

**Registered number: 10909968**

**ilke Homes Limited**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**



# **ilke Homes Limited**

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# **ilke Homes Limited**

## **COMPANY INFORMATION**

### **Directors**

G Carter  
S J Robertson  
E Hawkes  
M A Budd  
C Allan (appointed 13 December 2018)  
T M Beale (appointed 21 February 2019)  
D A Sheridan (appointed 21 February 2019)

### **Registered number**

10909968

### **Registered office**

Flaxby Industrial Estate  
Knaresborough  
Harrogate  
HG5 0XJ

### **Independent auditors**

Pricewaterhouse Coopers LLP  
Chartered Accountants and Statutory Auditors  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

# **ilke Homes Limited**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019**

The directors present their annual report and the audited financial statements of ilke Homes Limited (the "Company") for the year ended 31 March 2019.

### **Directors**

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

G Carter  
S J Robertson  
J M D Thomson (resigned 14 February 2019)  
E Hawkes  
M A Budd  
B Conway (resigned 15 February 2019)  
C Allan (appointed 13 December 2018)  
T M Beale (appointed 21 February 2019)  
D A Sheridan (appointed 21 February 2019)

### **Going concern**

The directors have received confirmation that the controlling party TDR Capital LLP, in its capacity as manager of various investment funds which are the ultimate controlling shareholder of the Company, intend to provide or arrange for the provision of financial support to the company and group should it be so required in order to meet its reasonably incurred obligations. After making enquiries, the directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future which is based on this continued financial support. The company and group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company and group should be able to meet its liabilities as they fall due. The Company and Group therefore continues to adopt the going concern basis in preparing its financial statements.

On 14th May 2019, ilke Homes entered into a joint venture with Places for People, one of Britain's leading placemaking organisations. Places for People will purchase 750 units from ilke Homes, including 500 for sites it already owns and 250 for new schemes they will partner on to develop affordable and market-priced housing.

### **Qualifying third party indemnity provisions**

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

# **ilke Homes Limited**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019**

### **Directors' responsibilities statement**

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 financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 IFRSs as adopted by the European Union have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the company financial statements, 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.

### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

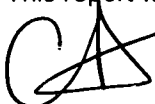
### **Independent auditors**

Under section 487(2) of the Companies Act 2006, Pricewaterhouse Coopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

### **Small companies exemption**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



**C Allan**  
Director

6<sup>th</sup> September 2019

# **Ilke Homes Limited**

## ***Independent auditors' report to the members of Ilke Homes Limited***

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Ilke Homes Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 Annual Report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2019; the income statement, the statement of comprehensive income, the statement 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 company 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 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 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 company'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 Directors' Report, 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.

## ***Independent auditors' report to the members of Ilke Homes Limited***

### ***Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report 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 company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

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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 Directors' Responsibilities Statement, 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 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 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Lee Wilkinson (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds  
6<sup>th</sup> September 2019

# ilke Homes Limited

## Statement of Comprehensive Income For the year ended 31 March 2019

	Note	Year ended 31 March 2019 £'000	8 months to 31 March 2018 £'000
Turnover	4	2,650	260
Cost of sales		(7,932)	(2,169)
<b>Gross loss</b>		<b>(5,282)</b>	<b>(1,909)</b>
Administrative expenses		(16,074)	(5,644)
<b>Operating loss</b>		<b>(21,356)</b>	<b>(7,553)</b>
Finance Costs	9	(1,006)	(150)
<b>Loss before income tax</b>		<b>(22,362)</b>	<b>(7,703)</b>
Tax on loss	10	-	-
<b>Loss for the financial year/period</b>		<b>(22,362)</b>	<b>(7,703)</b>
<b>Total comprehensive expense for the financial year</b>		<b>(22,362)</b>	<b>(7,703)</b>

The notes on pages 9 to 22 form part of these financial statements.



