

Summerfield Estates Limited
Annual Report and Consolidated Financial Statements
Year Ended 31 December 2019
Registration number: 2882080



Summerfield Estates Limited

Contents

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 6
Consolidated Profit and Loss Account and Statement of Retained Earnings	7
Consolidated Balance Sheet	8
Balance Sheet	9
Notes to the Financial Statements	10 to 17

Summerfield Estates Limited

Company Information

Directors R D A Lloyd
 M J Foden
 M Blackwell
 M C Blackwell
 J E Holyday
 R S R Williams

Company secretary M C Blackwell

Registered office Taunfield
 South Road
 Taunton
 Somerset
 TA1 3ND

Auditors PKF Francis Clark
 Statutory Auditor
 Centenary House
 Peninsula Park
 Rydon Lane
 Exeter
 EX2 7XE

Summerfield Estates Limited

Directors' Report

Year Ended 31 December 2019

The directors present their report and the consolidated financial statements for the year ended 31 December 2019.

Directors of the group

The directors who held office during the year were as follows:

R D A Lloyd

M J Foden

M Blackwell

M C Blackwell

J E Holyday

R S R Williams

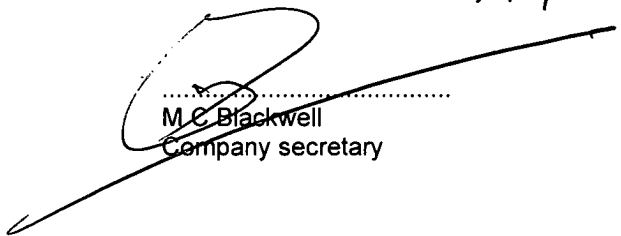
Disclosure of information to the auditor

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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 5/5/20 and signed on its behalf by:



M C Blackwell
Company secretary

Summerfield Estates Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 elected to prepare the 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 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 and 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 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.

Summerfield Estates Limited

Independent Auditor's Report to the Members of Summerfield Estates Limited

Opinion

We have audited the financial statements of Summerfield Estates Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the Consolidated Profit and Loss Account and Statement of Retained Earnings, Consolidated Balance Sheet, Balance Sheet, and Notes to the Financial Statements, 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), incorporating the requirements of Section 1A.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Summerfield Estates Limited

Independent Auditor's Report to the Members of Summerfield Estates Limited

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities [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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Summerfield Estates Limited

Independent Auditor's Report to the Members of Summerfield Estates Limited

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.

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. 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.



Glenn Nicol (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date:

6 May 2020

Summerfield Estates Limited

Consolidated Statement of Income and Retained Earnings

Year Ended 31 December 2019

	2019 £	2018 £
Turnover	1,525,371	1,879,938
Cost of sales	<u>(245,008)</u>	<u>(435,507)</u>
Gross profit	1,280,363	1,444,431
Administrative expenses	(160,572)	(240,312)
Other operating income	<u>876</u>	<u>5,314</u>
Operating profit	<u>1,120,667</u>	<u>1,209,433</u>
Other interest receivable and similar income	9,313	9,313
Interest payable and similar charges	<u>(674,999)</u>	<u>(699,076)</u>
Net interest expense	(665,686)	(689,763)
Fair value adjustments	<u>(96,859)</u>	<u>728,066</u>
Profit before tax	358,122	1,247,736
Taxation	<u>(63,014)</u>	<u>(95,550)</u>
Profit for the financial year	<u>295,108</u>	<u>1,152,186</u>
Profit/(loss) attributable to:		
Owners of the company	<u>295,108</u>	<u>1,152,186</u>
Retained earnings brought forward	9,938,508	9,184,262
Dividends paid	<u>(397,940)</u>	<u>(397,940)</u>
Retained earnings carried forward	<u>9,835,676</u>	<u>9,938,508</u>

Summerfield Estates Limited

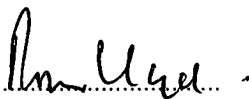
Consolidated Balance Sheet

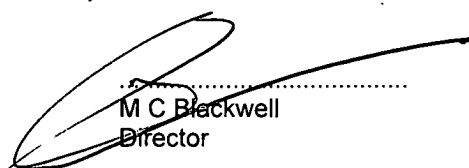
31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investment property	3	21,039,999	21,079,000
Current assets			
Stocks	5	518,213	518,213
Debtors	6	485,174	464,555
Cash at bank and in hand		659,053	430,907
		<u>1,662,440</u>	<u>1,413,675</u>
Creditors: Amounts falling due within one year	7	<u>(2,197,943)</u>	<u>(1,885,347)</u>
Net current liabilities		<u>(535,503)</u>	<u>(471,672)</u>
Total assets less current liabilities		20,504,496	20,607,328
Creditors: Amounts falling due after more than one year	7	<u>(9,900,000)</u>	<u>(9,900,000)</u>
Net assets		<u>10,604,496</u>	<u>10,707,328</u>
Capital and reserves			
Called up share capital		764,020	764,020
Capital redemption reserve		4,800	4,800
Profit and loss account		<u>9,835,676</u>	<u>9,938,508</u>
Equity attributable to owners of the company		<u>10,604,496</u>	<u>10,707,328</u>
Total equity		<u>10,604,496</u>	<u>10,707,328</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 5/5/20 and signed on its behalf by:


