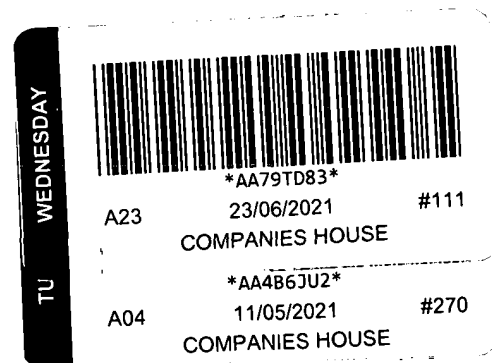


Erie Basin Limited

**Annual report and unaudited financial
statements**

Registered number 06779664

Period ended 3 January 2021



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statements	2
Profit and Loss Account and Other Comprehensive Income	3
Balance Sheet	4
Statement of Changes in Equity	5
Notes	6

Directors' report

Principal Activity

The company's principal activity during the period was the sale and rental of residential apartment properties in Salford Quays, Manchester.

Development of the business and position at the end of the period

During the period there was turnover income of £472,000 from the sale and rental of apartments (*52 weeks to 29 December 2019: £1,732,000*).

The company's retained loss for the period was £240,000 (*52 weeks to 29 December 2019: £405,000*) and the net assets as at 3 January 2021 were £1,258,000 (*29 December 2019: £1,498,000*).

Proposed dividend

The directors do not recommend the payment of a final dividend.

Directors

The directors who held office during the period were as follows:

A Bravington

P Halliwell

J Kendrick

R Rafferty

All of the directors benefit from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

Political contributions

The Company made no political donations or incurred any political expenditure during the period.

S172 Statement

The Company has met the requirements in the Companies Act 2006 to obtain the exemption provided, based on its size, from the requirement to prepare a strategic report.

By order of the board



A Bravington
Secretary
6 April 2021

2nd Floor, Colmore Court,
9 Colmore Row,
Birmingham, B3 2BJ

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the 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 period. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *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 judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Profit and Loss Account

for 53 weeks to 3 January 2021

	Note	53 weeks to 3 January 2021 £000	52 weeks to 29 December 2019 £000
Turnover	2	472	1,732
Cost of Sales		(712)	(1,232)
		<hr/>	<hr/>
Gross (loss) / profit		(240)	500
Administrative expenses		-	-
		<hr/>	<hr/>
Operating (loss) / profit	3-5	(240)	500
Interest payable and similar charges		-	-
		<hr/>	<hr/>
(Loss) / profit on ordinary activities before taxation		(240)	500
Tax on (loss) / profit on ordinary activities	6	-	(95)
		<hr/>	<hr/>
(Loss) / profit for the financial period		(240)	405
		<hr/>	<hr/>

Other Comprehensive Income

for the 53 weeks to 3 January 2021

	Note	53 weeks to 3 January 2021 £000	52 weeks to 29 December 2019 £000
(Loss) / profit for the period		(240)	405
Other comprehensive income for the period, net of income tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the period		(240)	405
		<hr/>	<hr/>

The notes on pages 6 to 12 form part of these financial statements.

Balance Sheet

at 3 January 2021

	Note	3 January 2021 £000	29 December 2019 £000
Current Assets:			
Stocks	7	135	807
Debtors	8	1,136	508
Cash at bank and in hand	9	2	191
		<hr/>	<hr/>
		1,273	1,506
Creditors: Amounts falling due within one year	10	(15)	(8)
		<hr/>	<hr/>
Net Assets		1,258	1,498
		<hr/> <hr/>	<hr/> <hr/>
Capital and Reserves			
Called up share capital	11	-	-
Profit and loss account		1,258	1,498
		<hr/>	<hr/>
Shareholder's funds		1,258	1,498
		<hr/> <hr/>	<hr/> <hr/>

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the period ended 3 January 2021.

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

The directors acknowledge their responsibilities for:

- a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and;
- b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial period and of its profit or loss for each financial period in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2005 relating to financial statements, so far as applicable to the company.

These financial statements were approved by the board of directors on 6 April 2021 and were signed on its behalf by:



J Kendrick
Director



A Bravington
Director

Company registered number: 6779664

The notes on pages 6 to 12 form part of these financial statements.

