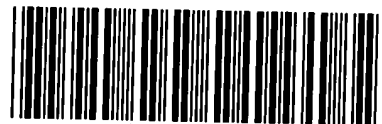


CHURCHFIELD HOMES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

FRIDAY



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CHURCHFIELD HOMES LIMITED

COMPANY INFORMATION

Directors	Mr R Jones Mr T A Lowe
Secretary	Mr T A Lowe
Company number	05006331
Registered office	7 Dyffryn Court Riverside Business Park Swansea Vale SWANSEA UK SA7 0AP
Auditor	Broomfield & Alexander Limited Charter Court Phoenix Way Enterprise Park SWANSEA UK SA7 9FS

CHURCHFIELD HOMES LIMITED

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CHURCHFIELD HOMES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present the strategic report on the company for the year ended 31 December 2016.

Fair review of the business

The trading results for the year are set out in the annexed financial statements.

The company experienced limited activity during the year reflective of no development works being undertaken.

The directors believe the company is well placed to profitably complete the current development.

Given the nature of the business, the company's directors are of the opinion that detailed analysis using KPIs is not necessary for an understanding of the development, performance and position of the business.

The management of the business and the execution of the company's strategy are subject to a number of risks.

Overall demand for the company's services is dependent upon general economic conditions, perceived confidence in the future and financial interest rates. Each of the aforementioned factors is outside of the company's control. The directors seek to mitigate these general risks by constantly assessing the sectors in which the company operates, investing in a quality labour force and by striving to control quality. The company continues to develop business systems and new technology aimed at improving procedures and overall financial management.

Principal risks and uncertainties

Treasury operations and financial instruments

The company's operations expose it to a variety of financial risks that include the effects of price risk, credit risk, liquidity risk and interest rate cash flow risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Liquidity risk

The company actively maintains a mixture of long term and short term debt finance that is designed to ensure that the company has sufficient funds for operations and planned expansions.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets comprise only cash balances, which earn interest at floating rates. The company has a policy of maintaining debt at floating rates. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Credit risk

The company's financial assets are cash and debtors. The company's credit risk is primarily attributable to its debtors which are presented in the balance sheet net of allowances for doubtful debts. The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the cost of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

CHURCHFIELD HOMES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

On behalf of the board

A handwritten signature in black ink, appearing to be 'D. Jones', written over a large, empty oval shape.

Director

20 September 2017

CHURCHFIELD HOMES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company in the year under review was that of residential property development.

The company is a wholly owned subsidiary of Dawnus Developments Limited.

Directors

The directors of the company who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R Jones
Mr T A Lowe

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Future developments

The strategy and future developments of the business have been set out in the Strategic Report.

Auditor

Broomfield & Alexander Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' 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, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

CHURCHFIELD HOMES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of disclosure to auditor

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware.

On behalf of the board

A handwritten signature in black ink, appearing to be 'R Jones', written over a large, stylized oval shape.

Mr R Jones

Director

20 September 2017

CHURCHFIELD HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHURCHFIELD HOMES LIMITED

We have audited the financial statements of Churchfield Homes Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

CHURCHFIELD HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CHURCHFIELD HOMES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Broomfield & Alexander Limited

James Edward Dobson BSc(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Broomfield & Alexander Limited

20 September 2017

Chartered Accountants
Statutory Auditor

Charter Court
Phoenix Way
Enterprise Park
SWANSEA
UK
SA7 9FS

CHURCHFIELD HOMES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £'000	2015 £'000
Turnover	3	-	846
Cost of sales		-	(804)
		<hr/>	<hr/>
Gross profit		-	42
Administrative expenses		-	(18)
Other operating income		6	3
		<hr/>	<hr/>
Operating profit	4	6	27
Interest payable and similar expenses	5	(19)	(24)
		<hr/>	<hr/>
(Loss)/profit before taxation		(13)	3
Taxation	6	-	-
		<hr/>	<hr/>
(Loss)/profit for the financial year		(13)	3
		<hr/>	<hr/>
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		(13)	3
		<hr/>	<hr/>

CHURCHFIELD HOMES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

		2016		2015	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investments	7		260		282
Current assets					
Stocks	8	2,551		2,551	
Debtors	9	43		44	
		<u>2,594</u>		<u>2,595</u>	
Creditors: amounts falling due within one year	10	<u>(2,028)</u>		<u>(2,038)</u>	
Net current assets			<u>566</u>		<u>557</u>
Total assets less current liabilities			826		839
Creditors: amounts falling due after more than one year	11		(661)		(661)
Net assets			<u>165</u>		<u>178</u>
Capital and reserves					
Profit and loss reserves			<u>165</u>		<u>178</u>

These financial statements have been prepared 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 20 September 2017 and are signed on its behalf by:



Mr R. Jones
Director

Company Registration No. 05006331

CHURCHFIELD HOMES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Profit and loss reserves £'000
Balance at 1 January 2015	175
Year ended 31 December 2015:	
Profit and total comprehensive income for the year	3
	<hr/>
Balance at 31 December 2015	178
Year ended 31 December 2016:	
Loss and total comprehensive income for the year	(13)
	<hr/>
Balance at 31 December 2016	<u>165</u>

CHURCHFIELD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

The principal activity of the company is that of a residential property developer.

