31,146,180</u>
<b>Total assets less current liabilities</b>		<u>34,330,234</u>	<u>37,184,333</u>
<b>Creditors: amounts falling due after more than one year</b>	16	(30,500,000)	(28,500,000)
<b>Provisions for liabilities</b>			
Deferred taxation	17	<u>(78,830)</u>	<u>(175,433)</u>
<b>Net assets</b>		<u><u>3,751,404</u></u>	<u><u>8,508,900</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	1,560	1,560
Other reserves	19	150,000	525,000
Profit and loss account	19	<u>3,599,844</u>	<u>7,982,340</u>
<b>Shareholder's funds</b>		<u><u>3,751,404</u></u>	<u><u>8,508,900</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**P C Beddoes**  
Director

Date: 9 January 2024

The notes on pages 12 to 22 form part of these financial statements.

**A C LLOYD HOMES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
<b>At 1 October 2022</b>	1,560	525,000	7,982,340	8,508,900
Profit for the financial year	-	-	3,224,845	3,224,845
Dividends paid	-	-	(7,982,341)	(7,982,341)
Transfer of revaluation on investment property	-	(375,000)	375,000	-
<b>At 30 September 2023</b>	<u>1,560</u>	<u>150,000</u>	<u>3,599,844</u>	<u>3,751,404</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£
<b>At 1 October 2021</b>	1,560	475,000	8,304,001	8,780,561
Profit for the financial year	-	-	8,032,341	8,032,341
Dividends paid	-	-	(8,304,002)	(8,304,002)
Transfer of revaluation on investment property	-	50,000	(50,000)	-
<b>At 30 September 2022</b>	<u>1,560</u>	<u>525,000</u>	<u>7,982,340</u>	<u>8,508,900</u>

The notes on pages 12 to 22 form part of these financial statements.

## **A C LLOYD HOMES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023**

#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

A C Lloyd Homes Limited (the 'company') is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is given on the company information page.

The financial statements are prepared in Sterling (£) which is the functional currency of the company. The financial statements are for the year ended 30 September 2023 (2022: year ended 30 September 2022).

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following principal accounting policies have been applied consistently throughout the year:

##### **1.2 Going concern**

At the balance sheet date, there was significant cash availability across the group and the company had a strong net asset position. Having prepared forecasts for a period of at least 12 months from the date of approving these financial statements the directors believe it appropriate that the financial statements be prepared on a going concern basis.

##### **1.3 Disclosure exemptions**

As permitted by FRS 102 Section 1.12, the company has taken advantage of the exemptions available under that standard in relation to the presentation of a cash flow statement and the aggregate remuneration of key management personnel. Where required equivalent disclosures are given in the consolidated financial statements of A.C. Lloyd (Asset Management) Limited.

The group accounts of A.C. Lloyd (Asset Management) Limited are available to the public and can be obtained as set out in note 21.

The company has taken advantage of the FRS 102 Section 33.1A exemption from disclosing transactions with wholly owned group companies.

##### **1.4 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, Value Added Tax and other sales taxes.

Turnover represents the total sales value of legally completed properties and land sales, excluding part exchange property resales and including social housing properties through long term contracts. Turnover and profit on private housing sales are recognised on the date of final inspection by the purchaser when the contract becomes unconditional. Turnover from social housing contracts is recognised based on surveys of work performed.

For further details of revenue recognised through long term contracts please refer to note 1.7.

## **A C LLOYD HOMES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023**

#### **1. Accounting policies (continued)**

##### **1.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on the following basis:

Plant and machinery	- 33% on reducing balance basis
---------------------	---------------------------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

At each balance sheet date, the directors review the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately in the profit and loss account.

##### **1.6 Investment property**

Investment property is carried at fair value determined annually by the directors and supported periodically by an external valuation. The valuation is derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit and loss account.

##### **1.7 Long-term contracts**

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year-end, by recording turnover and related costs as contract activity progresses.

The amounts by which recorded turnover on long-term contracts is in excess of payments on account is included in debtors as amounts recoverable on contracts. The amount of long-term contracts, at costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses and payments on account not matched with turnover, is included in land and work in progress.

Receipts in excess of recorded turnover are included in creditors as accruals.