R D A Lloyd
Director


M C Blackwell
Director

Company Registration Number: 2882080

Summerfield Estates Limited

Balance Sheet

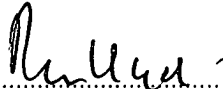
31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investment property	3	13,285,999	13,460,000
Investments	4	<u>767,071</u>	<u>767,071</u>
		<u>14,053,070</u>	<u>14,227,071</u>
Current assets			
Stocks	5	518,213	518,213
Debtors	6	5,902,164	5,589,923
Cash at bank and in hand		<u>659,053</u>	<u>430,907</u>
		7,079,430	6,539,043
Creditors: Amounts falling due within one year	7	<u>(2,887,333)</u>	<u>(2,551,395)</u>
Net current assets		<u>4,192,097</u>	<u>3,987,648</u>
Total assets less current liabilities		18,245,167	18,214,719
Creditors: Amounts falling due after more than one year	7	<u>(9,900,000)</u>	<u>(9,900,000)</u>
Net assets		<u>8,345,167</u>	<u>8,314,719</u>
Capital and reserves			
Called up share capital		764,020	764,020
Profit and loss account		<u>7,581,147</u>	<u>7,550,699</u>
Total equity		<u>8,345,167</u>	<u>8,314,719</u>

The company made a profit after tax for the financial year of £168,388 (2018 - profit of £882,224).

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 5/5/20 and signed on its behalf by:



 R D A Lloyd
 Director



 M C Blackwell
 Director

Company Registration Number: 2882080

Summerfield Estates Limited

Notes to the Financial Statements

Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Taunfield
South Road
Taunton
Somerset
TA1 3ND

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional currency of the company is considered to be pound sterling because that is the currency of the primary economic environment in which the company operates.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2019.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

Summerfield Estates Limited

Notes to the Financial Statements

Year Ended 31 December 2019

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Going concern

The directors have considered the potential impact of the coronavirus pandemic on rental and other income streams and have reviewed the level of core overheads of the business, to determine if there is sufficient working capital to meet these requirements, along with scheduled borrowing repayments, for a period of at least twelve months from the date of approval of these financial statements. The directors have modelled various scenarios, including reduced cash inflow of up to 50% during the period to 30 September 2020 and continue to operate within agreed banking facilities whilst making all scheduled borrowing repayments. The directors continue to monitor the situation and the potential impact on the wider UK economy. Should this become more sustained or severe, the Group would take steps to minimise all non-discretionary spend and if necessary seek additional support from its bankers. Accordingly the directors continue to adopt the going concern basis of presentation.

Key sources of estimation uncertainty

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below

Valuation of investment properties

Investment properties are valued to open market value by the Board of Directors as at 31 December 2019. Valuations are calculated with regard to the net present value of future rental income streams with discount rates reflecting such variables as the length of lease, strength of covenant and the nature and location of the properties. The valuations have not been updated for any potential impact arising from the coronavirus pandemic, as detailed in note 9.

Summerfield Estates Limited

Notes to the Financial Statements

Year Ended 31 December 2019

Revenue recognition

Turnover is stated net of VAT and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Turnover from the sale of land is recognised on legal completion.

Rental income is recognised on a straight line basis over the lease term, even if amounts are not received on such a basis. Incentives provided to tenants to sign a lease, including rent free periods, are similarly spread on a straight line basis over the lease term.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Investment property

Investment properties are measured at fair value annually with any change recognised in the profit and loss account.

Investments

Investments in subsidiaries are measured at cost less impairment.

Inventories

Developments are stated at the lower of cost and net realisable value. Cost comprises direct expenditure, less relevant income. Net realisable value is the estimated proceeds from the sale of developments and land bank less all costs to completion, marketing and selling costs related to the item in question.

Summerfield Estates Limited

Notes to the Financial Statements

Year Ended 31 December 2019

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

Summerfield Estates Limited

Notes to the Financial Statements

Year Ended 31 December 2019

3 Investment properties

Group

	2019 £
At 1 January	21,079,000
Additions	57,858
Fair value adjustments	(96,859)
At 31 December	<u>21,039,999</u>

Company

	2019 £
At 1 January	13,460,000
Additions	49,578
Fair value adjustments	(223,579)
At 31 December	<u>13,285,999</u>

All investment properties are freehold or long leasehold.

