

**ANTHOLOGY  
DEPTFORD FOUNDRY**

*Built from London*

**Anthology Deptford Foundry Limited**

Annual report and financial statements  
for the year ended 30 September 2018

Registered number 09021410



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## **Directors' Report**

The directors present their report together with the audited financial statements for the year ended 30 September 2018.

### **Principal activity**

The principal activity of the Company is that of property development.

### **Other Information**

Construction is progressing well, with homes occupied in December 2018.

### **Directors**

The directors who held office during the year and up to the date of signature of these financial statements were as follows:

Mark Dickinson

Nael Khatoun

Stefano Mazzoli

### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid during the year (2017: £nil). The directors do not recommend payment of a further dividend.

### **Qualifying third party indemnity provision**

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

### **Political contributions**

The Company made no political donations nor incurred any political expenditure during the year (2017: £nil).

### **Subsequent events**

There were no significant events affecting the Company since the reporting date.

### **Disclosure of information to auditor**

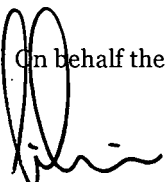
The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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

On behalf the board



**Mark Dickinson**

Director

21 February 2019

## **Statement of Directors' Responsibilities in Respect of the Director's 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 year. 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 101 *Reduced Disclosure Framework*. 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent Auditor's Report to the Members of Anthology Deptford Foundry Limited**

### **Opinion**

We have audited the financial statements of Anthology Deptford Foundry Limited ("the Company") for the year ended 30 September 2018 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **The impact of uncertainties due to Britain existing the European Union on our audit**

Uncertainties related to the effect of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as the recoverability of work in progress and related disclosures, and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effect are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease their operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

## **Independent Auditor's Report to the Members of Anthology Deptford Foundry Limited (*continued*)**

### **Directors' Report**

The directors are responsible for the Directors' Report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Directors' Report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3 the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Independent Auditor's Report to the Members of Anthology Deptford Foundry Limited (*continued*)**

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Paul Barron (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square, London, E14 5GL

26 February 2019

**Statement of Profit and Loss and Other Comprehensive Income**  
*for the year ended 30 September 2018*

	Note	2018 £000	2017 £000
<b>Revenue</b>	3	<b>4,055</b>	<b>3,388</b>
Cost of sales		(3,892)	(3,476)
<b>Gross profit/(loss)</b>		<b>163</b>	<b>(88)</b>
Administrative expenses		-	-
<b>Operating profit/(loss)</b>	4,5	<b>163</b>	<b>(88)</b>
Financial expenses	6	(345)	(230)
<b>Loss on ordinary activities before taxation</b>		<b>(182)</b>	<b>(318)</b>
Taxation	7	-	168
<b>Loss for the year</b>		<b>(182)</b>	<b>(150)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(182)</b>	<b>(150)</b>

The result in the year relates to continuing operations.

The notes on pages 10-19 form part of these financial statements.

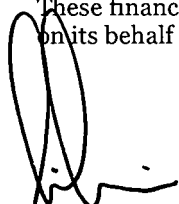


**Balance Sheet**  
*as at 30 September 2018*

	<b>Note</b>	<b>2018 £000</b>	<b>2017 £000</b>
<b>Non-current assets</b>			
Deferred tax	8	347	347
<b>Current assets</b>			
Inventories	9	90,660	47,797
Trade and other receivables	10	936	311
Cash and cash equivalents		2,544	24
		<hr/>	<hr/>
		94,140	48,132
		<hr/>	<hr/>
<b>Total assets</b>		<b>94,487</b>	<b>48,479</b>
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade and other payables	11	(8,381)	(9,824)
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	12	(83,055)	(35,422)
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>(91,436)</b>	<b>(45,246)</b>
		<hr/>	<hr/>
<b>Net assets employed</b>		<b>3,051</b>	<b>3,233</b>
		<hr/>	<hr/>
<b>Shareholders' funds</b>			
Share capital	13	3,853	3,853
Capital contribution	13	1,245	1,245
Retained earnings		(2,047)	(1,865)
		<hr/>	<hr/>
<b>Total shareholders' funds</b>		<b>3,051</b>	<b>3,233</b>
		<hr/>	<hr/>

The notes on pages 10-19 form part of these financial statements.

