

Eldon Road Developments Limited
Annual Report and Unaudited Financial Statements
Year Ended 31 March 2022

Registration number: 07759641

Eldon Road Developments Limited

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Eldon Road Developments Limited

Company Information

Directors	Mr A A Dunn Mr A J A Dunn Mrs F Grossart Mr A C Michelin Mr M A Robertson
Registered office	The Estate Office Wield Park Upper Wield Alresford England SO24 9RU
Accountants	Fancis Clark LLP Hitchcock House Hilltop Park Devizes Road Salisbury Wiltshire SP3 4UF

Eldon Road Developments Limited

Balance Sheet

31 March 2022

	Note	2022 £	2021 £
Current assets			
Debtors	<u>4</u>	13,923,642	9,612,236
Cash at bank and in hand		<u>31,481</u>	<u>78,472</u>
		13,955,123	9,690,708
Creditors: Amounts falling due within one year	<u>5</u>	<u>(10,625,288)</u>	<u>(137,643)</u>
Total assets less current liabilities		3,329,835	9,553,065
Creditors: Amounts falling due after more than one year	<u>5</u>	-	(6,561,065)
Provisions for liabilities		<u>3,499</u>	<u>1,891</u>
Net assets		<u>3,333,334</u>	<u>2,993,891</u>
Capital and reserves			
Called up share capital	<u>7</u>	3,342,890	3,001,010
Other reserves		793,834	384,289
Profit and loss account		<u>(803,390)</u>	<u>(391,408)</u>
Shareholders' funds		<u>3,333,334</u>	<u>2,993,891</u>

Eldon Road Developments Limited

Balance Sheet

31 March 2022

For the financial year ending 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 8 September 2022 and signed on its behalf by:

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Mr M A Robertson

Director

Company Registration Number: 07759641

Eldon Road Developments Limited

Notes to the Unaudited Financial Statements

Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

The Estate Office Wield Park

Upper Wield

Alresford

England

SO24 9RU

These financial statements were authorised for issue by the Board on 8 September 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention and in accordance with FRS 105 'The Financial Reporting Standard applicable to the Micro-entities Regime'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Eldon Road Developments Limited

Notes to the Unaudited Financial Statements

Year Ended 31 March 2022

Financial instruments

Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 0 (2021 - 0).

4 Debtors

	Note	2022 £	2021 £
Trade debtors		7,465,607	3,546,703
Amounts owed by group undertakings and undertakings in which the company has a participating interest		6,347,174	5,937,629
Other debtors		110,861	127,904
		<u>13,923,642</u>	<u>9,612,236</u>
Less non-current portion		-	(5,966,829)
		<u>13,923,642</u>	<u>3,645,407</u>

Eldon Road Developments Limited

Notes to the Unaudited Financial Statements

Year Ended 31 March 2022

During 2020 a loan was issued that is secured against two properties that the company had been contracted to demolish and rebuild, behind the retained facade. The loan is secured and will be repaid from the sale proceeds. The company expect repayment will take place in the year to 31 March 2023. At 31 March 2022 the loan is held at its fair value of £6,347,417 (2021 - £5,937,629) . See note 7 for details of the assumptions underlying the fair value.

Included in other debtors is a deposit of £29,200 (2021 - £29,200). The deposit is recoverable at the completion of the project, expected to be in 2022, assuming no damage is caused to the party wall or that any damage caused is made right.

Details of non-current trade and other debtors

£Nil (2021 - £5,937,629) of amounts owed by group undertakings and undertakings in which the company has a participating interest is classified as non current.

£Nil (2021 - £29,200) of other debtors is classified as non current.

Eldon Road Developments Limited

Notes to the Unaudited Financial Statements

Year Ended 31 March 2022

5 Creditors

Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	<u>6</u>	10,144,275	-
Trade creditors		400,509	77,943
Accruals and deferred income		80,504	59,700
		<u>10,625,288</u>	<u>137,643</u>

Creditors: amounts falling due after more than one year

	Note	2022 £	2021 £
Due after one year			
Loans and borrowings	<u>6</u>	<u>-</u>	<u>6,561,065</u>

6 Loans and borrowings

	2022 £	2021 £
Loans and borrowings due after one year		
Bank borrowings	<u>-</u>	<u>6,561,065</u>

	2022 £	2021 £
Current loans and borrowings		
Bank borrowings	<u>10,144,275</u>	<u>-</u>

The bank loan of £10,144,274 (2021 - £6,561,065) was issued in January 2020 and has a term of three years falling due for repayment in January 2023. The interest rate charge is 3.4% over LIBOR and the loan is secured against the two properties currently being developed which have a market value of between £6,500,000 and £7,000,000 each at 31 March 2022 (2021- £6,500,000 and £7,000,000)

Eldon Road Developments Limited

Notes to the Unaudited Financial Statements

Year Ended 31 March 2022

7 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.01 each	100,000	1,000.00	100,000	1,000.00
Ordinary shares A of £0.01 each	1,000	10.00	1,000	10.00
Preference shares of £1 each	3,341,880	3,341,880	3,000,000	3,000,000
	<u>3,442,880</u>	<u>3,342,890</u>	<u>3,101,000</u>	<u>3,001,010</u>

The company has issued 341,880 preference shares of £1 each during the year making the total of preference shares 3,341,880 at the end of the year, which carry no right to fixed income, do not carry voting rights.

8 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £Nil (2021 - £2,910,774).

9 Financial instruments

Financial assets measured at fair value

Instruments measured at fair value through profit or loss

The fair value is £6,347,174 (2021 - £5,937,629) and the change in value included in profit or loss is £409,545 (2021 - £350,189).

Eldon Road Developments Limited

Notes to the Unaudited Financial Statements

Year Ended 31 March 2022

A debtor balance disclosed in note 4 is held at its fair value through profit or loss. The agreement for this loan states that on sale of the properties being developed, the loan will be settled by cash payments equalling the total of:

- the value of the bank loan disclosed in note 6;
- cash loaned by the company to the owners of the property in respect of the development project (capped at £3m);
- and
- a share of the profit on sale of the properties being developed where sufficient profit is available.

The loan's fair value has been assessed by management based on present value of the expected future cash flows, which have been calculated based on management's assessment of the three elements detailed above.

The loan is secured over, and will be settled out of the sale proceeds from, the properties being developed. Management believe that the properties will sell at a profit and the return of the first two elements of the loan is reasonably certain.

The fair value movement of £409,544 (2021 - £350,189) is the only movement in the profit and loss relating to this loan. Since the settlement of this loan will come directly from the sale of the properties being developed, management do not have believe that any of this movement will relate to variation in credit risks.

The principal estimate which underlies the valuation of the loan relates to the company's share of the expected sales proceeds on sale of the properties being developed. As a result, variations in the property market between the reporting date and the sale date, expected to be in 2023, may materially affect the balance recognised.

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.