

Company Registration No. 05006331 (England and Wales)

CHURCHFIELD HOMES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

CHURCHFIELD HOMES LIMITED

COMPANY INFORMATION

Directors	Mr T A Lowe	
	Mr N C Down	(Appointed 10 March 2018)
	Mr H R Smith	(Appointed 12 March 2018)
	Mr M J Morgan	(Appointed 12 March 2018)

Secretary	Mr T A Lowe
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Company number	05006331
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Registered office	7 Dyffryn Court Riverside Business Park Swansea Vale SWANSEA UK SA7 0AP
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Auditor	MHA Broomfield Alexander Charter Court Phoenix Way Enterprise Park SWANSEA UK SA7 9FS
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CHURCHFIELD HOMES LIMITED

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CHURCHFIELD HOMES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

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	(Resigned 12 March 2018)
Mr T A Lowe	
Mr N C Down	(Appointed 10 March 2018)
Mr H R Smith	(Appointed 12 March 2018)
Mr M J Morgan	(Appointed 12 March 2018)

Results and dividends

The results for the year are set out on page 5.

Auditor

The auditor, MHA Broomfield Alexander, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 2017

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.

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

On behalf of the board

Mr N C Down

Director

27 June 2018

CHURCHFIELD HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHURCHFIELD HOMES LIMITED

Opinion

We have audited the financial statements of Churchfield Homes Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

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 company 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.

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 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.

We have nothing to report in this regard.

Opinions 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 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.

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

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, 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 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 company or to cease operations, or have no realistic alternative but to do so.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.

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

27 June 2018

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 2017

	Notes	2017 £'000	2016 £'000
Turnover		128	-
Cost of sales		(120)	-
		<u>8</u>	<u>-</u>
Gross profit		8	-
Administrative expenses		5	-
Other operating income		-	6
		<u>13</u>	<u>6</u>
Operating profit		13	6
Interest payable and similar expenses		(14)	(19)
		<u>(1)</u>	<u>(13)</u>
Loss before taxation		(1)	(13)
Tax on loss		-	-
		<u>(1)</u>	<u>(13)</u>
Loss for the financial year		<u>(1)</u>	<u>(13)</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

CHURCHFIELD HOMES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

		2017		2016	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Investments	2		260		260
Current assets					
Stocks		2,430		2,551	
Debtors	3	41		43	
		<u>2,471</u>		<u>2,594</u>	
Creditors: amounts falling due within one year	4	<u>(2,567)</u>		<u>(2,028)</u>	
Net current (liabilities)/assets			(96)		566
Total assets less current liabilities			<u>164</u>		<u>826</u>
Creditors: amounts falling due after more than one year	5		-		(661)
Net assets			<u>164</u>		<u>165</u>
Capital and reserves					
Profit and loss reserves			<u>164</u>		<u>165</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 27 June 2018 and are signed on its behalf by:

Mr N C Down

Director

Company Registration No. 05006331

CHURCHFIELD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Churchfield Homes Limited is a private company limited by shares 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 Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future.

The directors have reviewed the balance sheet, the likely future cash flows of the business and have considered the facilities that we in place at the date of signing the report. The directors have concluded, based on this review, that it is appropriate to prepare the financial statements on a going concern basis.

The company's ability to continue as a going concern is dependent on the continued support of the company's bankers and on its providers of working capital maintaining the existing level of funding on terms and conditions similar to those currently in place.

1.3 Turnover

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

1.4 Stocks

Work in progress is valued at the lower of cost and net realisable value. Cost includes an 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.

CHURCHFIELD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

1.5 Cash at bank and in hand

Cash at bank and in hand 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.

1.6 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 other debtors, 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 bank loans, loans from fellow group companies, 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.

1.7 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.

1.8 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 2017

1 Accounting policies (Continued)

1.9 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.

1.10 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 Fixed asset investments

	2017 £'000	2016 £'000
Investments	260	260

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.

Movements in fixed asset investments

	Investments other than loans £'000
Cost or valuation	
At 1 January 2017 & 31 December 2017	260
Carrying amount	
At 31 December 2017	260
At 31 December 2016	260

CHURCHFIELD HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Debtors	2017	2016
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	1	-
Other debtors	40	43
	<u>41</u>	<u>43</u>
	<u><u>41</u></u>	<u><u>43</u></u>
4 Creditors: amounts falling due within one year	2017	2016
	£'000	£'000
Amounts due to group undertakings	2,567	2,028
	<u>2,567</u>	<u>2,028</u>
5 Creditors: amounts falling due after more than one year	2017	2016
	£'000	£'000
Bank loans and overdrafts	-	661
	<u>-</u>	<u>661</u>

6 Financial commitments, guarantees and contingent liabilities

The company has guaranteed the bank borrowings of a fellow group company amounting to £5,518,000 (2016: £6,684,000).

7 Parent company

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

The 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.

The directors do not consider there to be an ultimate controlling party of the group.

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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.