The investment properties are included at fair value and based on directors' valuations at 31 December 2019. The valuations represent open market values and are calculated with regard to the net present value of future rental income streams with discount rates reflecting such variables as the length of the lease, strength of covenant and the nature and location of the properties. The movement in fair value is recognised through profit and loss. The valuations have not been updated for any potential impact arising from the coronavirus pandemic, as detailed in note 9.

Some of the properties included in the balance sheet of the group are held by Summerfield Developments (SW) Ltd as custodial trustee.

4 Investments

Company

	2019 £	2018 £
Investments in subsidiaries	<u>767,071</u>	<u>767,071</u>

Summerfield Estates Limited

Notes to the Financial Statements

Year Ended 31 December 2019

Subsidiaries	£
Cost or valuation	
At 1 January 2019	<u>767,071</u>
Provision	
Carrying amount	
At 31 December 2019	<u>767,071</u>
At 31 December 2018	<u>767,071</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Proportion of voting rights and shares held	
	2019	2018
Subsidiary undertakings		
Summerfield Developments Ltd	100%	100%
Summerfield Properties Ltd	100%	100%
Malting Homes Ltd	0%	51%
Summerfield Spare Ltd	0%	100%
Blackdown Estates Ltd	100%	100%

Summerfield Developments Ltd is Dormant.

The principal activity of Summerfield Properties Ltd is commercial property management.

Malting Homes Ltd was dissolved on 2 April 2019.

Summerfield Spare Ltd was dissolved on 26 March 2019.

The Principal activity of Blackdown Estates Ltd is commercial property management.

All group undertakings are included in the consolidated accounts and their registered office is Taunton, South Road, Taunton, Somerset, TA1 3ND.

5 Stocks

	2019	Group	2019	Company
	£	2018	£	2018
	£	£	£	£
Work in progress	<u>518,213</u>	<u>518,213</u>	<u>518,213</u>	<u>518,213</u>

Summerfield Estates Limited

Notes to the Financial Statements

Year Ended 31 December 2019

6 Debtors

	2019 £	Group 2018 £	2019 £	Company 2018 £
Trade debtors	111,106	84,510	111,106	84,510
Amounts due from group undertakings	-	-	5,417,658	5,126,097
Other debtors	317,410	259,505	316,742	258,776
Prepayments	56,658	112,526	56,658	112,526
Amounts due from related undertakings	-	8,014	-	8,014
	<u>485,174</u>	<u>464,555</u>	<u>5,902,164</u>	<u>5,589,923</u>

7 Creditors

	Note	2019 £	Group 2018 £	2019 £	Company 2018 £
Due within one year					
Loans and borrowings	8	1,000,000	1,000,000	1,000,000	1,000,000
Trade creditors		40,857	64,639	40,857	64,639
Amounts due to group undertakings		-	-	813,488	814,291
Corporation tax		22,724	52,760	22,724	52,760
Social security and other taxes		63,480	-	63,480	-
Other creditors		235,645	212,788	236,473	213,616
Accrued expenses		651,051	529,692	526,125	380,621
Amounts due to related undertakings		<u>184,186</u>	<u>25,468</u>	<u>184,186</u>	<u>25,468</u>
		<u>2,197,943</u>	<u>1,885,347</u>	<u>2,887,333</u>	<u>2,551,395</u>
Due after one year					
Loans and borrowings	8	<u>9,900,000</u>	<u>9,900,000</u>	<u>9,900,000</u>	<u>9,900,000</u>

Summerfield Estates Limited

Notes to the Financial Statements

Year Ended 31 December 2019

8 Loans and borrowings

	2019 £	Group 2018 £	2019 £	Company 2018 £
Current loans and borrowings				
Bank borrowings	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

	2019 £	Group 2018 £	2019 £	Company 2018 £
Non-current loans and borrowings				
Bank borrowings	<u>9,900,000</u>	<u>9,900,000</u>	<u>9,900,000</u>	<u>9,900,000</u>

The five year loan was drawn down in April 2016. Interest is payable at 1.9% above Libor.

The loan is secured by a mortgage over the investment property and a fixed charge over all fixed assets and by a floating charge on other assets of the group.

9 Non adjusting events after the financial period

The group has been affected by the ongoing coronavirus pandemic. This has been treated, in line with guidance published by the FRC and ICAEW, as a non-adjusting post balance sheet event. In addition to the impact on the group as outlined in the going concern section of note 2, the wider implications for the UK economy as a whole may have further ramifications for the valuation of the group's investment properties. Given the current levels of uncertainty it is not possible to quantify the potential impact at this time and as such values included in these financial statements have not been adjusted to take into account the impact of the pandemic.