

Company Registration No. 04755685 (England and Wales)

CROFTY DEVELOPMENTS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MAY 2018

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CROFTY DEVELOPMENTS LIMITED**BALANCE SHEET****AS AT 31 MAY 2018**

| | Notes | 2018 £ | £ | 2017 £ | £ |
|---|-------|--------------------|--------------------|--------------------|--------------------|
| Current assets | | | | | |
| Stocks | | 3,540,015 | | 3,700,000 | |
| Debtors | 3 | 56,407 | | 51,460 | |
| Cash at bank and in hand | | 137,502 | | 38,357 | |
| | | <u>3,733,924</u> | | <u>3,789,817</u> | |
| Creditors: amounts falling due within one year | 4 | <u>(5,030,215)</u> | | <u>(5,015,100)</u> | |
| Net current liabilities | | | <u>(1,296,291)</u> | | <u>(1,225,283)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 5 | | 1,000 | | 1,000 |
| Profit and loss reserves | | | <u>(1,297,291)</u> | | <u>(1,226,283)</u> |
| Total equity | | | <u>(1,296,291)</u> | | <u>(1,225,283)</u> |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

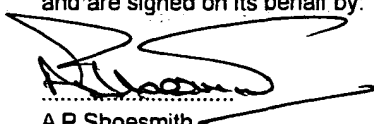
For the financial year ended 31 May 2018, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 (the Act) relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

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


A P Shoesmith
Director

15 February 2019

CROFTY DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

Company information

Crofty Developments Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Sunnyfield, Millford Road, Sidmouth, Devon EX10 8DR.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland and the requirements of the Companies Act 2006, as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

At the year end, the company had net liabilities of £1,533,096 which indicates that the company may not be a going concern. However, based on the long term business plans, the directors are confident that the company will trade profitably in future periods and generate sufficient cash flows to meet its obligations as they fall due for payment.

The company is dependent upon continued finance being available by its bankers and directors, who are also its beneficial owners. The directors have confirmed that sufficient funds will continue to be made available to allow the company to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

The directors therefore considers it appropriate that the financial statements are prepared on a going concern basis.

Turnover

Turnover consists of the sale of land and property net of discounts and sales incentives. Sales of land and property are recognised when contracts are exchanged, or missives concluded and, when appropriate, construction is complete.

Stocks

Stocks 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 that have been incurred in bringing the stocks to their present location and condition. Overheads incurred in bringing the stock to their present location have not been capitalised.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its 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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CROFTY DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised 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 debtors 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 financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

CROFTY DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from associates, and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Employees

The average monthly number of persons, including directors, employed by the company during the year was 2 (2017 - 2).

3 Debtors

| | 2018 | 2017 |
|--|---------------|---------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 6,953 | - |
| Other debtors | - | 3,055 |
| | <u>6,953</u> | <u>3,055</u> |
| Amounts falling due after more than one year: | | |
| Deferred tax asset | <u>49,454</u> | <u>48,405</u> |
| Total debtors | <u>56,407</u> | <u>51,460</u> |

CROFTY DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

4 Creditors: amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|------------------|------------------|
| Bank loans and overdrafts | 1,751,228 | 1,911,101 |
| Other taxation and social security | 83,389 | - |
| Other creditors | 3,195,598 | 3,103,999 |
| | <u>5,030,215</u> | <u>5,015,100</u> |

The bank loan of £1,751,228 is secured against the land owned by Crofty Developments Limited.

5 Called up share capital

| | 2018 £ | 2017 £ |
|--|--------------|--------------|
| Ordinary share capital | | |
| Issued and fully paid | | |
| 450 Ordinary class A shares of £1 each | 450 | 450 |
| 100 Ordinary class B shares of £1 each | 100 | 100 |
| 450 Ordinary class C shares of £1 each | 450 | 450 |
| | <u>1,000</u> | <u>1,000</u> |

6 Related party transactions

During the year, professional fees of £31,450 (2017: £Nil) were charged by the parent company to Crofty Developments Limited. At the year end, funding of £2,486,477 (2017: £2,454,077) was provided to Crofty Developments Limited by the parent company. There is no interest due on this loan.

7 Directors' transactions

Outstanding at the year end is a loan of £536,101 (2017: £498,818) due to G G Smith, a director of the company, and is contained within other creditors.

Also outstanding at the year end is a loan of £143,248 (2017: £144,104) due to Finrealm Associates, a partnership in which A P Shoesmith has an interest, and is contained within other creditors.

8 Parent company

The parent of Crofty Developments Limited is Stone Cladding Consultants Limited, a company incorporated in Bermuda. The registered address of the parent entity is Sterling House, 16, Wesley Street, Hamilton, HM11, Bermuda.