Statement of Changes in Equity

	Called up share capital £000	Profit and Loss Account £000	Total Equity £000
Balance at 30 December 2018	-	1,093	1,093
Total comprehensive income for the period			
Profit or loss	-	405	405
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	405	405
	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity			
Total contributions by and distributions to owners	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 29 December 2019	-	1,498	1,498
Total comprehensive income for the period			
Profit or loss	-	(240)	(240)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(240)	(240)
	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity			
Total contributions by and distributions to owners	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 3 January 2021	-	1,258	1,258
	<hr/>	<hr/>	<hr/>

The notes on pages 6 to 12 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Erie Basin Limited (*the "Company"*) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's intermediate parent undertaking, Elan Homes Holdings Limited, and its ultimate parent undertaking, Amber Residential Properties Limited, includes the Company in their consolidated financial statements. The consolidated financial statements of Elan Homes Holdings Limited and Amber Residential Properties Limited are prepared in accordance with FRS102 and are available to the public and may be obtained from 2nd Floor, Colmore Court, 9 Colmore Row, Birmingham, B3 2BJ.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate. In reaching this decision the directors have considered latest forecasts, covenant calculations and contractual agreements as well as taking into account the ongoing uncertainty regarding the impact of Coronavirus.

The directors have prepared cash flow forecasts for a period of 15 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides and the impact of Coronavirus on the operations and its financial resources, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

The ability to generate income is dependent upon the letting of apartments owned. There have been no rental payment issues that have been identified in the period since 3 January 2021 to the date of these financial statements.

Consequently, the Directors are of the opinion that the Company has sufficient financing facilities available to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.3 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. Transaction costs are allocated between the debt component and the equity component on the basis of their relative fair values.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Residential properties from which rental income is derived are recognised as inventory, rather than investment properties, on the basis that they are held for sale in the ordinary course of business and rental agreements on these properties are short term.

1.6 Turnover

Turnover represents amounts (excluding value added tax) derived from the sale and rental of residential properties. Income from the sale of residential property is recognised on the day in which completion takes place. Rental income is recognised as turnover on an accruals basis for the period to which the income relates. Turnover excludes value added tax.

1.7 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Notes (continued)

1 Accounting policies (continued)

1.7 Taxation (continued)

Deferred taxation is not provided on timing differences arising from the revaluation of fixed assets in the financial statements. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future renewal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

1.8 Provisions

Where the company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company considers these to be insurance arrangements and accounts for them as such. In this respect, the company treats the guarantee as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.9 Accounting estimates and judgements

Management consider the following to be major sources of estimation that have been made in these financial statements:

Valuation of work in progress and land held for development

Inventories are carried at the lower of cost and net realisable value. Net realisable value represents the estimated selling price (in the ordinary course of business) less all estimated costs of completion and direct overheads. Valuations of site work in progress are carried out at regular intervals and estimates of the cost to complete a site and estimates of anticipated revenues are required to enable a development profit to be determined. Management are required to employ judgement in estimating the profitability of a site and in assessing any impairment provisions which may be required.

For the 53 weeks ended 3 January 2021 and the 52 weeks ended 29 December 2019, a full review of inventories has been performed and write downs have been made where cost exceed net realisable value. Estimated selling prices have been reviewed on a site by site basis and have been amended based on local management and the Board's assessment of current market conditions. For the 53 weeks ended 3 January 2021 a loss of £407,000 has been recognised as an impairment in the carrying values of stocks in respect of fire protection works on build complete and rented apartments (52 weeks ended 29 December 2019: £nil).

Judgements

In the course of preparing the financial statements, no major judgements have been made in the process of applying the Group's accounting policies, other than those involving estimation, as set out above, that have had a significant effect on the amounts recognised in the financial statements.

2 Turnover

	53 weeks to 3 January 2021 £000	52 weeks to 29 December 2019 £000
By activity		
Sale of residential properties	432	1,670
Rental income from residential properties	40	62
	<hr/>	<hr/>
Total turnover	472	1,732
	<hr/>	<hr/>
By geographical market		
United Kingdom	472	1,732
	<hr/>	<hr/>

Notes (continued)

3 Expenses and auditor's remuneration

Included in profit / (loss) are the following:

	53 weeks to 3 January 2021 £000	52 weeks to 29 December 2019 £000
Impairment loss on stock	407	-

4 Staff numbers and costs

The company does not employ any staff (52 weeks to 29 December 2019: none).

