

Registered number: 09102435

**Southwark Homes Limited**

**Unaudited**

**Financial statements**

**For the Year Ended 31 March 2017**

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**Southwark Homes Limited**

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**Company Information**

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| <b>Directors</b>         | Fisher, Eric (appointed 25 April 2017)<br>Jatania, Pravin Devshi (appointed 29 September 2017)<br>Jatania, Mitesh Devshi |
| <b>Registered number</b> | 09102435   |
| <b>Registered office</b> | Winterhill House<br>Station Approach<br>Marlow<br>Buckinghamshire<br>SL7 1NT   |

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**Southwark Homes Limited**

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**Southwark Homes Limited**  
Registered number: 09102435

**Balance Sheet**  
**As at 31 March 2017**

|   | Note | 2017<br>£         | 2017<br>£          | 2016<br>£         | 2016<br>£        |
|---|------|-------------------|--------------------|-------------------|------------------|
| <b>Current assets</b>                                   |      |                   |                    |                   |                  |
| Stocks  | 5    | 14,045,557        |                    | 13,380,735        |                  |
| Debtors   | 6    | 471,702           |                    | 691,110           |                  |
| Cash at bank and in hand                                | 7    | 81,953            |                    | 25,500            |                  |
|   |      | <u>14,599,212</u> |                    | <u>14,097,345</u> |                  |
| Creditors: amounts falling due within one year          | 8    | (16,107,119)      |                    | (9,888,471)       |                  |
| <b>Net current (liabilities)/assets</b>                 |      |                   | <u>(1,507,907)</u> |                   | <u>4,208,874</u> |
| <b>Total assets less current liabilities</b>            |      |                   | <u>(1,507,907)</u> |                   | <u>4,208,874</u> |
| Creditors: amounts falling due after more than one year | 9    |                   | -                  | (4,938,320)       |                  |
| <b>Net liabilities</b>                                  |      |                   | <u>(1,507,907)</u> |                   | <u>(729,446)</u> |
| <b>Capital and reserves</b>                             |      |                   |                    |                   |                  |
| Called up share capital                                 |      |                   | 2                  |                   | 2                |
| Profit and loss account                                 |      |                   | (1,507,909)        |                   | (729,448)        |
| <b>Total shareholder's deficit</b>                      |      |                   | <u>(1,507,907)</u> |                   | <u>(729,446)</u> |

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 income and retained earnings 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:

Fisher, Eric  
Director

Date:

  
20/12/2017

The notes on pages 5 to 9 form part of these financial statements.

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## **Southwark Homes Limited**

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### **Notes to the Financial Statements For the Year Ended 31 March 2017**

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#### **1. General information**

Southwark Homes Limited ("the Company") is a limited company domiciled and incorporated in England and Wales. The company's registered office address is provided in the company information page.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

These financial statements have been prepared on a going concern basis. The company is dependent upon the continued financial support of related parties to enable it to continue operating and to meet its liabilities as they fall due. The related parties currently agree to continue to provide financial support to the company and accordingly the directors have prepared the accounts under the going concern concept.

##### **2.3 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### **2.4 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.5 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.

##### **2.6 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

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## Southwark Homes Limited

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### Notes to the Financial Statements For the Year Ended 31 March 2017

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## 2. Accounting policies (continued)

### 2.6 Financial instruments (continued)

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 Statement of Income and Retained Earnings.

### 2.7 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.

### 2.8 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

### 2.9 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

### 2.10 Loans and borrowings

All fixed term loans and borrowings are recognised initially and subsequently at amortised cost. Cost is the value of the consideration received net of finance costs associated with the loan. Amortisation is calculated using the effective interest rate method with any difference between the amount initially recognised and redemption value being recognised in the profit and loss account over the period of the term of the loan.

### 2.11 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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 balance sheet date in the countries where the Company operates and generates income.

