

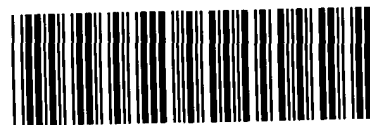
Company Registration No. 07759641 (England and Wales)

ELDON ROAD DEVELOPMENTS LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2021**

PAGES FOR FILING WITH REGISTRAR

THURSDAY



AA7U4DV0

A21

01/07/2021

#6

COMPANIES HOUSE

ELDON ROAD DEVELOPMENTS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2021**

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|------------------|------------------|------------------|------------------|
| Current assets | | | | | |
| Debtors falling due after more than one year | 3 | 5,966,829 | | 5,607,440 | |
| Debtors falling due within one year | 3 | 3,647,298 | | 630,616 | |
| Cash at bank and in hand | | 78,472 | | 191,787 | |
| | | <u>9,692,599</u> | | <u>6,429,843</u> | |
| Creditors: amounts falling due within one year | 4 | <u>(137,643)</u> | | <u>(60,523)</u> | |
| Net current assets | | | 9,554,956 | | 6,369,320 |
| Creditors: amounts falling due after more than one year | 5 | | (6,561,065) | | (3,365,022) |
| Net assets | | | <u>2,993,891</u> | | <u>3,004,298</u> |
| Capital and reserves | | | | | |
| Called up share capital | 7 | 3,001,010 | | 3,001,010 | |
| Fair value reserve | 8 | 384,289 | | 34,100 | |
| Profit and loss reserves | | (391,408) | | (30,812) | |
| Total equity | | <u>2,993,891</u> | | <u>3,004,298</u> | |

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 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.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 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.

ELDON ROAD DEVELOPMENTS LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2021

The financial statements were approved by the board of directors and authorised for issue on 28/6/21
and are signed on its behalf by:



.....
Mr M A Robertson
Director

ELDON ROAD DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

| | Share capital | Fair value reserve | Profit and loss reserves | Total |
|--|------------------|-----------------------|--------------------------------|-------------|
| | £ | £ | £ | £ |
| Balance at 1 April 2019 | 100 | - | 3,111,371 | 3,111,471 |
| Year ended 31 March 2020: | | | | |
| Profit and total comprehensive income for the year | - | 34,100 | (31,754) | 2,346 |
| Issue of share capital | 3,000,910 | - | - | 3,000,910 |
| Dividends | - | - | (3,110,429) | (3,110,429) |
| Balance at 31 March 2020 | 3,001,010 | 34,100 | (30,812) | 3,004,298 |
| Year ended 31 March 2021: | | | | |
| Loss and total comprehensive income for the year | - | 350,189 | (360,596) | (10,407) |
| Balance at 31 March 2021 | 3,001,010 | 384,289 | (391,408) | 2,993,891 |

ELDON ROAD DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Eldon Road Developments Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is The Estate Office Wield Park, Upper Wield, Alresford, SO24 9RU.

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 £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Going concern

The directors have reviewed relevant financial information and are confident that the company will be able to meet its liabilities as they fall due. The effects of Covid-19 were minimal on the entity and construction industry as a whole. Accordingly, the financial statements have been prepared on a going concern basis and do not contain any adjustments that would result should the company be unable to continue as a going concern.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

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.

Other financial assets

Other financial assets, including loans to related parties, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

ELDON ROAD DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

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, 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 transaction 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 date.

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.

2 Employees

There were no persons (including directors) employed and remunerated by the company in the current or comparative year.

ELDON ROAD DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Debtors

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 3,546,703 | 455,101 |
| Other debtors | 98,704 | 168,066 |
| | <u>3,645,407</u> | <u>623,167</u> |
| Deferred tax asset | 1,891 | 7,449 |
| | <u>3,647,298</u> | <u>630,616</u> |
| | | |
| | 2021 £ | 2020 £ |
| Amounts falling due after more than one year: | | |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 5,937,629 | 5,587,440 |
| Other debtors | 29,200 | 20,000 |
| | <u>5,966,829</u> | <u>5,607,440</u> |
| | | |
| Total debtors | <u>9,614,127</u> | <u>6,238,056</u> |

During the comparative year 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 2021 the loan is held at its fair value of £5,937,629 (2020: £5,587,440). See note 6 for details of the assumptions underlying the fair value.

Included in other debtors due in more than one year is a deposit of £29,200 (2020: £20,000). 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.

4 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|-----------------|----------------|---------------|
| Trade creditors | 77,943 | 32,668 |
| Other creditors | 59,700 | 27,855 |
| | <u>137,643</u> | <u>60,523</u> |

ELDON ROAD DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Creditors: amounts falling due after more than one year

| | 2021 £ | 2020 £ |
|------------|-----------|-----------|
| Bank loans | 6,561,065 | 3,365,022 |

The bank loan of £6,561,065 (2019: £3,365,022) was issued in January 2020 and has a term of 3 years, falling due for repayment in January 2023. The interest rate charged on this loan 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 2021 (2020: between £4,500,000 and £5,000,000).

6 Financial instruments

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Carrying amount of financial assets | | |
| Instruments measured at fair value through profit or loss | 5,937,629 | 5,587,440 |

A debtor balance disclosed in note 3 is held at its fair value through profit and 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 5;
- 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 the 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 that the return of the first two elements of the loan is reasonably certain.

The fair value movement of £350,189 (2020: £34,100) 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 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.

ELDON ROAD DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Called up share capital

| | 2021 Number | 2020 Number | 2021 £ | 2020 £ |
|--|------------------|------------------|------------------|------------------|
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| Ordinary shares of 1p each | 100,000 | 100,000 | 1,000 | 1,000 |
| A Ordinary shares of 1p each | 1,000 | 1,000 | 10 | 10 |
| | <u>101,000</u> | <u>101,000</u> | <u>1,010</u> | <u>1,010</u> |
| Preference share capital | | | | |
| Issued and fully paid | | | | |
| Preference shares of £1 each | <u>3,000,000</u> | <u>3,000,000</u> | <u>3,000,000</u> | <u>3,000,000</u> |
| Preference shares classified as equity | | | <u>3,000,000</u> | <u>3,000,000</u> |
| Total equity share capital | | | <u>3,001,010</u> | <u>3,001,010</u> |

Ordinary shares of 1p each

The company's Ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

Holders of Ordinary shares are entitled to 77.5% of any distributions made in respect of any financial year, or on liquidation.

A Ordinary shares of 1p each

The company's A Ordinary shares, which carry no right to fixed income, do not carry voting rights.

Holders of Ordinary shares are entitled to 22.5% of any distributions made in respect of any financial year, or on liquidation.

Preference shares of £1 each

The company's Preference shares, which carry no right to fixed income, do not carry voting rights.

The preference shares are redeemable at any time at the option of the company. On redemption, the amount payable by the company shall be equal to the amount paid up on the preference shares redeemed, including any premium.

ELDON ROAD DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Fair value reserve

| | 2021 £ | 2020 £ |
|---------------------------------|----------------|---------------|
| At the beginning of the year | 34,100 | - |
| Fair value increase in the year | 350,189 | 34,100 |
| At the end of the year | <u>384,289</u> | <u>34,100</u> |

The fair value reserve is representative of the revaluation of the loan balance, disclosed in note 3, of £5,937,629 (2020: £5,587,440).

9 Capital commitments

Amounts contracted for but not provided in the financial statements:

| | 2021 £ | 2020 £ |
|--------------------------------|------------------|------------------|
| Amounts payable to contractors | <u>2,910,774</u> | <u>2,584,815</u> |

10 Parent company

Management do not consider that there is any one controlling party.