

# Financial Statements

## CMMCO Holdings Limited

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For the year ended 31 May 2017



Registered number: 09050564

## Statement of financial position

As at 31 May 2017

|   | Note | 2017<br>£               | 2016<br>£               |
|---|------|-------------------------|-------------------------|
| <b>Fixed assets</b>                                     |      |                         |                         |
| Investments   |      | 6,246,900               | 6,246,900               |
|   |      | <u>6,246,900</u>        | <u>6,246,900</u>        |
| <b>Current assets</b>                                   |      |                         |                         |
| Debtors   | 3    | 1,000                   | 1,000                   |
| Cash at bank and in hand                                | 4    | 795                     | 1,736                   |
|   |      | <u>1,795</u>            | <u>2,736</u>            |
| Creditors: amounts falling due within one year          | 5    | (2,809,447)             | (1,699,034)             |
| <b>Net current liabilities</b>                          |      | <u>(2,807,652)</u>      | <u>(1,696,298)</u>      |
| <b>Total assets less current liabilities</b>            |      | <u>3,439,248</u>        | <u>4,550,602</u>        |
| Creditors: amounts falling due after more than one year | 6    | (1,814,123)             | (2,424,675)             |
| <b>Net assets</b>                                       |      | <u><u>1,625,125</u></u> | <u><u>2,125,927</u></u> |
| <b>Capital and reserves</b>                             |      |                         |                         |
| Called up share capital                                 |      | 1,000                   | 1,000                   |
| Profit and loss account                                 |      | <u>1,624,125</u>        | <u>2,124,927</u>        |
|   |      | <u><u>1,625,125</u></u> | <u><u>2,125,927</u></u> |

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 small companies with part 15 of the Companies Act 2006.

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 income statement 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 on



19 March 2018

**M Gilmartin**

Director

The notes on pages 3 to 8 form part of these financial statements.

## Statement of changes in equity

For the year ended 31 May 2017

|  | Called up<br>share capital | Profit and<br>loss account | Total equity |
|--|----------------------------|----------------------------|--------------|
|  | £                          | £                          | £            |
| <b>At 1 June 2015 (as previously stated)</b>   | 1,000                      | 1,799,907                  | 1,800,907    |
| Prior year adjustment                          | -                          | (229,677)                  | (229,677)    |
| <b>At 1 June 2015 (as restated)</b>            | 1,000                      | 1,570,230                  | 1,571,230    |
| <b>Comprehensive income for the year</b>       |                            |                            |              |
| Profit for the year                            | -                          | 821,560                    | 821,560      |
| <b>Total comprehensive income for the year</b> | -                          | 821,560                    | 821,560      |
| Dividends                                      | -                          | (266,863)                  | (266,863)    |
| <b>Total transactions with owners</b>          | -                          | (266,863)                  | (266,863)    |
| <b>At 1 June 2016</b>                          | 1,000                      | 2,124,927                  | 2,125,927    |
| <b>Comprehensive income for the year</b>       |                            |                            |              |
| Loss for the year                              | -                          | (157,141)                  | (157,141)    |
| <b>Total comprehensive income for the year</b> | -                          | (157,141)                  | (157,141)    |
| Dividends: Equity capital                      | -                          | (343,661)                  | (343,661)    |
| <b>Total transactions with owners</b>          | -                          | (343,661)                  | (343,661)    |
| <b>At 31 May 2017</b>                          | 1,000                      | 1,624,125                  | 1,625,125    |

## **Notes to the financial statements**

**For the year ended 31 May 2017**

### **1. Accounting policies**

#### **1.1 Company information**

CMMCO Holdings Limited is a company incorporated in the United Kingdom under the Companies Act 2006 and its registered office is 102 Bowen Court, St Asaph Business Park, St Asaph, Denbighshire, LL17 0JE.

CMMCO Holdings Limited is the parent company of Beech Developments (NW) Limited and Beech Commercial Properties Limited.

#### **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 financial statements are presented in Sterling (£). The Company's functional and presentational currency is GBP.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

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 period ended May 2018 and May 2019 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.