These financial statements were approved by the board of directors on 21 February 2019 and were signed on its behalf by:



**Mark Dickinson**  
*Director*

Company registered number: 09021410

## Statement of Changes in Equity

	Share capital £000	Capital contribution £000	Retained earnings £000	Total equity £000
<b>Balance at 1 October 2016</b>	<b>3,853</b>	<b>1,245</b>	<b>(1,715)</b>	<b>3,383</b>
<b>Total comprehensive loss for the year</b>				
Loss for the year	-	-	(150)	(150)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(150)</b>	<b>(150)</b>
<b>Balance at 30 September 2017</b>	<b>3,853</b>	<b>1,245</b>	<b>(1,865)</b>	<b>3,233</b>
<b>Balance at 1 October 2017</b>	<b>3,853</b>	<b>1,245</b>	<b>(1,865)</b>	<b>3,233</b>
<b>Total comprehensive loss for the year</b>				
Loss for the year	-	-	(182)	(182)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(182)</b>	<b>(182)</b>
<b>Balance at 30 September 2018</b>	<b>3,853</b>	<b>1,245</b>	<b>(2,047)</b>	<b>3,051</b>

The notes on pages 10-19 form part of these financial statements.

## Notes to the financial statements

### 1 *Accounting policies*

Anthology Deptford Foundry Limited (the "Company") is a company incorporated and domiciled in England in the UK. The registered number is 09021410 and the address of its registered office is 160-166 Borough High Street, London SE1 1LB.

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.

#### 1.1 *Basis of preparation*

The Company's financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The Amendments to (2014/15 cycle) issued in July 2015 have been applied. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The Company's immediate parent undertaking Anthology Group Limited includes the Company in its financial statements. The consolidated financial statements of Anthology Group Limited are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and are available to the public and may be obtained from 160-166 Borough High Street, London SE1 1LB.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions entered into between two or more members of a wholly-owned member of a group.

As the consolidated financial statements of Anthology Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's 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 in note 2.

#### 1.2 *Going concern*

The financial statements have been prepared on the going concern basis notwithstanding the loss for the year of £182,000. The Company has the financial support of Anthology Group Limited to meet its financial obligations as they fall due for the foreseeable future, being at least 12 months from the date of this financial report. In addition, the directors have reviewed the forecasts of the entity and believe that it is appropriate to adopt that basis of accounting in the preparation of these financial statements.

## Notes to the financial statements (*continued*)

### **1      *Accounting policies (continued)***

#### **1.3      *Non-derivative financial instruments***

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

##### *Trade and other receivables*

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other payables*

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### **1.5      *Derivative financial instruments and hedging***

The Company has purchased cap options to reduce interest rate risk. These are held at nil value on the balance sheet and are not considered to have a material value. The Company has not entered into any other derivative financial instruments or hedging arrangements.

#### **1.6      *Equity instruments***

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. Ordinary shares are classified as equity and are recorded at the proceeds received, net of direct issue costs.

#### **1.7      *Inventories***

Inventories are stated at the lower of cost and net realisable value. Costs comprise land, development costs and attributable interest. Net realisable value is based on estimated selling price less cost to completion and disposal.

#### **1.8      *Expenses***

##### *Interest receivable and Interest payable*

Finance expenses comprise interest payable which is recognised in profit or loss as it accrues, using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of inventory that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

## Notes to the financial statements (*continued*)

### **1**      *Accounting policies (continued)*

#### **1.9**      *Taxation*

Tax on the profit or loss 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 directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### **1.10**      *Revenue*

##### *Residential Homes*

Revenue and profit from the sale of individual residential homes are recognised at the point of legal completion. Revenue recognised is the agreed contract price, profit is recognised based on an assessment of total projected revenue and costs and is released in proportion to revenue.

##### *Freehold and Long Leasehold*

Sale of freeholds and long leaseholds relating to more than one home are recognised on legal completion of contracts.

##### *Construction Contracts*

Contracts for the construction of a number of homes sold to affordable housing providers are treated as construction contracts. Revenue and profit are recognised by stage of completion where these can be reliably estimated, based on the costs incurred as a proportion of projected total costs.

