

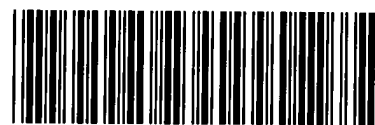
BRENARD PROPERTIES LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

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COMPANIES HOUSE

BRENARD PROPERTIES LIMITED
REGISTERED NUMBER: 01036029

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investment property	5	1,700,000	1,700,000
		<u>1,700,000</u>	<u>1,700,000</u>
Current assets			
Inventories	6	1,088,192	1,107,167
Debtors: amounts falling due within one year	7	766,712	1,377,891
		<u>1,854,904</u>	<u>2,485,058</u>
Creditors: amounts falling due within one year	8	(534,535)	(813,790)
Net current assets		<u>1,320,369</u>	<u>1,671,268</u>
Total assets less current liabilities		<u>3,020,369</u>	<u>3,371,268</u>
Provisions for liabilities			
Deferred tax	9	(13,263)	(11,867)
		<u>(13,263)</u>	<u>(11,867)</u>
Net assets		<u><u>3,007,106</u></u>	<u><u>3,359,401</u></u>
Capital and reserves			
Called up share capital	10	25,000	25,000
Revaluation reserve		361,140	361,140
Profit and loss account		2,620,966	2,973,261
		<u><u>3,007,106</u></u>	<u><u>3,359,401</u></u>

BRENARD PROPERTIES LIMITED
REGISTERED NUMBER: 01036029

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
28 September 2020.

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K Huda
Director

The notes on pages 3 to 11 form part of these financial statements.

BRENARD PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Brenard Properties Limited is a private company limited by shares incorporated in England and Wales. The registered office is Sorbon, Ayesbury End, Beaconsfield, Buckinghamshire, HP9 1LW.

The principal activity of the company during the year was that of property development.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Sorbon Homes Limited as at 31 December 2019 and these financial statements may be obtained from Companies House.

2.3 Turnover

Turnover represents amounts, net of value added tax, of rental income and income from the sale of properties to third parties.

Rental income is recognised in the profit and loss account on a straight line basis over the lease term and shown within turnover. Where rents are billed in advance of the year to which they relate these are recorded in creditors as deferred income.

Turnover from the sale of properties is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on date of legal completion), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Profit is taken on the sale of properties upon final completion of the sales contract. At this time the costs charged against the sale comprise the attributable proportion of expenditure on land acquisition, construction and other development costs.

BRENARD PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax payable is based upon taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.5 Investment property

Investment property is revalued annually by the directors in accordance with FRS 102 paragraph 16. No depreciation is provided on freehold investment properties. This is a departure from the Companies Act 2006, concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. If this departure from the Act had not been made the profit for the financial year would have been reduced by depreciation.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing work in progress to its present location and condition. Freehold reversions are valued on the lower of cost and estimated selling price less costs to complete and sell, based on the level of ground rents and other economic factors. Recognition of the asset takes place upon the completion of all sales relating to a particular freehold.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

2.7 Provisions for liabilities

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a financing cost in profit or loss in the year it arises.

Provision is made for remedial work on the final completion of the sales contract. The provision is utilised as remedial work is conducted on residential and commercial units. Unused provisions are written off over 4 years on a straight line basis.

2.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments.

Financial instruments are recognised in the company's Balance Sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.8 Financial instruments (continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Classification of financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities, which include trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially measured at transaction price unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from the estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the actual revision affects only that period, or in the period of the revision and future periods where the revision affects both the current and future periods.

Critical accounting estimates and assumptions

Fair value of property – the revaluation model has been adopted. This requires the fair value of each property to be established, and the gain or loss each year to be taken through the income statement if designated as investment property, or through other comprehensive income if designated as property plant and equipment. The fair value has been established by management through use of property experts, where necessary.

Impairment of inventories – the company makes an estimate of the recoverable value of inventories. When assessing impairment of inventories, management considers factors including the cost of completing the project and anticipated sales revenues. See note 6 for the net carrying amount of inventories.

Impairment of debtors – the company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of debtors and historical experience. See note 7 for the net carrying amount of debtors.

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

BRENARD PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Investment property

	Freehold investment property £
Valuation	
At 1 January 2019	1,700,000
At 31 December 2019	1,700,000

The valuations of investment properties were made as at 31 December 2019 by the directors of the company on an existing use, open market basis. On an historical cost basis, freehold investment properties would have been included at £1,338,860 (2018: £1,338,860).

6. Inventories

	2019 £	2018 £
Stock of land	974,938	974,938
Freehold reversionary interests	113,254	132,229
	1,088,192	1,107,167

7. Debtors

	2019 £	2018 £
Trade debtors	11,122	41,689
Other debtors	755,590	1,336,202
	766,712	1,377,891

BRENARD PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Amounts owed to group undertakings	182,965	475,409
Corporation tax	119,418	125,758
Other taxation and social security	12,048	12,743
Other creditors	107,069	95,588
Accruals and deferred income	113,035	104,292
	534,535	813,790

9. Deferred taxation

	2019
	£
At beginning of year	11,867
Charged to profit or loss	1,396
At end of year	13,263

The provision for deferred taxation is made up as follows:

	2019	2018
	£	£
On revalued properties	13,263	11,867

Deferred tax relates to the tax liability arising should the investment properties be sold at their revalued amount.

BRENARD PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
25,000 (2018 - 25,000) Ordinary shares of £1 each	25,000	25,000

There is a single class of ordinary shares. There are no restrictions on the distributions of dividends and the repayment of capital.

11. Contingent liabilities

The company is subject to the normal post-sales contingencies attaching to a property developer.

The company is part of a group registration for Value Added Tax and is jointly liable for all VAT liabilities of the VAT group. There is usually an overall debtor balance for VAT at the end of each month.

Barclay Bank PLC has a fixed charge containing a negative pledge over certain properties held by the company. The company is party to cross guarantees securing the borrowing of other group companies.

12. Related party transactions

Transactions during the year and balances at the year end with respect to related parties in which M J Shanly holds controlling interest are as follows:

	2019 £
Sorbon Investments Limited	
Balance as at 31 December 2018	1,336,202
Amount settled during the year	(1,336,202)
Costs paid by Sorbon Investments Limited on behalf of the company	(206,322)
Income received by Sorbon Investments on behalf of the company	961,952
Balance as at 31 December 2019	755,630

13. Controlling party

As 31 December 2019, the directors considered the immediate and ultimate parent company to be Sorbon Homes Limited, a company registered in England and Wales. Sorbon Homes Limited is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2019. A copy of the consolidated financial statements of Sorbon Homes Limited can be obtained from Companies House.

The directors consider M J Shanly to be the ultimate controlling party.

BRENARD PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on *30-9-2020* by JUSTIN MOSS MA ACA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.