## **A C LLOYD HOMES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023**

#### **1. Accounting policies (continued)**

##### **1.8 Land held for development and work in progress**

Land held for development and work in progress, is recorded at the lower of cost and net realisable value. Land is held for development until work commences and then it is transferred to work in progress.

When properties held in work in progress reach completion they are marketed for sale. Where certain properties not yet sold are leased to a third party on a short term basis, the rents receivable are credited to other operating income on a straight line basis over the lease term.

##### **1.9 Provisions for liabilities**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation where there is a probable settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

##### **1.10 Financial instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans with related parties.

All financial assets and liabilities are initially measured at transaction price, and are subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

##### **1.11 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

##### **1.12 Income from investment property**

The company earns rental income from its investment property which is accounted for on an accruals basis in accordance with the substance of the underlying agreement.



**A C LLOYD HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**1. Accounting policies (continued)**

**1.13 Current and deferred taxation**

The tax charge for the year comprises current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

## **A C LLOYD HOMES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023**

#### **2. Judgements in applying accounting policies and key sources of estimation uncertainty**

The company makes estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### **Carrying value of land held for development and work in progress**

Land held for development and work in progress is a combination of direct costs together with an element of indirect costs. The directors review the market value and demand to ensure that the balance is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value. The directors use their knowledge of market conditions, historical experiences and estimates of future movements in the house price index to assess future demand for the company's developments and hence achievable selling prices.

##### **Recognition of profit on long-term contracts**

Profit recognition is based on an assessment of the overall profitability forecast on individual contracts. Losses are recognised as soon as they are foreseen. Profits are recognised by the directors when the outcome of the contract can be assessed with reasonable certainty. The profit recognised reflects that part of the total profit currently estimated to arise over the duration of the contract that fairly represents the profit attributable to work performed at the accounting date.

##### **Investment properties**

Critical estimates, assumptions and judgements relate to the determination of the carrying value of investment properties at fair value through the profit and loss account. In determining this, the company applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

##### **Provisions**

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flow at a rate that reflects the time value of money and the risks specific to the liability.

Whether a present obligation is probable or not requires judgement. If the nature and type of risks for these provisions differ, then the director's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year-end, by recording turnover and related costs as contract activity progresses. Turnover and cost of sales are calculated as a percentage of direct costs used. Full provision is made for losses on all contracts in the year in which they are first foreseen.

# A C LLOYD HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 3. Turnover

The whole of the company's turnover is attributable to its principal activity.

Of total turnover for the year, £4,179,611 (2022: £6,814,185) was generated from long-term contracts.

All turnover arose within the United Kingdom.

### 4. Other operating income

	2023 £	2022 £
Discounts received	57,353	141,443
Other rental income	25,157	21,212
	<u>82,510</u>	<u>162,655</u>

### 5. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation of tangible assets	870	6,576
Auditor's remuneration	17,500	15,100
	<u>18,370</u>	<u>21,676</u>

### 6. Staff costs

The company has no employees aside from its directors who are paid through other group companies.

### 7. Income from investment property

	2023 £	2022 £
Rental income from investment property	642,198	491,125
	<u>642,198</u>	<u>491,125</u>

# A C LLOYD HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

### 8. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	611,566	1,871,748
Adjustments in respect of previous periods	-	432
	<u>611,566</u>	<u>1,872,180</u>
<b>Total current tax</b>	<u>611,566</u>	<u>1,872,180</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(96,603)	8,250
Changes to tax rates	-	2,606
<b>Total deferred tax</b>	<u>(96,603)</u>	<u>10,856</u>
<b>Taxation on profit on ordinary activities</b>	<u>514,963</u>	<u>1,883,036</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK of 22.01% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>3,739,808</u>	<u>9,915,377</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22.01% (2021: 19%)	823,065	1,883,922
<b>Effects of:</b>		
Expenses not deductible for tax purposes	82,531	11
Income not taxable for tax purposes	-	(9,500)
Chargeable gains	(82,531)	9,500
Group relief claimed	(296,542)	-
Adjustments to tax charge in respect of prior periods	-	432
Additional deduction for land remediation expenditure	-	(3,935)
Adjustments to deferred tax rates	(11,560)	2,606
<b>Total tax charge for the year</b>	<u>514,963</u>	<u>1,883,036</u>