## Notes to the financial statements (*continued*)

### **1**      *Accounting policies (continued)*

#### **1.11**    *IFRS in issue but not yet effective*

The following standards and interpretations which have been recently issued or revised and are mandatory for the accounting periods beginning on or after 1 January 2018 or later periods have not been adopted early:

- IFRS 9 – Financial instruments (effective date 1 January 2018)
- IFRS 15 – Revenue with contracts with customers (effective date 1 January 2018)
- IFRS 16 – Leases (effective date 1 January 2019)
- IFRS 2 – Amendments – classification and measurement of share-based payment transaction

With the exception of IFRS 16, the impact of these standards and interpretations will be reflected in the annual report for the year ended 30 September 2019.

IFRS 9 addresses the classification and measurement of financial assets and financial liabilities. It retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. There is now a new expected credit loss model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there are no changes to classification and measurement except for the recognition of changes in credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. Management have completed their assessment of the classification and measurement of the Company's existing financial assets and liabilities under the requirements of IFRS 9 and do not anticipate any material impact to the financial statements upon adoption of this standard.

IFRS 15 is intended to introduce a single framework for revenue recognition and clarify principles of revenue recognition. This standard establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The core principle is that an entity recognises revenue to depict the transfer of promised goods and services to the customer of an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Management have completed their assessment of the Company's existing revenue contracts and do not anticipate any material impact to the financial statements upon adoption of this standard.

IFRS 16 introduces a single lease accounting model. This standard requires lessees to account for all leases under a single on-balance sheet model. Under the new standard, a lessee is required to recognise all lease assets and liabilities on the balance sheet; recognise amortisation of leased assets and interest on lease liabilities over the lease term; and separately present the principal amount of cash paid and interest in the cash flow statement. Management are currently assessing the impact of this standard.

## Notes to the financial statements (*continued*)

### 2 *Critical accounting estimates and judgements*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Critical accounting estimates and assumptions*

The Company makes estimates and assumptions concerning future results. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### *(a) Recoverability of inventories*

The Company's inventories represent work in progress on construction of private residential homes and are stated at lower of costs and net realisable values. The Company estimates the net realisable value of its inventories by reference to the expected market values of the development which inevitably involves a degree of judgement in that each property is unique and value can only be reliably tested in the market itself.

### 3 *Revenue*

Revenue in the year represents income from social housing sales. Revenue arises entirely in the United Kingdom.

### 4 *Expenses and auditor's remuneration*

*Included in loss for the year are the following:*

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Operating lease rentals – land and buildings	<b>99</b>	<b>92</b>

Auditor remuneration is borne by a fellow subsidiary.

### 5 *Staff numbers and costs*

All directors and employees are remunerated by other group companies. The notional cost of directors to this entity was £211,000 during the year (2017: £173,000).

### 6 *Financial expenses*

	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
Interest on bank borrowings	167	-
Interest on loans from related parties	178	230
	<b>345</b>	<b>230</b>

## Notes to the financial statements (*continued*)

### 7 Taxation

#### Recognised in the statement of profit and loss

	2018 £000	2017 £000
<b>Current tax</b>		
Current tax credit	(35)	(60)
Group relief surrendered without payment	35	60
	<hr/>	<hr/>
Current tax credit	-	-
	<hr/>	<hr/>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	-
Adjustment in respect of prior periods	-	(168)
	<hr/>	<hr/>
Deferred tax credit	-	(168)
	<hr/>	<hr/>
<b>Total tax credit</b>	-	(168)
	<hr/>	<hr/>

#### Reconciliation of effective tax rate

From 1 April 2016 the rate of corporation tax reduced from 20% to 19%, giving a blended average rate for the comparative year of 19.5%.

The reasons for the difference between the actual tax credit and the standard rate for the year (2017: blended average rate for the year) applied to loss for the year are as follows:

	2018 £000	2017 £000
Loss for the year	(182)	(150)
Add back total tax credit	-	(168)
	<hr/>	<hr/>
Loss excluding taxation	(182)	(318)
Tax using the UK corporation tax rate of 19% (2017: 19.5%)	(35)	(62)
Non-deductible expenses	-	2
Group relief surrendered	35	60
Adjustment in respect of prior periods	-	(168)
	<hr/>	<hr/>
<b>Total tax credit</b>	-	(168)
	<hr/>	<hr/>

#### Factors affecting future tax charge

With effect from 1 April 2020, the UK corporation tax rate will be reduced to 17%. This change, which was enacted in September 2016, will have a positive effect on the Company's future tax expense.