5 Directors' remuneration

The directors were not remunerated for providing services to the Company.

6 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	53 weeks to 3 January 2021 £000		52 weeks to 29 December 2019 £000	
Current tax				
Current tax on income for the period		-		95
Adjustments in respect of prior periods		-		-
		<u>-</u>		<u>95</u>
Total current tax		-		95
Deferred tax	-		-	
Origination and reversal of timing differences	-		-	
Change in tax rate	-		-	
	<u>-</u>		<u>-</u>	
Total deferred tax		-		-
		<u>-</u>		<u>95</u>
Total tax		-		95

	53 weeks to 3 January 2021			52 weeks to 29 December 2019		
	£000	£000	£000	£000	£000	£000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	-	-	-	95	-	95
Recognised in other comprehensive income	-	-	-	-	-	-
Recognised directly in equity	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>95</u>	<u>-</u>	<u>95</u>
Total tax	-	-	-	95	-	95

Notes (continued)

6 Taxation (continued)

Analysis of current tax recognised in profit and loss

53 weeks to 3 January 2021 £000	52 weeks to 29 December 2019 £000
UK corporation tax	95
Total current tax recognised in profit and loss	95

Reconciliation of effective tax rate

	53 weeks to 3 January 2021 £000	52 weeks to 29 December 2019 £000
Profit for the period	(240)	405
Total tax expense	-	95
Profit excluding taxation	(240)	500
Tax using the UK corporation tax rate of 19% (52 weeks to 29 December 2019: 19%)	(46)	95
Group relief surrendered without payment	46	-
Total tax expense included in profit or loss	-	95

Factors affecting the tax charge in future years

The UK corporation tax standard rate for the period is 19% (52 weeks ended 29 December 2019: 19%). A UK corporation tax rate of 25% (effective 1 April 2023) was substantively enacted on 3 March 2021 increasing the future tax rate accordingly.

7 Stocks

	3 January 2021 £000	29 December 2019 £000
Residential properties held for resale	135	807

Stocks of £711,000 were expensed in the 53 weeks ended 3 January 2021 (52 weeks ended 29 December 2019: £1,157,000).

Certain assets included in work in progress and development land are pledged as security for the Group's bank borrowings. Further details of the Group's banking arrangements are included in note 12.

Notes (continued)

8 Debtors

	3 January	29 December
	2021	2019
	£000	£000
Trade debtors	-	1
Amounts owed by group undertakings	1,130	505
Prepayments	6	2
	<hr/>	<hr/>
	1,136	508
	<hr/>	<hr/>

All debtors are due within one year.

9 Cash and cash equivalents / bank overdrafts

	3 January	29 December
	2021	2019
	£000	£000
Cash at bank and in hand	2	191
	<hr/>	<hr/>

10 Creditors: amounts falling due within one year

	3 January	29 December
	2021	2019
	£000	£000
Payments received on account	6	1
Accruals and deferred income	9	7
	<hr/>	<hr/>
	15	8
	<hr/>	<hr/>

Notes (continued)

11 Capital and reserves

Share capital

	3 January 2021 £	29 December 2019 £
Allotted, called up and fully paid 1 ordinary share of £1 each	1	1
	<hr/>	<hr/>
Shares classified as liabilities	-	-
Shares classified in shareholders' funds	1	1
	<hr/>	<hr/>
	1	1
	<hr/>	<hr/>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

No dividends have been declared after the balance sheet date up to the date that these financial statements were signed.

12 Contingent Liabilities

The company has entered into a cross guarantee and debenture covering some but not all, of the bank borrowings of other companies in the Group amounting to £20,000,000 (29 December 2019: £26,000,000). Erie Basin Limited considers this cross guarantee to be an insurance arrangement.

13 Ultimate Parent Company and Ultimate Controlling Parties

The ultimate parent undertaking is Amber Residential Properties Limited, a company incorporated and domiciled in the UK. A copy of the consolidated financial statements for Amber Residential Properties Limited can be obtained from 2nd Floor, Colmore Court, 9 Colmore Row, Birmingham, B3 2BJ.

The ultimate controlling parties are RS Boparan and BK Boparan.