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Company Registration Number 03283210

TERRAMOND DEVELOPMENTS LIMITED

Annual Report and Financial Statements

31 December 2019



TERRAMOND DEVELOPMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2019

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TERRAMOND DEVELOPMENTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

L J Rinn (appointed 2 August 2019)
P C Rinn
U M Pearce-Lynch

REGISTERED OFFICE

West House
Armstrong Way
Yate
Bristol
BS37 5NG

BANKERS

Lloyds TSB Bank plc
55 Corn Street
Bristol
BS99 7LE

SOLICITORS

Osborne Clarke
2 Temple Back East
Temple Quay
Bristol
BS1 6EG

ACCOUNTANTS

Frost Wiltshire LLP
Unit 2, Green Farm Business Park
Folly Road
Latteridge
Bristol
BS37 9TZ

TERRAMOND DEVELOPMENTS LIMITED

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES, REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The principal activity of the company is property development. The directors believe the performance of the company was satisfactory in the current climate.

RESULTS AND DIVIDENDS

The profit before tax for the year was £127,622 (2018: £6,374). The directors do not recommend the payment of a dividend (2018: £nil).

FINANCIAL RISK MANAGEMENT

The directors have reviewed the financial risk management objectives and policies of the company. The company does not as a regular policy enter into hedging instruments, as there is not believed to be any material exposure. It does not enter into any speculative financial instruments.

Appropriate trade terms are negotiated with suppliers and customers and management reviews these terms and the relationships with suppliers and customers and manages any exposure on normal trade terms. The company prepares regular forecasts of cash flow and liquidity and the requirements for additional funding are managed as part of the overall group financing arrangements.

GOING CONCERN

The company meets its day-to-day working capital requirements through the reserves of the company and therefore does not rely on third-party debt.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance resulting from an uncertain property market, show that the company will be able to operate within the level of its current reserves. The company currently has no requirement for third-party debt to service working capital requirements and therefore is not affected by the risks associated with the availability of bank financing.

After making enquiries, the directors have concluded that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

DIRECTORS

The directors who served during the year and subsequently were:

L J Rinn (appointed 2 August 2019)
P C Rinn
U M Pearce-Lynch

TERRAMOND DEVELOPMENTS LIMITED

DIRECTORS' REPORT (continued)

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board of Directors and signed on behalf of the Board

A handwritten signature in black ink, appearing to be 'P C Rinn', written over a horizontal line.

P C Rinn
Director

31 March 2020

TERRAMOND DEVELOPMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 "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 and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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.

INDEPENDENT CHARTERED ACCOUNTANTS' REVIEW REPORT TO THE MEMBERS OF TERRAMOND DEVELOPMENTS LIMITED

We have reviewed the financial statements of Terramond Developments Limited for the year ended 31 December 2019, 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).

Directors' responsibility for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Accountants' responsibility

Our responsibility is to express a conclusion on the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to review historical financial statements and ICAEW Technical Release TECH 09/13AAF (Revised) Assurance review engagements on historical financial statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared, in all material respects, in accordance with United Kingdom Generally Accepted Accounting Practice. ISRE 2400 (Revised) also requires us to comply with the ICAEW Code of Ethics.

Scope of the assurance review

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed procedures, primarily consisting of making enquiries of management and others within the company, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK). Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the company's affairs as at 31 December 2019, and of its profit for the year then ended;
- in accordance with United Kingdom Generally Accepted Accounting Practice; and
- in accordance with the requirements of the Companies Act 2006.

Use of our report

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement letter. Our review work has been undertaken so that we might state to the company's directors those matters we have agreed to state to them in a reviewer'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 directors as a body for our review work, for this report or the opinions we have formed.



Frost Wiltshire LLP
Chartered Accountants

Unit 2, Green Farm Business Park
Folly Road
Latteridge
Bristol
BS37 9TZ

31 March 2020

TERRAMOND DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2019

	Note	2019 £	2018 £
Administrative expenses		(6,918)	(17,626)
Other operating income	4	24,000	24,000
OPERATING PROFIT/(LOSS)	5	17,082	6,374
Investment income		110,540	-
PROFIT BEFORE TAXATION	6	127,622	6,374
Tax on profit	7	(3,470)	-
PROFIT FOR THE FINANCIAL YEAR BEING TOTAL COMPREHENSIVE INCOME		124,152	6,374

All results relate to continuing operations.

TERRAMOND DEVELOPMENTS LIMITED

BALANCE SHEET At 31 December 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Investments	8	179,530	2
CURRENT ASSETS			
Stocks	9	295,744	165,744
Debtors			
- due within one year	10	50,000	300,000
- due after one year	11	-	2,149,726
Cash at bank		1,887,745	279,511
		<u>2,233,489</u>	<u>2,894,981</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	<u>(122,312)</u>	<u>(728,428)</u>
NET CURRENT ASSETS		<u>2,111,177</u>	<u>2,166,553</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET ASSETS		<u>2,290,707</u>	<u>2,166,555</u>
CAPITAL AND RESERVES			
Called up share capital	13	150,000	150,000
Profit and loss account		2,140,707	2,016,555
SHAREHOLDERS' FUNDS		<u>2,290,707</u>	<u>2,166,555</u>

For the year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for compiling with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with Section 1A of FRS102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements of Terramond Developments Limited, registered number 03283210, were approved by the Board of Directors and authorised for issue on 31 March 2020.