## Notes to the financial statements (*continued*)

### 8 *Deferred tax*

#### *Recognised deferred tax assets*

Deferred tax assets are attributable to the following:

<b>Deferred tax assets</b>	<b>Capital allowances £000</b>	<b>Recognised tax losses £000</b>	<b>Total £000</b>
At 1 October 2016	4	175	179
Credited to statement of profit and loss	-	168	168
At 30 September 2017	4	343	347
Credited to profit and loss	-	-	-
<b>At 30 September 2018</b>	<b>4</b>	<b>343</b>	<b>347</b>

Deferred tax has been measured using the UK corporation tax rate of 19% (2017: 19%), being the tax rate enacted by the end of the reporting period and at which the deferred tax asset is expected to reverse.

At the reporting period the Company had £1,809,889 (2017: £1,809,889) of recognised taxable losses carried forward. These losses are expected to be utilised in foreseeable future.

### 9 *Inventories*

	<b>2018 £000</b>	<b>2017 £000</b>
Work in progress	<b>90,660</b>	<b>47,797</b>

Included within work in progress is capitalised interest of £8,591,000 (2017: £5,288,000). Work in progress is expected to be recovered in more than 12 months.

## Notes to the financial statements (*continued*)

### 10 *Trade and other receivables*

	2018 £000	2017 £000
<b>Current assets</b>		
Trade debtor	518	42
VAT debtor	418	154
Prepayments and accrued revenue	-	115
	<u>936</u>	<u>311</u>

### 11 *Trade and other payables*

	2018 £000	2017 £000
<b>Current liabilities</b>		
Amounts due to fellow group undertakings	-	4,907
Trade payables	286	1,382
Deferred income	3,400	2,332
Other payables and accrued expenses	4,695	1,203
	<u>8,381</u>	<u>9,824</u>

### 12 *Interest-bearing loans and borrowings*

	2018 £000	2017 £000
<b>Non-current liabilities</b>		
Loan from parent company	42,892	-
Secured bank loan	40,163	35,422
	<u>83,055</u>	<u>35,422</u>

The parent company loan is unsecured, repayable no later than 5 years from 29 February 2016 and carries a fixed interest rate of 8.5%.

A bank loan of £47 million was agreed with Lloyds bank on the 8 February 2018. The loan is repayable on 8 February 2020, carries interest at margin over LIBOR and is secured over the Company's assets.

## Notes to the financial statements (*continued*)

### 13 *Capital and reserves*

#### Share capital

Number of shares issued and fully paid	Ordinary shares
In issue at 1 October 2017	3,853,365
In issue at 30 September 2018	<b>3,853,365</b>

<i>Allotted, called up and fully paid</i>	2018 £000
Ordinary shares of £1 each (2017: £1 each)	<b>3,853</b>

#### Capital contribution

	Capital contribution £000
As at 1 October 2017	1,245
As at 30 September 2018	<b>1,245</b>

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.

The capital contribution reserve relates to contributions made by the parent company to the equity of the Company without issuance of shares.

## Notes to the financial statements (*continued*)

### 14 *Operating leases*

Non-cancellable operating lease rentals, relating to land and buildings, are payable as follows:

	<b>2018</b> <b>£000</b>	<b>2017</b> <b>£000</b>
Less than one year	90	1
Between two and five years	161	72
	<hr/> <b>251</b> <hr/>	<hr/> <b>73</b> <hr/>

### 15 *Related parties*

The Company has taken advantage of the disclosure exemption available under FRS 101 paragraph 8(k) not to disclose transactions entered into between two or more wholly owned members of a group.

### 16 *Controlling party*

The Company is a wholly owned subsidiary undertaking of Anthology Group Limited, a company incorporated in the United Kingdom. Anthology S.à r.l., incorporated in Luxembourg, is an intermediary holding company and the ultimate parent and controlling party is Oaktree European Principal Fund III LP, a company registered in the Cayman Islands. The smallest and largest group in which the results of the Company are consolidated is that headed by Anthology Group Limited. The consolidated financial statements of the group are available to the public and may be obtained from 160-166 Borough High Street, London SE1 1LB.

### 17 *Subsequent events*

There were no significant events affecting the Company since the reporting date.