**A C LLOYD HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**9. Dividends**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Interim dividends paid	7,982,341	8,304,002

**10. Tangible fixed assets**

	<b>Plant and machinery £</b>
<b>Cost</b>	
At 1 October 2022	131,174
Disposals	(74,105)
At 30 September 2023	57,069
<b>Depreciation</b>	
At 1 October 2022	118,021
Charge for the year	870
Disposals	(63,562)
At 30 September 2023	55,329
<b>Net book value</b>	
At 30 September 2023	1,740
At 30 September 2022	13,153

**11. Investment property**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 October 2022	6,025,000
Loss on revaluation	(375,000)
At 30 September 2023	5,650,000

The 2023 valuations were made by the directors to reflect the fair value of the property at the year end. On a historical cost basis these properties would have been included at £5,500,000 (2022: £5,500,000).

**A C LLOYD HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**12. Stocks**

	2023 £	2022 £
Work in progress	5,984,580	7,713,627
Land held for development	21,787,813	24,804,174
	<u>27,772,393</u>	<u>32,517,801</u>

**13. Debtors**

	2023 £	2022 £
<b>Due after more than one year</b>		
Trade debtors	-	600,517
<b>Due within one year</b>		
Trade debtors	885,113	193,659
Amounts owed by group undertakings	91,808	-
Other debtors	32,617	358,423
Amounts recoverable on long term contracts	5,165	2,042,898
	<u>1,014,703</u>	<u>3,195,497</u>

**14. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	<u>6,545,643</u>	<u>4,194,223</u>

Included in cash and cash equivalents is £3,000,000 (2022: £3,000,000) of cash on deposit over which there is a fixed charge in place with the bank.

**15. Creditors: amounts falling due within one year**

	2023 £	2022 £
Trade creditors	1,279,274	1,995,805
Amounts owed to group undertakings	1,866,114	-
Corporation tax	495,528	1,309,710
Other taxation and social security	6,021	44,885
Other creditors	39,849	29,544
Accruals and deferred income	2,967,459	5,381,397
	<u>6,654,245</u>	<u>8,761,341</u>

**A C LLOYD HOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**16. Creditors: amounts falling due after more than one year**

	<b>2023</b> £	<b>2022</b> £
Amounts owed to group undertakings	30,500,000	28,500,000

Amounts owed to group undertakings due after more than one year are due for repayment on 1 October 2023. The loan does not bear any interest.

**17. Deferred taxation**

	<b>2023</b> £	<b>2022</b> £
At the beginning of the year	175,433	164,577
Charged/(credited) to the profit and loss account	(96,603)	10,856
<b>At the end of the year</b>	<b>78,830</b>	<b>175,433</b>

The provision for deferred taxation is made up as follows:

	<b>2023</b> £	<b>2022</b> £
Fixed asset timing differences	435	3,288
Short term timing differences	(375)	(375)
Capital gains	78,770	172,520
	<b>78,830</b>	<b>175,433</b>

**18. Share capital**

	<b>2023</b> £	<b>2022</b> £
<b>Allotted, called up and fully paid</b>		
15,601 Ordinary shares of £0.10 each	1,560	1,560

## A C LLOYD HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

#### 19. Reserves

##### Other reserves

Other reserves relates to all current and prior period revaluation movements on investment properties.

##### Profit and loss account

This reserve represents all current and prior period retained profits and losses after the payment of dividends.

#### 20. Operating leases: lessor

At 30 September 2023 the company had future minimum lease receivable under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	433,010	474,827
Later than 1 year and not later than 5 years	128,489	501,350
	<u>561,499</u>	<u>976,177</u>

#### 21. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking is A.C. Lloyd (Asset Management) Limited, a company incorporated in England and Wales. The registered office is the same as that of the company as shown on the company information page.

A.C. Lloyd (Asset Management) Limited is the smallest and largest group for which consolidated financial statements are prepared. The consolidated financial statements are available from Companies House, Cardiff, CF14 3UZ.

The directors consider there to be no overall controlling party.