

Company Registration No. 10590597 (England and Wales)

GRAVITAS HOUSING LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

PAGES FOR FILING WITH REGISTRAR

GRAVITAS HOUSING LTD

COMPANY INFORMATION

Directors	Mr R S Wyles Mr K H Cooke Mr R P H Reid	(Appointed 9 November 2021)
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Company number	10590597
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Registered office	Council offices St Peters Hill Grantham Lincs NG31 6PZ
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Senior Statutory Auditor	Theo Banos FCA
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Auditor	Duncan & Toplis Limited 3 Castlegate Grantham Lincolnshire NG31 6SF
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GRAVITAS HOUSING LTD

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GRAVITAS HOUSING LTD

BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Stocks		1,297,500		2,441,905	
Debtors	4	48,053		37,433	
Cash at bank and in hand		45,828		1,167,145	
		<u>1,391,381</u>		<u>3,646,483</u>	
Creditors: amounts falling due within one year	5	<u>(454,322)</u>		<u>(192,343)</u>	
Net current assets			937,059		3,454,140
Creditors: amounts falling due after more than one year	6		-		(1,900,391)
Provisions for liabilities			(85,933)		(429,675)
Net assets			<u>851,126</u>		<u>1,124,074</u>
Capital and reserves					
Called up share capital			1,120,100		1,120,100
Profit and loss reserves			(268,974)		3,974
Total equity			<u>851,126</u>		<u>1,124,074</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 21 September 2022 and are signed on its behalf by:

Mr R S Wyles
Director

Company Registration No. 10590597

GRAVITAS HOUSING LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Company information

Gravitas Housing LTD is a private company limited by shares incorporated in England and Wales. The registered office is Council offices, St Peters Hill, Grantham, Lincs, NG31 6PZ.

1.1 Accounting convention

Basis of preparing the financial statements

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 have been prepared under the historical cost convention (modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value).

The company has traded throughout the year. The company plans to cease trading by 31 March 2023 following the sale of the remaining 8 properties held in stock at the year ended 31 March 2022. After the year end, 6 properties have been sold and the remaining 2 are subject to contract. Consequently, the going concern basis is not appropriate and the financial statements of the company are prepared on a realisation basis where assets are measured at the lower of carrying amounts and estimated net realisable values, while liabilities are measured at their estimated settlement amounts.

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 £.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. Turnover on property sales is recognised on completion of the sale.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.3 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

GRAVITAS HOUSING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.5 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.

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.

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.

1.6 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.

1.7 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.

GRAVITAS HOUSING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

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.

1.8 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

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

	2022 Number	2021 Number
Total	-	-
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GRAVITAS HOUSING LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Corporation tax recoverable	32,085	-
Other debtors	15,968	37,433
	<u>48,053</u>	<u>37,433</u>

5 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	-	59,761
Corporation tax	-	971
Other creditors	454,322	131,611
	<u>454,322</u>	<u>192,343</u>

6 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Other creditors	-	1,900,391
	<u>-</u>	<u>1,900,391</u>

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of matter - financial statements prepared on a basis other than going concern.

We draw attention to note 1.1 to the financial statements which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in note 1.1. Our opinion is not modified in respect of this matter.

Statutory Auditor: Duncan & Toplis Limited

8 Parent company

Gravitas Housing Limited is a wholly owned subsidiary of South Kesteven District Council.

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.