

QUANTA HOMES 3 LTD

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
29 JUNE 2020

QUANTA HOMES 3 LTD
REGISTERED NUMBER: 09996029

BALANCE SHEET
AS AT 29 JUNE 2020

	Note	2020 £	2019 £
Current assets			
Cash at bank and in hand		1,396	3,215
Creditors: amounts falling due within one year	4	(357,758)	(340,114)
Net current liabilities		<u>(356,362)</u>	<u>(336,899)</u>
Total assets less current liabilities		<u>(356,362)</u>	<u>(336,899)</u>
Creditors: amounts falling due after more than one year		(49,167)	-
Net liabilities		<u><u>(405,529)</u></u>	<u><u>(336,899)</u></u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	(405,629)	(336,999)
Shareholders' funds		<u><u>(405,529)</u></u>	<u><u>(336,899)</u></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 the 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 on Aug 23, 2020.

Mr R N Du Toit
Director

The notes on pages 2 to 5 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 JUNE 2020**

1. General information

Quanta Homes 3 Limited is a private company, limited by shares and incorporated in England & Wales. The Company's registered office address is Chester House, Fulham Green, 81-83 Fulham High Street, London SW6 3JA and its registered number is 09996029.

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 financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Compliance with accounting standards

The financial statements have been prepared using FRS102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland, including the disclosure and presentation requirements of Section 1A, applicable to small companies. There were no material departures from that standard.

2.3 Going concern

The Company was incorporated to facilitate the purchase and sale of 3 properties subject to planning approval for development. The Company's agreement with the seller is contingent on planning permission being granted. At the year end date the Company is in a net liability position and has been loss making. The directors are confident planning permission will be granted and believe preparing the financial statements on the going concern basis is appropriate, meaning that the Company will be able to meet its liabilities as they fall due for the foreseeable future. In assessing the appropriateness of the going concern basis of preparation the Directors have taken into account the key risks of the business, including the uncertainty in relation to the impact of COVID-19, the Company's business model and the availability of cash resources. Specifically the directors cite in preparing the financial statements on a going concern basis the ongoing support of the Company's investors.

2.4 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.

2.5 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 29 JUNE 2020**

2. Accounting policies (continued)**2.6 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 banks and other third parties, loans to related parties and investments in 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2019 - 5).

4. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	833	-
Trade creditors	5,040	10,895
Amounts owed to group undertakings	25,231	51,870
Amounts owed to other investors	304,854	261,009
Other creditors	20,000	-
Accruals and deferred income	1,800	16,340
	<u>357,758</u>	<u>340,114</u>

Amounts owed to group undertakings and other investors are interest free and repayable on demand.

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

	2020 £	2019 £
Bank loans	<u>49,167</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 JUNE 2020**

6. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	833	-
Amounts falling due 2-5 years		
Bank loans	40,000	-
Amounts falling due after more than 5 years		
Bank loans	9,167	-
	<u>50,000</u>	<u>-</u>

During the year the Company took out a loan under the Coronavirus Bounce Back Loan scheme. This loan is interest free for the first 12 months of the loan term and then attracts interest at a rate of 2.5% per annum.

The amounts falling due after more than 5 years are repayable by instalments.

7. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

8. Reserves**Profit and loss account**

The profit and loss account represents cumulative profits and losses net of all adjustments.

9. Contingent liabilities

The Company entered into a contract to purchase Land and buildings for £1,540,000 (less a deposit of £100,000). The purchase is contingent upon the Company obtaining planning permission to convert or redevelop the property for residential or commercial or mixed use on the site. The agreement with the seller had an expiry date of April 2020. This has been extended subsequently for a further 24 months as planning permission is still in progress at this date. Should planning permission not be obtained by the extension date deadline, the cost to the Company is £100,000, being the non refundable deposit.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 JUNE 2020**

10. Related party transactions

During the period WBHO UK Limited, the majority investor, provided loans to the Company. At the balance sheet date the Company owed £304,853 (2019 - £261,009) to WBHO UK Limited. The loan is interest free and repayable on demand.

During the prior period Quanta Homes Limited, the controlling party, provided loans to the Company. At the balance sheet date the Company owed £25,231 (2019 - £51,870) to Quanta Homes Limited. The loan is interest free and repayable on demand.

During the period Fast Sale Today Ltd, a Company under common control, provided loans to the Company. At the balance sheet date the company owed £10,000 (2019 - £Nil) to Fast Sale Today Ltd. The loan is interest free and repayable on demand.

During the period Quanta Homes 6 Ltd, a Company under common control, provided loans to the Company. At the balance sheet date the company owed £10,000 (2019 - £Nil) to Quanta Homes 6 Ltd. The loan is interest free and repayable on demand.

11. Covid-19

Subsequent to the year end global economies have been impacted as a result of the COVID-19 virus epidemic. The impact on the business is at present uncertain, but the directors having assessed this do not believe there will be a material impact on the Company. Details of the directors going concern assessment is set out in note 2.3.

12. Controlling party

The ultimate parent undertaking and controlling party of the Company is Quanta Homes Limited.

The registered office and principal place of business of Quanta Homes Limited is Chester House, Fulham Green, 81-83 Fulham High Street, London SW6 3JA.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.