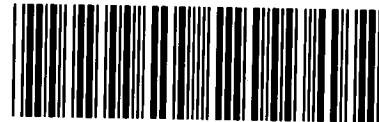


**REGISTERED NUMBER: 10631485 (England and Wales)**

**ST FRANCIS GROUP 2 LIMITED**

**Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements for the Year Ended 31 March 2019**

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**ST FRANCIS GROUP 2 LIMITED**

**Contents of the Consolidated Financial Statements  
for the Year Ended 31 March 2019**

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**ST FRANCIS GROUP 2 LIMITED**

**Company Information  
for the Year Ended 31 March 2019**

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**DIRECTORS:**

R J Braid  
A M Kennedy  
A D Plant  
G W Williams  
M A Lewis  
M Scambler

**REGISTERED OFFICE:**

The Mill  
One High Street  
Henley In Arden  
B95 5AA

**REGISTERED NUMBER:**

10631485 (England and Wales)

**AUDITORS:**

PricewaterhouseCoopers LLP

## ST FRANCIS GROUP 2 LIMITED

### Group Strategic Report for the Year Ended 31 March 2019

---

The directors present their strategic report of the company and the group for the year ended 31 March 2019.

#### REVIEW OF BUSINESS

The Directors are satisfied with the level of realised profits generated during the period. There have been significant steps forward in bringing a number of projects towards realisation, resulting in significant added value, albeit unrealised at the period end. It is anticipated that this added value will be realised in future accounting periods.

The key performance indicators that the Directors utilise to measure the performance of the business are the level of profits achieved in the period, together with the extent to which projects have been progressed resulting in value being added, albeit unrealised until disposal.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The Company faces a number of risks and uncertainties that may have an impact on its operation or future performance.


It is important for the Board to effectively manage risks and opportunities in seeking to achieve the Company's objectives. The Directors have overall responsibility for risk management and internal control systems.

The risks and uncertainties described below represent those which the directors consider to be the most significant in achieving the Company's objectives.

**Adverse economic and business conditions** Uncertainty over the impact of Brexit, and UK economic conditions generally, could adversely affect timing and/or value of development site realisations. Efforts have been made to offset this risk by entering into contracts to dispose of projects where possible, fixing price and limiting post exchange conditions. Significant success has been achieved in doing this.

**Environmental, health and safety and planning legislation** The Group is subject to regulatory compliance risk which can arise from a failure to comply with the applicable laws, regulations or codes mainly involving health and safety laws, environmental laws, and planning regulations. The Directors are not aware of any legislative changes, either made or proposed, that will have any significant impact upon the results of the business.

#### ON BEHALF OF THE BOARD:

  
.....  
M A Lewis - Director

Date: 20 DEC 2019 .  
.....

## **ST FRANCIS GROUP 2 LIMITED**

### **Report of the Directors for the Year Ended 31 March 2019**

---

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2019.

#### **PRINCIPAL ACTIVITY**

The principal activities of the group in the period under review were that of the development and sale of real estate

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2019.

#### **FUTURE DEVELOPMENTS**

The directors plan to continue running the business with a view for growth.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

R J Braid

Other changes in directors holding office are as follows:

A M Kennedy - appointed 28 January 2019

A D Plant - appointed 28 January 2019

G W Williams - appointed 28 January 2019

M A Lewis - appointed 3 September 2019

M Scambler - appointed 3 September 2019

B E Baker – resigned 21 November 2019

#### **GOING CONCERN**

The directors have considered the period ending 12 months after approving these financial statements.

The holding company is prepared to fully support the company financially, and the loan will not be withdrawn to the detriment of other creditors. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing these financial statements

#### **KEY PERFORMANCE INDICATORS**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

## **ST FRANCIS GROUP 2 LIMITED**

### **Report of the Directors for the Year Ended 31 March 2019**

---

#### **FINANCIAL RISK MANAGEMENT**

The company has exposures to two main areas of risk; liquidity risk and interest rate risk.

##### **Liquidity risk**

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the company has credit facilities available.

##### **Interest rate risk**

The company may borrow from its bankers using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rates.

