

## **Celebration Homes Limited**

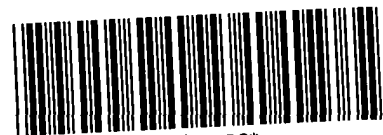
Financial Statements

Year Ended

30 September 2019

Company Number 03893064

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# **Celebration Homes Limited**

## **Company Information**

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<b>Directors</b>	C J Byrne P J Byrne
<b>Company secretary</b>	M Byrne
<b>Registered number</b>	03893064
<b>Registered office</b>	6 Wharf Studios 28 Wharf Road London N1 7GR
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# **Celebration Homes Limited**

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# Celebration Homes Limited

Registered number: 03893064

## Statement of Financial Position As at 30 September 2019

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Investment property	5		14,709,455		15,188,100
<b>Current assets</b>					
Debtors: amounts falling due within one year	6	30,993		126,120	
Cash at bank and in hand		587,461		594,525	
		<u>618,454</u>		<u>720,645</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	7	(11,700,773)		(10,928,875)	
<b>Net current liabilities</b>			<u>(11,082,319)</u>		<u>(10,208,230)</u>
<b>Total assets less current liabilities</b>			<u>3,627,136</u>		<u>4,979,870</u>
Creditors: amounts falling due after more than one year	8		-		(935,364)
<b>Provisions for liabilities</b>					
Deferred tax	10		(66,767)		(68,006)
<b>Net assets</b>			<u><u>3,560,369</u></u>		<u><u>3,976,500</u></u>
<b>Capital and reserves</b>					
Called up share capital	11		1,630,000		3,100,002
Revaluation reserve	12		1,869,978		2,348,623
Profit and loss account	12		60,391		(1,472,125)
<b>Total equity</b>			<u><u>3,560,369</u></u>		<u><u>3,976,500</u></u>

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 comprehensive income 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 17 December 2019.

  
P J Byrne  
Director

The notes on pages 3 to 10 form part of these financial statements.

## Celebration Homes Limited

### Statement of Changes in Equity For the Year Ended 30 September 2019

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2018	3,100,002	2,348,623	(1,472,125)	3,976,500
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(416,131)	(416,131)
<b>Total comprehensive income for the year</b>	-	-	(416,131)	(416,131)
Shares cancelled during the year (see note 13)	(1,470,002)	-	1,470,002	-
Deficit on revaluation of investment property	-	(478,645)	478,645	-
<b>Total transactions with owners</b>	(1,470,002)	(478,645)	1,948,647	-
<b>At 30 September 2019</b>	<b>1,630,000</b>	<b>1,869,978</b>	<b>60,391</b>	<b>3,560,369</b>

### Statement of Changes in Equity For the Year Ended 30 September 2018

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2017	3,100,002	2,373,459	(1,411,168)	4,062,293
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(85,793)	(85,793)
<b>Total comprehensive income for the year</b>	-	-	(85,793)	(85,793)
Deficit on revaluation of investment property	-	(24,836)	24,836	-
<b>Total transactions with owners</b>	-	(24,836)	24,836	-
<b>At 30 September 2018</b>	<b>3,100,002</b>	<b>2,348,623</b>	<b>(1,472,125)</b>	<b>3,976,500</b>

The notes on pages 3 to 10 form part of these financial statements.

# **Celebration Homes Limited**

## **Notes to the Financial Statements For the Year Ended 30 September 2019**

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### **1. General information**

Celebration Homes Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared 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 financial statements have been prepared on a historical cost basis except for investment property (refer to note 2.4).

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

#### **2.2 Going concern**

The financial statements have been prepared on a going concern basis. As at 30 September 2019 the company had net current liabilities of £11,084,263 (2018 - £10,208,230). The directors consider the going concern basis to be appropriate as certain related companies have provided support and will not seek payment for amounts due for the foreseeable future.

#### **2.3 Turnover**

Turnover represents rental income earned together with the recharge rates of utility costs on investment properties and is recognised at the end of the month to which it relates.

#### **2.4 Investment property**

Investment property is carried at fair value determined annually by the directors with reference to internal experts and external valuations. Values are 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 statement of comprehensive income.

# **Celebration Homes Limited**

## **Notes to the Financial Statements For the Year Ended 30 September 2019**

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

#### **2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### **2.7 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 debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

Financial assets that are measured at cost and amortised cost 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 statement of comprehensive income.

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 of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

#### **2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **2.9 Finance costs**

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

# **Celebration Homes Limited**

## **Notes to the Financial Statements For the Year Ended 30 September 2019**

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

#### **2.10 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.

#### **2.11 Operating leases: the company as lessor**

Rental income from operating leases is credited to the statement of comprehensive income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

#### **2.12 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position 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 reporting date.



# Celebration Homes Limited

## Notes to the Financial Statements For the Year Ended 30 September 2019

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company as a lessor are operating leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred to the lessee on a lease by lease basis.

#### *Other key sources of estimation uncertainty*

- Investment property (see note 5)

Investment properties are valued currently by the directors using yield methodology and comparable property transactions. This uses estimates of the likely sales proceeds upon disposal of the properties but there is an inevitable degree of judgement involved.

