
CMMCO HOLDINGS LIMITED

UNAUDITED
FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 MAY 2019

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CMMCO HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M Gilmartin C Lee M Roberts
Registered number	09050564
Registered office	102 Bowen Court St Asaph Business Park St Asaph Denbighshire LL17 0JE
Accountants	Grant Thornton UK LLP Chartered Accountants Royal Liver Building Liverpool L3 1PS
Bankers	HSBC 4 Hardman Square Spinningfields Manchester M3 3EB

CMMCO HOLDINGS LIMITED

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Report to the directors on the preparation of the unaudited statutory financial statements of CMMCO Holdings Limited for the year ended 31 May 2019

We have compiled the accompanying financial statements of CMMCO Holdings Limited based on the information you have provided. These financial statements comprise the Statement of Financial Position of CMMCO Holdings Limited as at 31 May 2019, the Statements of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of CMMCO Holdings Limited, as a body, in accordance with the terms of our engagement letter dated 13 November 2019. Our work has been undertaken solely to prepare for your approval the financial statements of CMMCO Holdings Limited and state those matters that we have agreed to state to the Board of Directors of CMMCO Holdings Limited, as a body, in this report in accordance with our engagement letter dated 13 November 2019. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than CMMCO Holdings Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Grant Thornton UK LLP

Grant Thornton UK LLP

Chartered Accountants

Liverpool

Date: 12 March 2020

CMMCO HOLDINGS LIMITED
REGISTERED NUMBER:09050564

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	4	6,246,900	6,246,900
Current assets			
Debtors	5	58,977	77,095
Cash at bank and in hand		1,825	37,196
		<u>60,802</u>	<u>114,291</u>
Creditors: amounts falling due within one year	6	<u>(3,474,767)</u>	<u>(2,725,273)</u>
Net current liabilities		(3,413,965)	(2,610,982)
Total assets less current liabilities		2,832,935	3,635,918
Creditors: amounts falling due after more than one year	7	<u>(1,768,827)</u>	<u>(2,235,594)</u>
Net assets		1,064,108	1,400,324
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		1,063,108	1,399,324
		<u>1,064,108</u>	<u>1,400,324</u>

CMMCO HOLDINGS LIMITED
REGISTERED NUMBER:09050564

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MAY 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



M Gilmartin
Director

Date: 11/03/20

The notes on pages 5 to 10 form part of these financial statements.

CMMCO HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 June 2017	1,000	1,624,125	1,625,125
Comprehensive income for the year			
Profit for the year	-	18,654	18,654
Dividends: Equity capital	-	(243,455)	(243,455)
At 1 June 2018	1,000	1,399,324	1,400,324
Comprehensive income for the year			
Loss for the year	-	(98,261)	(98,261)
Dividends: Equity capital	-	(237,955)	(237,955)
At 31 May 2019	1,000	1,063,108	1,064,108

The notes on pages 5 to 10 form part of these financial statements.

CMMCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

1. Accounting policies

1.1 Company information

CMMCO Holdings Limited is a private company limited by shares and incorporated in England and Wales.

Registered number: 09050564.

Registered office is 102 Bowen Court, St Asaph Business Park, St Asaph, Denbighshire, LL17 0JE.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 section 1A - The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland for smaller entities ('FRS 102 1A') and with the Companies Act 2006.

The group to which CMMCO Holdings Limited is ultimate parent qualifies as small under SI2015/980 and therefore the exemption has been taken from the requirement to prepare consolidated group accounts.

The following principal accounting policies have been applied:

1.3 Going concern

The financial statements have been prepared on the going concern basis, which principally assumed that the company will be able to meet its liabilities as they fall due for the foreseeable future: The company receives income via dividends from its trading subsidiary Beech Developments (NW) Limited and therefore it is the trading forecasts and cash flow forecasts for the subsidiary which are most relevant.