Churchfield Homes Limited is a limited company domiciled and incorporated in England and Wales. The registered office is 7 Dyffryn Court, Riverside Business Park, Swansea Vale, SWANSEA, UK, SA7 0AP.

1.1 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" ("FRS 102") 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 £'000.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures'

The financial statements of the company are consolidated in the financial statements of Dawnus Group. These consolidated financial statements are available from its registered office, Unit 7, Dyffryn Court, Riverside Business Park, Swansea Vale, Swansea. SA7 0AP.

1.2 Turnover

Turnover on the sale of completed properties is recognised on legal completion of sale contracts.

1.3 Stocks

Work in progress is valued at the lower of cost and net realisable value. Cost includes and appropriate proportion of overheads according to the stage of completion and includes interest on borrowed capital, except during extended period in which active development is interrupted.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets 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.

CHURCHFIELD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

1.5 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 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the 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.

1.7 Investments - shared equity receivables

The company operates schemes under which part of the agreed sales price for a residential property can be deferred until the earlier of 10 years, remortgage, death of borrower or resale of the property.

On initial recognition the asset is recognised at open market value. Gains and losses arising from changes in market value of the asset will not be recognised until the date the asset is realised.

The directors undertake reviews of the carrying value of the investments when trigger events occur which indicate the existence of a potential impairment and make such provisions for impairment as they consider necessary.

CHURCHFIELD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (Continued)

1.8 Foreign currency

Functional and presentation currency

The financial statements are presented in pounds sterling and rounded to thousands. The company's functional and presentational currency is the pound sterling.

Transactions and balances

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates on monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

1.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2 Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key accounting estimates and assumptions

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 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

The total turnover of the company for the year has been derived from its principal activity which is considered to be a single business segment. All turnover arose in the United Kingdom.

	2016 £'000	2015 £'000
Turnover		
Sales of property	-	846
	<hr/>	<hr/>
Turnover analysed by geographical market		
	2016 £'000	2015 £'000
UK	-	846
	<hr/>	<hr/>

CHURCHFIELD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

4 Operating profit

	2016 £'000	2015 £'000
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	<u>3</u>	<u>3</u>

No persons other than the Directors were employed during the year or the prior year. The directors' did not receive any emoluments from this company in respect of qualifying services either in 2016 or 2015.

The emoluments of the directors' are paid by other companies within the group. Each of the directors are directors' of the parent company and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, no emoluments in respect of the directors are disclosed within these financial statements.

Key management compensation

Key management personnel are those who have authority and responsibility for planning, directing and controlling the activities of the company. The board consider that only the Directors of the company fulfil this definition.

5 Interest payable and similar expenses

	2016 £'000	2015 £'000
Interest on bank overdrafts and loans	<u>19</u>	<u>24</u>

6 Taxation

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £'000	2015 £'000
(Loss)/profit before taxation	<u>(13)</u>	<u>3</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	(3)	1
Group relief	<u>3</u>	<u>(1)</u>
Taxation charge for the year	<u>-</u>	<u>-</u>

7 Fixed asset investments

	2016 £'000	2015 £'000
Available for sale assets	<u>260</u>	<u>282</u>

CHURCHFIELD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

7 Fixed asset investments (Continued)

Available for sale assets comprise shared equity receivables. The shared equity receivable have variable repayment amounts provided as part of the sales transaction and are secured by a second legal charge on related property.

8 Stocks

2016 £'000	2015 £'000
---------------	---------------

Stocks	2,551	2,551
	<u>2,551</u>	<u>2,551</u>

9 Debtors

2016 £'000	2015 £'000
---------------	---------------

Amounts falling due within one year:

Amounts due from group undertakings	-	1
Other debtors	43	43
	<u>43</u>	<u>44</u>

10 Creditors: amounts falling due within one year

2016 £'000	2015 £'000
---------------	---------------

Amounts due to group undertakings	2,028	2,038
	<u>2,028</u>	<u>2,038</u>

11 Creditors: amounts falling due after more than one year

2016 £'000	2015 £'000
---------------	---------------

Bank loans and overdrafts	661	661
	<u>661</u>	<u>661</u>

The bank loan is secured by a fixed charge over the assets of the company.

12 Share capital

2016 £	2015 £
-----------	-----------

Authorised

1 Ordinary Share of £1 each	1	1
	<u>1</u>	<u>1</u>

CHURCHFIELD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

13 Financial commitments, guarantees and contingent liabilities

The company has guaranteed the bank borrowings of a fellow group company amounting to £6,684,000 (2015: £6,876,000).

14 Parent company

The immediate parent company is Dawnus Developments Limited, which is 100% owned by Dawnus Group Limited.

The ultimate parent company and controlling party is Dawnus Group Limited which is the parent company of the largest and smallest group to consolidate these financial statements.

Copies of the Dawnus Group consolidated financial statements can be obtained from the company's registered office - Unit 7, Dyffryn Court, Riverside Business Park, Swansea Vale, Swansea, SA7 0AP.