REGISTERED NUMBER: 08299002 (England and Wales)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

FOR

THE DAVENTRY ESTATE COMPANY LIMITED

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FOR THE YEAR ENDED 31 MARCH 2020

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2020

DIRECTORS:	J Gilford R P Micklewright C Morgan L D Jones
SECRETARY:	M D Wilson
REGISTERED OFFICE:	Daventry District Council Lodge Road Daventry Northamptonshire NN11 4FP
REGISTERED NUMBER:	08299002 (England and Wales)
AUDITORS:	DNG Dove Naish LLP, Statutory Auditor Eagle House 28 Billing Road Northampton NN1 5AJ

THE DAVENTRY ESTATE COMPANY LIMITED (REGISTERED NUMBER: 08299002)

STATEMENT OF FINANCIAL POSITION
31 MARCH 2020

	Notes	2020 £	2020 £	2019 £	2019 £
FIXED ASSETS					
Investment property	3		6,877,000		6,824,500
CURRENT ASSETS					
Debtors	4	7,328		14,366	
Cash at bank		174,523		134,589	
		181,851		148,955	
CREDITORS					
Amounts falling due within one year	5	25,575		15,951	
NET CURRENT ASSETS			156,276		133,004
TOTAL ASSETS LESS CURRENT LIABILITIES			7,033,276		6,957,504
CREDITORS					
Amounts falling due after more than one year	6		(5,920,031)		(5,920,449)
PROVISIONS FOR LIABILITIES			(60,556)		(51,631)
NET ASSETS			1,052,689		985,424
CAPITAL AND RESERVES					
Called up share capital			1,000		1,000
Investment property reserve	7		893,571		849,996
Retained earnings	7		158,118		134,428
SHAREHOLDERS' FUNDS			1,052,689		985,424

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 27 July 2020 and were signed on its behalf by:

L D Jones - Director

1. STATUTORY INFORMATION

The Daventry Estate Company Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Significant judgements and estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the individual accounting policies below.

Turnover
Turnover represents rental income from investment properties.

Investment property
Investment property is shown at the most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Comprehensive Income. The fair value is stated on the basis that the properties are valued on an individual basis, rather than collectively.

Financial instruments
Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with an original maturity date of three months or less.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income under administrative expenses.

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

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2. **ACCOUNTING POLICIES - continued**

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Deferred tax is recognised on fair value gains on investment properties.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Finance leases
Assets held under finance leases are capitalised in the balance sheet. The interest element of these obligations is charged to the statement of comprehensive income over the relevant period. The capital element of future payments is treated as a liability.

3. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
At 1 April 2019	6,824,500
Revaluations	52,500
At 31 March 2020	6,877,000
NET BOOK VALUE	
At 31 March 2020	6,877,000
At 31 March 2019	6,824,500

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3. INVESTMENT PROPERTY - continued

The investment properties were valued on a fair value basis on 23 March 2020 by James Ring MRICS, an employee of Daventry District Council.

The constitution of Daventry District Council states that, in the absence of specific alternative objectives, any disposal shall have the objective of securing the best financial return for the council. Consequently any future disposal would be undertaken by means of individual property disposal. Therefore open market value represents fair value for the company.

If the properties were to be sold as one investment portfolio the RICS guidance note 'Valuing Residential Property purpose built for renting' would be followed. On that basis the value of the properties would be £4.21m.

The valuation this year was prepared at the start of the Covid-19 pandemic and the surveyor has issued a caveat in that the valuations are prepared with a material uncertainty in respect of the crisis and that they should be reviewed regularly. The directors consider at the year-end date the valuations are appropriate but acknowledge that subsequently these values may have decreased and will have the properties formally valued again at 31 March 2021.

The investment properties were all held under finance leases. The fair value of these assets is as stated above.

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	1,025	10,946
Prepayments and accrued income	6,303	3,420
	7,328	14,366

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Finance leases	419	409
Tax	6,964	2,423
Accruals and deferred income	18,192	13,119
	25,575	15,951

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Finance leases	5,920,031	5,920,449

Amounts falling due in more than five years:

Repayable by instalments		
Finance leases	5,918,250	5,918,711

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7. RESERVES

	Retained earnings £	Investment property reserve £	Totals £
At 1 April 2019	134,428	849,996	984,424
Profit for the year	73,265		73,265
Dividends	(6,000)		(6,000)
Reserves transfer	(43,575)	43,575	-
At 31 March 2020	158,118	893,571	1,051,689

8. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Robyn Favill (Senior Statutory Auditor)
for and on behalf of DNG Dove Naish LLP, Statutory Auditor

9. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with other members of the group.

10. CONTROLLING PARTY

The Directors consider that The Daventry Estate Company Limited (TDECL) is a "controlled" company under the terms of the Local Government and Housing Act 1989 and the Local Authorities (Companies) Order 1995. This is because Daventry District Council (DDC) is the sole shareholder of the company. As such DDC has 100% of the voting rights at general meetings and has the sole right to appoint and remove directors.

DDC can be contacted at Lodge Road, Daventry, Northamptonshire, NN11 4FP.