## Notes to the financial statements

For the year ended 31 May 2017

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

#### **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.

#### **1.7 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Income statement.

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 bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## Notes to the financial statements

For the year ended 31 May 2017

### 1. Accounting policies (continued)

#### 1.9 Finance costs

Finance costs are charged to the Income statement 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### 1.11 Borrowing costs

All borrowing costs are recognised in the Income statement in the year in which they are incurred.

#### 1.12 Taxation

Tax is recognised in the Income statement, 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. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Management consider that the key area of judgement to be in respect of the carrying value of the investment. This is based on forecasts of future profitability of the subsidiary company, Beech Developments (NW) Limited which are based on the director's knowledge of the business but may be influenced by external market conditions which the directors are unable to foresee.

# Notes to the financial statements

For the year ended 31 May 2017

## 3. Debtors

|               | 2017<br>£    | 2016<br>£    |
|---------------|--------------|--------------|
| Other debtors | 1,000        | 1,000        |
|               | <u>1,000</u> | <u>1,000</u> |

## 4. Cash and cash equivalents

|                          | 2017<br>£  | 2016<br>£    |
|--------------------------|------------|--------------|
| Cash at bank and in hand | 795        | 1,736        |
|                          | <u>795</u> | <u>1,736</u> |

## 5. Creditors: Amounts falling due within one year

|                                    | 2017<br>£        | 2016<br>£        |
|------------------------------------|------------------|------------------|
| Loan notes (note 7)                | 1,181,254        | 1,235,342        |
| Amounts owed to group undertakings | 1,628,193        | 463,692          |
|                                    | <u>2,809,447</u> | <u>1,699,034</u> |

## 6. Creditors: Amounts falling due after more than one year

|                     | 2017<br>£        | 2016<br>£        |
|---------------------|------------------|------------------|
| Loan notes (note 7) | 1,814,123        | 2,424,675        |
|                     | <u>1,814,123</u> | <u>2,424,675</u> |

## Notes to the financial statements

For the year ended 31 May 2017

**7. Loans**

Analysis of the maturity of loans is given below:

|  | 2017<br>£        | 2016<br>£        |
|--|------------------|------------------|
| <b>Amounts falling due within one year</b> |                  |                  |
| Loan notes                                 | 1,181,254        | 1,235,342        |
| <b>Amounts falling due 1-2 years</b>       |                  |                  |
| Loan notes                                 | 1,226,320        | 1,232,175        |
| <b>Amounts falling due 2-5 years</b>       |                  |                  |
| Loan notes                                 | 587,803          | 1,192,500        |
|  | <u>2,995,377</u> | <u>3,660,017</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.

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

**8. Financial instruments**

|  | 2017<br>£        | 2016<br>£        |
|--|------------------|------------------|
| <b>Financial assets</b>                                |                  |                  |
| Financial assets measured at amortised cost            | 1,795            | 1,736            |
|  | <u>1,795</u>     | <u>1,736</u>     |
| <b>Financial liabilities</b>                           |                  |                  |
| Other financial liabilities measured at amortised cost | 4,466,710        | 3,660,017        |
|  | <u>4,466,710</u> | <u>3,660,017</u> |

Financial assets measured at amortised cost comprise cash at bank and in hand and other debtors.

Financial liabilities measured at amortised cost comprise loan notes and amounts due to group undertakings.



## **Notes to the financial statements**

**For the year ended 31 May 2017**

### **9. Post balance sheet events**

Subsequent to the year end, a new subsidiary company, Beech Commercial Properties Limited, has been incorporated in the United Kingdom. The subsidiary is 100% owned by CMMCO Holdings Limited and the principal activity of the subsidiary will be the purchase and rental of commercial properties.

### **10. Auditor's information**

As permitted by Companies Act 2006 s444 (5B) the company has taken the exemption not to file a Directors' Report, Statement of Comprehensive Income or Audit Report. The Audit Report was unqualified and was approved by Emma Stoddart, Senior Statutory Auditor on behalf of Grant Thornton UK LLP.