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**Southwark Homes Limited**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2017**

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**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements requires the use of critical judgment, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. Estimates and assumptions concerning the future, and the accounting results of those estimates will, by definition, rarely equal the related actual results. In particular, the estimate of the net realisable value of stock requires considerable judgment and estimation techniques.

**4. Employees**

The average monthly number of employees, including directors, during the year was 0 (2016 - 0).

**5. Stocks**

|                            | 2017<br>£         | 2016<br>£         |
|----------------------------|-------------------|-------------------|
| Property under development | 14,045,557        | 13,380,735        |
|                            | <u>14,045,557</u> | <u>13,380,735</u> |

The above property is given as security for the obligation to OakNorth Limited (note 8).

**6. Debtors**

|                                    | 2017<br>£      | 2016<br>£      |
|------------------------------------|----------------|----------------|
| Amounts owed by group undertakings | 444,944        | 418,567        |
| Other debtors                      | 24,142         | 269,659        |
| Prepayments and accrued income     | 2,616          | 2,884          |
|                                    | <u>471,702</u> | <u>691,110</u> |

All debtors are due within one year.

**7. Cash and cash equivalents**

|                          | 2017<br>£     | 2016<br>£     |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | 81,953        | 25,500        |
|                          | <u>81,953</u> | <u>25,500</u> |

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**Southwark Homes Limited**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2017**

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**8. Creditors: Amounts falling due within one year**

|                                    | 2017<br>£         | 2016<br>£        |
|------------------------------------|-------------------|------------------|
| Bank loans (secured)               | 8,358,058         | -                |
| Trade creditors                    | 137,226           | 141,413          |
| Amounts owed to group undertakings | 7,386,939         | 9,737,853        |
| Other creditors                    | -                 | 3,000            |
| Accruals and deferred income       | 224,896           | 6,205            |
|                                    | <u>16,107,119</u> | <u>9,888,471</u> |

A loan facility of eight million five hundred thousand pounds was agreed with OakNorth Limited on 3 June 2016. The balance of the loan is repayable in full on 3 December 2017. The bank loan is secured by a fixed charge over the Company's property together with the property owned by Edinburgh House Limited, Borough House Limited and Southwark Homes Limited.

**9. Creditors: Amounts falling due after more than one year**

|                      | 2017<br>£ | 2016<br>£        |
|----------------------|-----------|------------------|
| Bank loans (secured) | -         | 4,938,320        |
|                      | <u>-</u>  | <u>4,938,320</u> |

A loan facility of five million pounds was agreed with Habib Bank AG Zurich on 19 December 2014. The balance of the loan was repaid on the 3 June 2016. The bank loan was secured by a fixed charge over the Company's property together with the property owned by Edinburgh House Limited, Borough House Limited and Southwark Homes Limited.



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**Southwark Homes Limited**

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**Notes to the Financial Statements  
For the Year Ended 31 March 2017**

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**10. Financial instruments**

|  | 2017<br>£           | 2016<br>£          |
|--|---------------------|--------------------|
| <b>Financial assets</b>  |                     |                    |
| Financial assets measured at fair value through profit or loss | 81,953              | 25,500             |
| Financial assets measured at amortised cost                    | 464,063             | 599,947            |
|  | <u>546,016</u>      | <u>625,447</u>     |
| <b>Financial liabilities</b>                                   |                     |                    |
| Financial liabilities measured at amortised costs              | (16,215,943)        | (5,150,618)        |
|  | <u>(16,215,943)</u> | <u>(5,150,618)</u> |

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost loans due from related undertakings and other debtors.

Financial liabilities measured at amortised costs comprise trade creditors, accruals, other creditors, bank loans and loans from related parties.

**11. Controlling party**

The immediate parent company is Causeway Homes Limited, a company registered in Jersey. Causeway Homes Limited is controlled by the Millenium Trust, the trustees of which are Hawksford Trustees Jersey Limited whose address is 15 Esplanade, St Helier, Jersey, JE1 1RB.