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

At the time this report is approved, and during the financial year, a qualifying third party indemnity provision was in place for the benefit of one or more of the directors.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

#### **DIRECTORS' CONFIRMATIONS**

In the case of each director in office at the date the Directors' Report is approved:

- o so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- o they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

**ST FRANCIS GROUP 2 LIMITED**

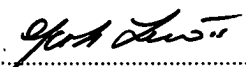
**Report of the Directors  
for the Year Ended 31 March 2019**

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**AUDITORS**

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

  
.....  
M A Lewis - Director

Date: 20 DEC 2019.  
.....

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST FRANCIS GROUP 2 LIMITED

### Report on the audit of the financial statements

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#### Opinion

In our opinion, St Francis Group 2 Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Group Strategic Report, Report of the Directors and Consolidated Financial Statements (the "Annual Report"), which comprise: the consolidated and company balance sheets as at 31 March 2019; the consolidated income statement and consolidated statement of comprehensive income, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the group's trade, customers, suppliers and the wider economy.

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#### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

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## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST FRANCIS GROUP 2 LIMITED (CONTINUED)**

### *Strategic Report and Report of the Directors*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Neil Philpott (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
20 December 2019

**ST FRANCIS GROUP 2 LIMITED**

**Consolidated Income Statement  
for the Year Ended 31 March 2019**

		Year Ended 31.3.19 £	Period 21.2.17 to 31.3.18 £
	Notes		
<b>TURNOVER</b>	3	326,071	6,777,908
Cost of sales		<u>709,866</u>	<u>6,703,437</u>
<b>GROSS (LOSS)/PROFIT</b>		(383,795)	74,471
Administrative expenses		<u>(671,508)</u>	2,243,053
		(1,055,303)	2,317,524
Other operating income		<u>66,903</u>	<u>88,797</u>
<b>GROUP OPERATING (LOSS)/PROFIT</b>	5	(988,400)	2,406,321
Share of operating profit in Joint ventures		2,315,233	395,621
Amortisation of goodwill Joint ventures		3,311,726	693
Interest receivable and similar income		<u>1,179,346</u>	<u>900,828</u>
		5,817,905	3,703,463
Interest payable and similar expenses	6	<u>(2,385,029)</u>	<u>(2,259,406)</u>
<b>PROFIT BEFORE TAXATION</b>		3,432,876	1,444,057
Tax on profit	7	<u>3,497</u>	<u>(120,068)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>3,436,373</u>	<u>1,323,989</u>
Profit attributable to:			
Owners of the parent		4,016,708	1,323,989
Non-controlling interests		<u>(580,335)</u>	-
		<u>3,436,373</u>	<u>1,323,989</u>

All results derive from continuing operations.

The notes form part of these financial statements

**ST FRANCIS GROUP 2 LIMITED****Consolidated Statement of Comprehensive Income  
for the Year Ended 31 March 2019**

---

	Notes	Year Ended 31.3.19 £	Period 21.2.17 to 31.3.18 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>		3,436,373	1,323,989
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>3,436,373</u>	<u>1,323,989</u>
Total comprehensive income attributable to:			
Owners of the parent		4,016,708	1,323,989
Non-controlling interests		<u>(580,335)</u>	<u>-</u>
		<u>3,436,373</u>	<u>1,323,989</u>

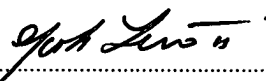
The notes form part of these financial statements

**ST FRANCIS GROUP 2 LIMITED (REGISTERED NUMBER: 10631485)**

**Consolidated Balance Sheet  
31 March 2019**

	Notes	31.3.19 £	31.3.18 £
<b>FIXED ASSETS</b>			
Intangible assets – Positive goodwill	9	594,170	789,546
Intangible assets – Negative goodwill	9	(3,048,004)	(3,081,682)
Investments	10		
Interest in joint venture			
Share of gross assets		10,668,977	8,379,744
Share of gross liabilities		(3,437,500)	(3,463,500)
Goodwill		<u>(1,207,299)</u>	<u>(4,519,025)</u>
		3,570,344	(1,894,917)
<b>CURRENT ASSETS</b>			
Stocks	11	12,670,380	10,878,105
Debtors	12	12,537,276	10,847,922
Cash at bank		<u>688,735</u>	<u>2,216,797</u>
		25,896,391	23,942,824
<b>CREDITORS</b>			
Amounts falling due within one year	13	<u>24,706,372</u>	<u>20,723,917</u>
<b>NET CURRENT ASSETS</b>		<u>1,190,019</u>	<u>3,218,907</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,760,363</u>	<u>1,323,990</u>
<b>NET ASSETS</b>		<u><u>4,760,363</u></u>	<u><u>1,323,990</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	1	1
Accumulated losses		<u>5,340,697</u>	<u>1,323,989</u>
<b>SHAREHOLDERS' FUNDS</b>		5,340,698	1,323,990
<b>NON-CONTROLLING INTERESTS</b>	17	<u>(580,335)</u>	-
<b>TOTAL EQUITY</b>		<u><u>4,760,363</u></u>	<u><u>1,323,990</u></u>