The directors have prepared cash flow forecasts for the year ended 31 May 2020 and 31 May 2021 for the group with reference to sites currently under development and sites which are in the sales pipeline. The timing of when developments will start to generate positive cash flows is often dependant on planning permission, but despite delays on some of the sites, the directors are confident that the company will remain profitable with positive cash flows for the foreseeable future.

In light of this, the directors are satisfied that sufficient income will be generated in the subsidiary to allow CMMCO Holdings Limited to continue to meet its loan repayments and interest costs, and Beech Developments (NW) Limited has provided a letter of support to confirm its ongoing support of CMMCO Holdings Limited.

1.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

CMMCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

1. Accounting policies (continued)

1.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

1.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loan notes, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.9 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Where an effective interest rate has been applied to financial instruments, the rate is derived with reference to the prevailing interest rates on external loans held by the group.

1.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

CMMCO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

1. Accounting policies (continued)

1.11 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

1.12 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

3. Dividends

	2019 £	2018 £
Dividends paid of £237.96 (2018: £243.46) per ordinary share	<u>237,955</u>	<u>243,455</u>

CMMCO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

4. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 June 2018	6,246,900
At 31 May 2019	<u>6,246,900</u>

Subsidiary undertakings

The company owns 100% of the ordinary share capital of Beech Developments (NW) Limited, a company incorporated in the United Kingdom. The principal activity of the subsidiary company is building and selling homes.

The company owns 100% of the ordinary share capital of Beech Commercial Properties Limited, a company incorporated in the United Kingdom. The company is dormant and does not trade.

5. Debtors

	2019 £	2018 £
Other debtors	58,977	77,095
	<u>58,977</u>	<u>77,095</u>

CMMCO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2019**

6. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Loan notes	412,248	120,606
Amounts owed to group undertakings	3,010,045	2,542,192
Other creditors	52,474	62,475
	<u>3,474,767</u>	<u>2,725,273</u>

The loan notes detailed above bear no interest and are therefore recognised at the present value of future payments discounted at a market rate of interest. Interest has been recognised on the loan notes using the effective interest rate method.

During the previous year, CMMCO Holdings Limited has renegotiated the terms of the loan notes, resulting in a change to the repayment profile of the loan notes. This is considered to represent a significant modification to the loan notes and has been accounted for as such within the financial statements.

The loan notes are secured by way of a fixed and floating charge over all property and assets of the company.

7. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Loan notes	<u>1,768,827</u>	<u>2,235,594</u>

The loan notes detailed above bear no interest and are therefore recognised at the present value of future payments discounted at a market rate of interest. Interest has been recognised on the loan notes using the effective interest rate method.

During the previous year, CMMCO Holdings Limited has renegotiated the terms of the loan notes, resulting in a change to the repayment profile of the loan notes. This is considered to represent a significant modification to the loan notes and has been accounted for as such within the financial statements.

The loan notes are secured by way of a fixed and floating charge over all property and assets of the company.

CMMCO HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

8. Related party transactions

Included in other debtors is £53,882 (2018: £52,000) due from CMM Properties Limited, a company related by common ownership.

As the 100% parent of Beech Developments (NW) Limited, advantage has been taken of the exemption in FRS 102 (section 33) in respect of transactions and balances with other wholly owned group undertakings.

On 31 July 2014, CMMCO Holdings Limited acquired all shares from C Lee, the retiring shareholder in Beech Developments (NW) Limited. In exchange for these shares, loan notes were issued in CMMCO Holdings Limited, Series A loan notes of £2,230,000 and Series B loan notes of £4,770,000. Payments made during the year are £272,500 (2018: £692,500). Interest has been charged of £97,766 (2018: credited of £19,177) on these loan notes during the year using the effective interest rate method.

9. Controlling party

The ultimate controlling parties are the directors by virtue of their majority shareholding in the company.

The group to which CMMCO Holdings Limited is ultimate parent qualifies as small under SI2015/980 and therefore the exemption has been taken from the requirement to prepare consolidated group accounts.