### 4. Employees

The company had Nil employees (2018 - Nil) other than the directors, who did not receive any remuneration (2018 - £Nil).

### 5. Investment property

	Freehold investment property £
<b>Valuation</b>	
At 1 October 2018	15,188,100
Deficit on revaluation	(478,645)
<b>At 30 September 2019</b>	<b>14,709,455</b>

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Cost and net book value	12,911,966	12,911,966

The investment properties have been valued at 30 September 2019 with reference to external valuations and market data by C J Byrne and P J Byrne, who are directors of the company. The directors are qualified to make valuations on the basis of their knowledge and experience of the commercial property market. In making the valuation the directors have considered the value in use of the properties and the present market conditions.

# Celebration Homes Limited

## Notes to the Financial Statements For the Year Ended 30 September 2019

### 6. Debtors: amounts falling due within one year

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	3,480	1,723
Amounts owed by related parties	-	94,914
Prepayments and accrued income	27,513	29,483
	<u>30,993</u>	<u>126,120</u>

Amounts due by related parties includes a debt of £911,056 (2018 - £911,056), which has been provided in full, due from Byrne Estates (Chatham) Limited "Chatham", a related party by virtue of common control.

The recoverability of this asset is dependent on the profits forecast to be achieved by Chatham as a result of its participation with Chatham Quays Residential Limited (CQRL) and Chatham Quays Commercial Limited (CQCL) in an agreement linked to the sale of developed residential properties by CQRL along with profits forecast on a supplementary agreement linked to additional commercial property with CQCL. Under the agreements Chatham is entitled to a share of the profits achieved from the sale or rentals of the properties on completion of the disposal of the portfolio. The directors best estimate of the level of profits expected to be achieved through these agreements, less relevant expenditure, is forecast to be insufficient to recover this debt.

### 7. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans	-	99,021
Trade creditors	156	-
Amounts owed to group undertakings	11,620,711	10,748,948
Accruals and deferred income	79,906	80,906
	<u>11,700,773</u>	<u>10,928,875</u>

### 8. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans (see note 11)	-	935,364

# Celebration Homes Limited

## Notes to the Financial Statements For the Year Ended 30 September 2019

### 9. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
<b>Amounts falling due within one year</b>		
Bank loans	-	99,021
<b>Amounts falling due between one and two years</b>		
Bank loans	-	100,966
<b>Amounts falling due between two and five years</b>		
Bank loans	-	314,953
<b>Amounts falling due after more than five years</b>		
Bank loans	-	519,445
	<u>-</u>	<u>1,034,385</u>

The bank loans were repaid on 30 September 2019.

Creditors greater than one year represented bank loans secured by fixed charges over the company's investment property. The bank loans were shown net of deferred finance costs of £Nil (2018 - £14,217) which were being released over the remaining term of the loan.

The loans due in more than five years related to mortgages on various investment properties. Interest was charged on these loans at rates ranging between 1.7% - 3.2% per annum. The final repayment of all loans was expected to be made in 2028.

# Celebration Homes Limited

## Notes to the Financial Statements For the Year Ended 30 September 2019

### 10. Deferred taxation

	2019 £
At beginning of year	68,006
Charged to profit or loss	(1,239)
<b>At end of year</b>	<b>66,767</b>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	-	(1,613)
Tax losses carried forward and other deductions	-	(17,171)
Capital gains/losses	66,767	86,790
	<u>66,767</u>	<u>68,006</u>

### 11. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
1,630,000 (2018 - 3,100,002) ordinary shares of £1 each	<u>1,630,000</u>	<u>3,100,002</u>

The directors approved the repurchase of 1,470,002 ordinary £1 shares during the year at par value. The repurchase was completed and the shares cancelled on 28 August 2019. The equity element of shares repurchased has been classified to retained earnings.

### 12. Reserves

The company's capital and reserves are as follows:

#### Called up share capital

Called up share capital represents the nominal value of the shares issued.

#### Revaluation reserve

This reserve represents the accumulated unrealised gains in respect of investment properties.

#### Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

# Celebration Homes Limited

## Notes to the Financial Statements For the Year Ended 30 September 2019

### 13. Operating lease commitments

The company has rolling annual lessor income commitments of approximately £531,500 (2018 - £525,000).

### 14. Related party transactions

During the period the company entered into transactions and had outstanding debtor balances net of provisions with the following companies which meet the definition of related parties under FRS 102 by virtue of being under common control of C J & P J Byrne or their trusts.

	2019 £	2018 £
Byrne Estates (Chatham) Limited	-	-
Byrne Estates Limited	-	94,914
	<u>-</u>	<u>94,914</u>

A provision of £911,056 (2018 - £911,056) is set against Byrne Estates (Chatham) Limited as stated in note 6.

### 15. Controlling party

The company's immediate parent company is Systemhaven Limited.

The company's ultimate parent company is Ardmore Group Limited.

The largest and smallest group in which the results of the company are consolidated was that headed by Ardmore Group Limited, incorporated in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Ultimate control of the group rests with C J Byrne and P J Byrne.

### 16. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2019 was unqualified.

The audit report was signed on 17 December 2019 by Geraint Jones (Senior Statutory Auditor) on behalf of BDO LLP.