The financial statements were approved by the Board of Directors on ..... 20/12/19 ..... and were signed on its behalf by:

  
.....  
M A Lewis - Director

The notes form part of these financial statements


**ST FRANCIS GROUP 2 LIMITED (REGISTERED NUMBER: 10631485)**

**Company Balance Sheet  
31 March 2019**

	Notes	31.3.19 £	£	31.3.18 £	£
<b>FIXED ASSETS</b>					
Investments	10		<u>4,194,574</u>		<u>4,194,473</u>
			4,194,574		4,194,473
<b>CURRENT ASSETS</b>					
Debtors	12	14,966,511		10,669,504	
Cash at bank		<u>612,630</u>		<u>2,079,069</u>	
		15,579,141		12,748,573	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>25,168,700</u>		<u>18,867,364</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(9,589,559)</u>		<u>(6,118,791)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(5,394,985)		(1,924,318)
<b>NET LIABILITIES</b>			<u>(5,394,985)</u>		<u>(1,924,318)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		1		1
Accumulated losses			<u>(5,394,986)</u>		<u>(1,924,319)</u>
<b>SHAREHOLDERS' DEFICIT</b>			<u>(5,394,985)</u>		<u>(1,924,318)</u>
Company's loss for the financial year			<u>(3,470,667)</u>		<u>(1,924,319)</u>

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

The financial statements were approved by the Board of Directors on 20/12/19 and were signed on its behalf by:

  
.....  
M A Lewis - Director

The notes form part of these financial statements

**ST FRANCIS GROUP 2 LIMITED**

**Consolidated Statement of Changes in Equity  
for the Year Ended 31 March 2019**

	Called up share capital £	Accumulated losses £	Total £	Non-controlling interests £	Total equity £
<b>Changes in equity</b>					
Issue of share capital	1	-	1	-	1
Total comprehensive income	-	1,323,989	1,323,989	-	1,323,989
<b>Balance at 31 March 2018</b>	<u>1</u>	<u>1,323,989</u>	<u>1,323,990</u>	<u>-</u>	<u>1,323,990</u>
<b>Changes in equity</b>					
Total comprehensive income	-	4,016,708	4,016,708	(580,335)	3,436,373
<b>Balance at 31 March 2019</b>	<u>1</u>	<u>5,340,697</u>	<u>5,340,698</u>	<u>(580,335)</u>	<u>4,760,363</u>

The notes form part of these financial statements

**ST FRANCIS GROUP 2 LIMITED****Company Statement of Changes in Equity  
for the Year Ended 31 March 2019**

---

	Called up share capital £	Accumulated losses £	Total equity £
<b>Changes in equity</b>			
Issue of share capital	1	-	1
Total comprehensive expense	-	(1,924,319)	(1,924,319)
<b>Balance at 31 March 2018</b>	<u>1</u>	<u>(1,924,319)</u>	<u>(1,924,318)</u>
 <b>Changes in equity</b>			
Total comprehensive expense	-	(3,470,667)	(3,470,667)
<b>Balance at 31 March 2019</b>	<u>1</u>	<u>(5,394,986)</u>	<u>(5,394,985)</u>

The notes form part of these financial statements

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## ST FRANCIS GROUP 2 LIMITED

### Notes to the Consolidated Financial Statements for the Year Ended 31 March 2019

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#### 1. STATUTORY INFORMATION

St Francis Group 2 Limited is a private company, limited by shares, registered in England and Wales and incorporated in the United Kingdom. The company's registered number and registered office address can be found on the Company Information page. The company operates as a holding company, its subsidiaries undertake development and sale of real estate. The presentation currency of the financial statements is the Pound Sterling (£).