Signed on behalf of the Board of Directors



P C Rinn
Director

TERRAMOND DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2019

	Share capital £	Profit and loss account £	Total equity £
At 1 January 2018	150,000	2,010,181	2,160,181
Profit for the year being total comprehensive income	-	6,374	6,374
At 31 December 2018 and 1 January 2019	150,000	2,016,555	2,166,555
Profit for the year being total comprehensive income	-	124,152	124,152
At 31 December 2019	150,000	2,140,707	2,290,707

TERRAMOND DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is disclosed on page 1.

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The company meets its day-to-day capital requirements through the reserves of the company and therefore does not rely on any third party debt.

The company's forecasts and projections, taking account of reasonably possible changes in trading performance resulting from an uncertain property market, show that the company will be able to operate within the level of its current reserves. The company currently has no requirement for third-party debt to service working capital requirements and therefore is not affected by the risks associated with the availability of bank financing.

After making enquiries, the directors have concluded that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover

Turnover represents sales of land and commercial properties during the year net of value added tax. Sales of land and properties are included in turnover upon legal completion. All sales are made within the United Kingdom.

Other operating income

Rental income is recognised, net of value added tax, on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2019

3. ACCOUNTING POLICIES (continued)

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured 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.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and appropriate production overheads based on normal levels of activity. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal.

Finance costs which are directly attributable to the production of stocks are capitalised as part of the cost of those assets. The capitalisation commences on purchase of the land for development and will cease at the end of the period of production.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

TERRAMOND DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2019

3. ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

4. OTHER OPERATING INCOME	2019 £	2018 £
Rental income	<u>24,000</u>	<u>24,000</u>

TERRAMOND DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2019

5. OPERATING LOSS

	2019 £	2018 £
Operating loss is stated after charging:		
Auditor's remuneration:		
- audit services	-	2,000

During 2019, the average number of directors was three (2018: three). No director received remuneration for services to the company in the current or prior year. The directors were remunerated through Terramond Limited. It is not practicable to allocate their remuneration between their services as directors of this company and as directors of Terramond Limited. The remuneration details of the directors are disclosed in the financial statements of Terramond Limited.

There were no employees other than the directors in the current or prior year.

6. INVESTMENT INCOME

	2019 £	2018 £
Distribution from interest in LLP	110,540	-

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2019 £	2018 £
Current tax		
United Kingdom corporation tax at 19.00% (2018: 19.00%)	3,470	-
Tax on profit on ordinary activities	3,470	-

Factors affecting the tax charge

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19.00% (2018: 19.00%). The current tax charge for the current and prior year differs for the reasons set out in the following reconciliation:

	£	£
Profit on ordinary activities before tax	127,622	6,374
Tax on profit on ordinary activities at standard rate	24,248	1,211
Factors affecting the charge:		
Disallowable expenses	225	1,140
Income not taxable	(21,003)	-
Movement in unrecognised deferred tax	-	(2,351)
Current tax for the year	3,470	-

A deferred tax asset of £66,941 (2018: £80,935) has not been recognised due to uncertainty over when sufficient profits will be generated to utilise the asset. The forthcoming reduction in the corporation tax rate to is not expected to materially affect the future tax charge.

TERRAMOND DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2019

8. INVESTMENTS HELD AS FIXED ASSETS

	£
Cost	
At 1 January 2019	2
Additions	179,528
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At 31 December 2019	179,530
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The investments are in respect of joint venture partnerships, those being:

	Country of incorporation	Activity	Holding
Terramond Properties LLP (joint venture)	England	Site development	33%
Terramond Severnside LLP (joint venture)	England	Site development	33%

9. STOCKS

	2019 £	2018 £
Work in progress	295,744	165,744
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10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other debtors	50,000	50,000
Amounts owed by related parties	-	250,000
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	50,000	300,000
	<hr/>	<hr/>

11. DEBTORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2019 £	2018 £
Amounts owed by related parties	-	2,149,726
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12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	80	-
Amounts owed to related parties	-	608,629
Corporation tax	3,470	-
Accruals and deferred income	118,762	119,799
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	122,312	728,428
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TERRAMOND DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2019

13.	CALLED UP SHARE CAPITAL	2019	2018
		£	£
	Allotted, called up and fully paid		
	150,000 £1 Ordinary shares	150,000	150,000

14. RELATED PARTY TRANSACTIONS

At the year-end, Terramond Developments Limited was owed £nil (2018: £2,399,726) as a loan from Terramond Limited, a company under common control, which is disclosed within debtors. During the year, Terramond Limited recharged £nil (2018: £ nil) of expenses incurred on behalf of Terramond Developments Limited. At the year-end £nil (2018: £608,629) was owed to Terramond Limited in respect of such expenses. Terramond Developments Limited and Terramond Limited share mutual directors and ultimate shareholders.

15. CONTROLLING PARTY

The controlling parties are considered to be the two shareholders D F Lynch and P C Rinn.