Company Registration No. 09459538 (England and Wales)

BRENIG HOMES LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2019

PAGES FOR FILING WITH REGISTRAR

BRENIG HOMES LIMITED

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BRENIG HOMES LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Investments	3		1		1
Current assets					
Stocks		2,003,003		924,503	
Debtors	4	25,881		10,306	
Cash at bank and in hand		2,371		3,939	
		2,031,255		938,748	
Creditors: amounts falling due within one year	5	(99,749)		(266,780)	
Net current assets			1,931,506		671,968
Total assets less current liabilities			1,931,507		671,969
Creditors: amounts falling due after more than one year	6		(1,998,083)		(660,089)
Net (liabilities)/assets			(66,576)		11,880
Capital and reserves					
Called up share capital	7		150		150
Profit and loss reserves			(66,726)		11,730
Total equity			(66,576)		11,880

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 October 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2019

The financial statements were approved by the board of directors and authorised for issue on 28 August 2020 and are signed on its behalf by:

H Vaughan
Director

Company Registration No. 09459538

1 Accounting policies

Company information

Brenig Homes Limited is a private company limited by shares incorporated in England and Wales. The registered office is Brenig House, Cartrefi Conwy Business Park, Station Road, Mochdre, Colwyn Bay, Wales, LL28 5EF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, the principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In forming this conclusion, the directors have fully considered the potential impact of COVID-19 on the company, its trading operations, and its ability to continue to meet its obligations as they fall due.

1.3 Turnover

Turnover represents the total of completed house sales and development sales.

Turnover is recognised to the extent that it is probable that the future economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies **(Continued)**

1.5 Stocks

Stocks are valued at the lower of cost and estimated net realisable value. Net realisable value is based on estimated selling price less additional costs to complete and disposal.

Work in progress is valued at cost incurred to date in respect of development costs.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Total	3	3

3 Fixed asset investments

	2019 £	2018 as restated £
Shares in group undertakings and participating interests	1	1

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 November 2018 & 31 October 2019	1
Carrying amount	
At 31 October 2019	1
At 31 October 2018	1

4 Debtors

Amounts falling due within one year:	2019 £	2018 £
Amounts owed by connected companies	3,800	5,000
Other debtors	3,914	4,030
Prepayments and accrued income	-	1,276
	7,714	10,306
Deferred tax asset	18,167	-
	25,881	10,306

5 Creditors: amounts falling due within one year

	2019	2018 as restated
	£	£
Other borrowings	200	44,498
Trade creditors	4,213	7,890
Amounts owed to group undertakings	2,409	1
Corporation tax	-	2,785
Amounts owed to connected companies	4,539	198,742
Accruals and deferred income	88,388	12,864
	99,749	266,780

6 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Other borrowings	1,998,083	660,089

7 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
150 Ordinary of £1 each	150	150

On 22 January 2020, the existing 150 Ordinary shares designated were changed to 50 A Ordinary shares, 50 B Ordinary shares and 50 C Ordinary shares.

8 Restatement

The comparative information has been restated to show a fixed asset investment of £1 in group undertakings with a corresponding creditor for unpaid share capital. The net effect on net assets has been £nil.

9 Financial commitments, guarantees and contingent liabilities

The company has entered into funding arrangements. The final settlement balances of such arrangements are contingent on the level of profit achieved on the sale of the developments which are being funded.