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention. Accounting policies have been consistently applied.

##### **Financial Reporting Standard 102 - reduced disclosure exemptions**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The Company has taken advantage of the following exemptions in its individual financial statements:

- i. from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
- ii. from the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- iii. from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

##### **Basis of consolidation**

The consolidated financial statements comprise the accounts of St Francis Group 2 Limited and its wholly owned subsidiaries made up to 31 March 2019.

##### **Individual income statement**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

##### **Joint ventures**

Joint Ventures have been accounted for using the gross equity method. The investment has been treated as a fixed asset investment within the individual company accounts. For the basis of consolidation the group share of the joint venture's profit and loss has been included as well as the share of the gross assets and gross liabilities. There was also negative goodwill on acquisition of the joint ventures, this is being amortised over the period of consumption of the underlying monetary assets.



## ST FRANCIS GROUP 2 LIMITED

### Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2019

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#### 2. ACCOUNTING POLICIES - continued

##### **Revenue recognition**

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received (including the fair value of any residential properties received in part-exchange), excluding discounts, rebates, VAT and other sales taxes or duty. Where required, revenue is allocated between components in a multi-element transaction based on their respective fair values of the components. The following criteria must also be met before revenue is recognised:

##### **Sale of property**

Revenue arising from the sale of property is recognised upon the sale becoming unconditional.

##### **Other operating income: Rental income**

Rental income arises from land or property held as stock. This is accounted for on a straight-line basis over the lease term.

##### **Goodwill**

Goodwill represents the excess of the cost of acquisition over the company's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the time of the hive-up. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the profit and loss account and is not subsequently reversed. Negative goodwill is recognised in the profit and loss account over the period of consumption.

##### **Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Positive Goodwill is being amortised evenly over their estimated useful life of 5 years.

##### **Investments**

Investments in subsidiary undertakings are recognised at cost.

##### **Inventories**

Work in progress is valued at the lower of cost and net realisable value.

Inventories principally comprise land and property under development with a view to sale. All inventories are carried at the lower of cost and net realisable value.

Cost comprises land, direct materials and, where applicable, direct labour costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less any further costs expected to be incurred to completion and disposal.

##### **Financial instruments**

Basic financial instruments are recognised at amortised costs, except for investments in non-convertible preference shares or non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

## ST FRANCIS GROUP 2 LIMITED

### Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2019

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#### 2. ACCOUNTING POLICIES - continued

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### **Key sources of estimation uncertainty**

In the application of the Group's accounting policies outlined above, the directors are required to make estimates and assumptions about the carrying amounts 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 and so actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

##### **Net realisable value of inventories**

The Group has ongoing procedures for assessing the carrying value of inventories and identifying where this is in excess of net realisable value. The estimates and judgements for both revenue and costs were based on information available at, and pertaining to, the balance sheet date, with reference to recent experience on similar properties and site-specific knowledge. Any subsequent adverse changes in market conditions may result in provisions being required.

##### **Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

## ST FRANCIS GROUP 2 LIMITED

### Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2019

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#### 3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

Turnover is derived from sales of land within the United Kingdom.

#### 4. EMPLOYEES AND DIRECTORS

The group and company has no employees. No payments to Directors has been made through the group or company and the Directors are remunerated through other group companies.

#### 5. OPERATING (LOSS)/PROFIT

The operating (loss) profit is stated after charging/(crediting):

	Year Ended 31.3.19 £	Period 21.2.17 to 31.3.18 £
Negative goodwill amortisation	33,612	(2,514,120)
Positive goodwill amortisation	165,160	197,386
Auditors' remuneration in respect of the audit of the company's consolidated financial statements	<u>14,500</u>	<u>11,750</u>

#### 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.3.19 £	Period 21.2.17 to 31.3.18 £
Bank interest	114,074	-
Intercompany interest charges	<u>2,270,955</u>	<u>2,259,406</u>
	<u>2,385,029</u>	<u>2,259,406</u>

**ST FRANCIS GROUP 2 LIMITED****Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019****7. TAXATION****Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit for the year was as follows:

	Year Ended 31.3.19 £	Period 21.2.17 to 31.3.18 £
Current tax:		
UK corporation tax	<u>(3,497)</u>	<u>120,068</u>
Tax on profit	<u><u>(3,497)</u></u>	<u><u>120,068</u></u>

**Reconciliation of total tax (credit)/charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.3.19 £	Period 21.2.17 to 31.3.18 £
Profit before tax	<u>3,432,876</u>	<u>1,444,057</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	652,246	274,371
Effects of:		
Expenses not deductible for tax purposes	564,899	658,389
Adjustments to tax charge in respect of previous periods	(3,497)	-
Amortisation	(597,584)	(440,180)
Group relief received	(619,561)	(424,174)
Chargeable Gain	-	59,650
Loss on sale	-	(7,988)
Total tax (credit)/charge	<u><u>(3,497)</u></u>	<u><u>120,068</u></u>

**Factors that may affect future tax charges**

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020.

**ST FRANCIS GROUP 2 LIMITED****Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019****8. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**9. INTANGIBLE FIXED ASSETS****Group**

	Negative goodwill £	Positive Goodwill £	Totals £
<b>COST</b>			
At 1 April 2018	(5,595,802)	986,932	(4,608,870)
Additions	<u>-</u>	<u>3,462</u>	<u>3,462</u>
At 31 March 2019	<u>(5,595,802)</u>	<u>990,394</u>	<u>(4,605,408)</u>
<b>AMORTISATION</b>			
At 1 April 2018	(2,514,120)	197,386	(2,316,734)
Amortisation for year	<u>(33,678)</u>	<u>198,838</u>	<u>165,160</u>
At 31 March 2019	<u>(2,547,798)</u>	<u>396,224</u>	<u>(2,151,574)</u>
<b>NET BOOK VALUE</b>			
At 31 March 2019	<u>(3,048,004)</u>	<u>594,170</u>	<u>(2,453,834)</u>
At 31 March 2018	<u>(3,081,682)</u>	<u>789,546</u>	<u>(2,292,136)</u>

**ST FRANCIS GROUP 2 LIMITED**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019**

**10. FIXED ASSET INVESTMENTS**

**Group**

	Interest in joint venture £
<b>COST</b>	
At 1 April 2018	396,526
Share of profit/(loss)	<u>2,315,233</u>
At 31 March 2019	<u>2,711,759</u>
<b>AMORTISATION</b>	
At 1 April 2018	(693)
Provision for year	<u>(3,311,726)</u>
At 31 March 2019	<u>(3,312,419)</u>
<b>NET BOOK VALUE</b>	
At 31 March 2019	<u>6,024,178</u>
At 31 March 2018	<u>397,219</u>

**Interest in joint venture**

	Share of net assets £	Goodwill £
<b>COST</b>		
At 1 April 2018	4,916,244	(4,519,718)
Share of profit	<u>2,315,233</u>	-
At 31 March 2019	<u>7,231,477</u>	<u>(4,519,718)</u>
<b>AMORTISATION</b>		
At 1 April 2018	-	(693)
Release	-	<u>(3,311,726)</u>
At 31 March 2019	-	<u>(3,312,419)</u>
<b>NET BOOK VALUE</b>		
At 31 March 2019	<u>7,231,477</u>	<u>(1,207,299)</u>
At 31 March 2018	<u>4,916,244</u>	<u>(4,519,025)</u>

# ST FRANCIS GROUP 2 LIMITED

## Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2019

### 10. FIXED ASSET INVESTMENTS - continued

Company	Shares in group undertakings £	Interest in joint venture £	Totals £
<b>COST</b>			
At 1 April 2018	4,194,468	5	4,194,473
Additions	<u>101</u>	<u>-</u>	<u>101</u>
At 31 March 2019	<u>4,194,569</u>	<u>5</u>	<u>4,194,574</u>
<b>NET BOOK VALUE</b>			
At 31 March 2019	<u>4,194,569</u>	<u>5</u>	<u>4,194,574</u>
At 31 March 2018	<u>4,194,468</u>	<u>5</u>	<u>4,194,473</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

#### Subsidiaries

##### Bidford Properties Limited

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Land remediation

	% holding		
Class of shares:	100.00		
Ordinary		31.3.19 £	31.3.18 £
Aggregate capital and reserves		(9,037)	(7,956)
Loss for the year/period		<u>(1,081)</u>	<u>(835)</u>

##### St Francis Properties Limited

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Land remediation

	% holding		
Class of shares:	100.00		
Ordinary		31.3.19 £	31.3.18 £
Aggregate capital and reserves		68,763	31,287
Profit for the year/period		<u>37,476</u>	<u>31,286</u>

## ST FRANCIS GROUP 2 LIMITED

### Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2019

#### 10. FIXED ASSET INVESTMENTS - continued

##### **SFG (Utility Services) Limited**

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Land remediation

Class of shares:	%		
Ordinary	holding		
	100.00	31.3.19	31.3.18
		£	£
Aggregate capital and reserves		72,111	(744)
Profit/(loss) for the year/period		<u>72,855</u>	<u>(750)</u>

##### **Chivenor Cross Management Company (Commercial) Limited**

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Dormant

Class of shares:	%		
Ordinary	holding		
	100.00	31.3.19	31.3.18
		£	£
Aggregate capital and reserves		<u>31</u>	<u>100</u>

##### **SFG (Talbot Mill) Limited**

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Land remediation

Class of shares:	%		
Ordinary	holding		
	100.00	31.3.19	31.3.18
		£	£
Aggregate capital and reserves		(13,014)	(11,930)
Loss for the year/period		<u>(1,084)</u>	<u>(837)</u>

##### **SFG (Leamore Lane) Limited**

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Land remediation

Class of shares:	%		
Ordinary	holding		
	100.00	31.3.19	31.3.18
		£	£
Aggregate capital and reserves		1,074,129	1,544,954
Loss for the year/period		<u>(470,825)</u>	<u>52,502</u>



**ST FRANCIS GROUP 2 LIMITED****Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 March 2019****10. FIXED ASSET INVESTMENTS - continued****SFG (Aldridge) Limited**

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Land remediation

	% holding		
Class of shares:			
Ordinary	100.00	31.3.19	31.3.18
		£	£
Aggregate capital and reserves		(54,783)	(60,176)
Profit for the year/period		<u>5,393</u>	<u>5,221</u>

**Cayborn Limited**

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Land remediation

	% holding		
Class of shares:			
Ordinary	100.00	31.3.19	31.3.18
		£	£
Aggregate capital and reserves		(90,951)	(89,871)
Loss for the year/period		<u>(1,080)</u>	<u>(783)</u>

**SFG (Ardath Road) Limited**

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Land remediation

	% holding		
Class of shares:			
Ordinary	100.00	31.3.19	31.3.18
		£	£
Aggregate capital and reserves		2,435,108	2,445,385
(Loss)/profit for the year/period		<u>(9,277)</u>	<u>2,445,536</u>

**SFG (Horizon 38) Limited**

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Land remediation

	% holding		
Class of shares:			
Ordinary	100.00	31.3.19	31.3.18
		£	£
Aggregate capital and reserves		16,356	17,380
Loss for the year/period		<u>(1,024)</u>	<u>24,824</u>

## ST FRANCIS GROUP 2 LIMITED

### Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2019

#### 10. FIXED ASSET INVESTMENTS - continued

##### **DGH Bolsover Limited**

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Land remediation

	% holding	31.3.19	31.3.18
Class of shares:			
Ordinary	100.00	£	£
Aggregate capital and reserves		3,715,213	2,483,051
Profit for the year/period		<u>1,232,162</u>	<u>881,197</u>

##### **SFG (Eckershall Road) Limited**

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Land Remediation

	% holding	31.3.19
Class of shares:		
Ordinary	100.00	£
Aggregate capital and reserves		<u>100</u>

##### **SFG (Eggborough) Limited**

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Land Remediation

	% holding	31.3.19
Class of shares:		
Ordinary	100.00	£
Aggregate capital and reserves		<u>1</u>

##### **SFGE Properties Limited**

Registered office: The Mill. One High Street, Henley in Arden, Warwickshire, B95 5AA

Nature of business: Land Remediation

	% holding	31.3.19	31.3.18
Class of shares:			
Ordinary	50.00	£	£
Aggregate capital and reserves		(1,189,751)	70,919
(Loss)/profit for the year/period		<u>(1,160,670)</u>	<u>77,838</u>

# ST FRANCIS GROUP 2 LIMITED

## Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2019

### 10. FIXED ASSET INVESTMENTS – continued

#### Joint venture

#### MSF Filton LLP

Registered office: United Kingdom

Nature of business: Development and sale of real estate

Class of shares:	% holding	31.3.19	31.3.18
Ordinary	50.00	£	£
Aggregate capital and reserves		2,596,314	9,739,337
Profit for the year/period		<u>4,723,617</u>	<u>691,172</u>

### 11. STOCKS

	Group	31.3.19	31.3.18
		£	£
Work-in-progress		<u>12,670,379</u>	<u>10,878,105</u>

### 12. DEBTORS

	Group		Company	
	31.3.19	31.3.18	31.3.19	31.3.18
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	189,092	135,059	-	-
Amounts owed by group undertakings	12,021,435	10,001	14,966,511	9,613,526
Amounts owed by participating interests	-	5,647,356	-	1,054,457
Amounts owed by joint ventures	6,504,139	5,055,506	-	-
Other debtors	1,805	-	-	-
Tax	34,836	-	-	-
VAT	19,182	-	-	1,521
Prepayments	14,259	-	-	-
	<u>18,784,748</u>	<u>10,847,922</u>	<u>14,966,511</u>	<u>10,669,504</u>
Amounts falling due after more than one year:				
Tax	<u>62,653</u>	-	-	-
Aggregate amounts	<u>18,849,401</u>	<u>10,847,922</u>	<u>14,966,511</u>	<u>10,669,504</u>

# ST FRANCIS GROUP 2 LIMITED

## Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2019

### 12. DEBTORS - continued

No amounts have been provided for within the year. All financial instruments above are measured at amortised cost. Amounts due by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. There are no further related party transactions

Amounts owed by group undertakings due after more than one year are unsecured, have an interest rate of 20%, while there is no fixed repayment date it has been agreed that repayment will take place at such a time that the land in Bolsover Land Limited is to be sold - this will not be within 12 months of these financial statements.

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.19	31.3.18	31.3.19	31.3.18
	£	£	£	£
Bank loans and overdrafts (see note 15)	1,803,079	-	-	-
Trade creditors	70,393	224,923	-	-
Amounts owed to group undertakings	26,360,171	18,542,606	25,168,699	18,480,180
Amounts owed to participating interests	2,534,878	-	-	-
Taxation and social security	2,295	1,360,790	-	-
Directors' current accounts	64,924	-	-	-
Accruals and deferred income	182,755	595,597	-	-
387,184				
	<u>31,018,495</u>	<u>20,723,916</u>	<u>25,168,699</u>	<u>18,867,364</u>

All financial instruments are measured at amortised cost. Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. There are no further related party transactions

### 14. LOANS

The breakdown of loans is as follows:

	Group	
	31.3.19	31.3.18
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>1,803,079</u>	<u>-</u>

## ST FRANCIS GROUP 2 LIMITED

### Notes to the Consolidated Financial Statements - continued for the Year Ended 31 March 2019

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#### 15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	31.3.19 £	31.3.18 £
Number:	Class:			
1	Ordinary		<u>1</u>	<u>1</u>

#### 16. CONTINGENT LIABILITIES

The company is party to an unlimited multilateral guarantee with a fellow group companies under the terms of the banking agreement.

#### 17. NON-CONTROLLING INTERESTS

The non controlling interests relate to minority stakes held by third parties in SFGE Properties Limited.

#### 18. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption under section 33 of FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group.

DGH (Bolsover) Limited had transactions with a joint venture Bolsover Land Limited. There have been management charges received of £nil (2018 £nil) and interest received on the loan notes of £1,179,330 (Period from 21 February 2017 to 31 March 2018 £900,828). At the balance sheet date £5,730,328 (Period from 21 February 2017 to 31 March 2018: £4,988,064) was due to the company from Bolsover Land Limited.

St Francis Group 2 Limited had transactions with a joint venture SFGE Properties Limited. At the balance sheet date £1,194,457 was due to the company from SFGE Properties Limited.

#### 19. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Nobel Midco Limited and the smallest group to consolidate these financial statements.

The ultimate controlling party is Nobel Topco Limited. The largest group to consolidate these financial statements is Nobel Midco Limited, copies of which can be obtained from The Mill, One High Street, Henley In Arden, B95 5AA.

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