# ilke Homes Limited

Registered number: 10909968

Balance Sheet as at 31 March 2019

		2019 £'000	2019 £'000	2018 £'000	2018 £'000
<b>Non-current assets</b>					
Intangible assets	11		1,711		27
Property, plant and equipment	12		2,489		124
Right of use assets	13		7,288		-
			11,488		151
<b>Current assets</b>					
Inventories	14	2,435		456	
Debtors: amounts falling due after more than one year	15	-		250	
Debtors: amounts falling due within one year	15	4,198		969	
Cash and cash equivalents	16	8,521		4,295	
		15,154		5,970	
Creditors: amounts falling due within one year	17	(6,633)		(1,632)	
<b>Net current assets</b>			8,521		4,338
<b>Total assets less current liabilities</b>			20,009		4,489
<b>Financial Liabilities</b>					
Lease Liabilities	18	(7,542)		-	
Loans	19	(2,336)		(1,899)	
<b>Net financial liabilities</b>			(9,878)		(1,899)
<b>Net assets</b>			10,131		2,590
<b>Capital and reserves</b>					
Share capital	20		40,197		10,192
Capital contribution reserve			-		101
Accumulated losses			(30,065)		(7,703)
<b>Total equity</b>			10,131		2,590

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

The financial statements on pages 6 to 25 were approved and authorised for issue by the board and were signed on its behalf by:



**C Allan**  
Director  
6<sup>th</sup> September 2019

The notes on pages 9 to 22 form part of these financial statements.

# ilke Homes Limited

## Statement of Changes in Equity For the year ended 31 March 2019

	Share capital £'000	Capital contribution reserve £'000	Retained earnings £'000	Total equity £'000
<b>On incorporation</b>	-	-	-	-
<i>Comprehensive income</i>				
Loss for the financial period	-	-	(7,703)	(7,703)
Total comprehensive expense for the financial period	-	-	(7,703)	(7,703)
<i>Transactions with owners:</i>				
Proceeds from shares issues	10,192	-	-	10,192
Capital contribution	-	101	-	101
Total transactions with owners, recognised directly in equity	10,192	101	-	10,293
<b>At 31 March 2018 and 1 April 2018</b>	<b>10,192</b>	<b>101</b>	<b>(7,703)</b>	<b>2,590</b>
<i>Comprehensive income</i>				
Loss for the financial year	-	-	(22,362)	(22,362)
Total comprehensive expense for the financial year	-	-	(22,362)	(22,362)
<i>Transactions with owners:</i>				
Proceeds from shares issues	30,005	-	-	30,005
Capital contribution	-	(101)	-	(101)
Total transactions with owners, recognised directly in equity	30,005	(101)	-	29,904
<b>At 31 March 2019</b>	<b>40,197</b>	<b>-</b>	<b>(30,065)</b>	<b>10,131</b>

# **ilke Homes Limited**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

### **1. General information**

ilke Homes Limited (the "Company") is a limited company and is incorporated and domiciled in the UK. The Company's registered office is Flaxby Industrial Estate, Knaresborough, Harrogate, HG5 0XJ.

The principal activity of the Company is the manufacture of modular homes.

### **2. Accounting policies**

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

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Group has early adopted IFRS 15 'Revenue from Contracts with Customers' issued by the IASB in May 2014 in the previous accounting period. The following principal accounting policies have been applied consistently throughout the year:

#### **2.2 Going concern**

The directors have received confirmation that the controlling party TDR Capital LLP, in its capacity as manager of various investment funds which are the ultimate controlling shareholder of the Company, intend to provide or arrange for the provision of financial support to the Company should it be so required in order to meet its reasonably incurred obligations. After making enquiries, the directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future which is based on this continued financial support. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to meet its liabilities as they fall due. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **2.3 Changes in accounting policies**

##### *New standards, amendments and interpretations*

IFRS 9 'Financial Instruments' and IFRS 16 'Leases', are effective for periods beginning on or after 1 January 2018 and 1 January 2019 respectively, subject to EU endorsement.

The Company falls within the scope of these standards and has now implemented these within the Company's financial statements.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which would previously have been classified as 'operating leases' under the principles of IAS17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate of 10%.

Prior year operating leases amounted to £72,000, exemption is being taken for them due to short term/low value leases. These are therefore not included within financial liabilities.

**NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019**

**2. Accounting policies (continued)**

**2.4 Financial reporting standard 101 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

**2.5 Revenue recognition**

*Modular housing units accounting policy*

Revenue is recognised on completed installation of a modular housing unit and is measured at the fair value of consideration received or receivable, net of discounts and VAT. Completed installation is defined as the point in time when control of the modular housing unit passes to the customer (i.e. it is installed on the customer site and in their physical possession, the insurance risk is borne by the customer, it has been accepted by the customer, and legal title of the asset has transferred to the customer).

# ilke Homes Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 2. Accounting policies (continued)

#### 2.6 Intangible assets

Intangible assets that have finite lives, are recognised initially at fair value and measured subsequently at cost less accumulated amortisation and impairment losses.

Other intangible assets include computer software costs that have finite lives and are recognised at cost less accumulated amortisation.

The estimated useful lives range as follows:

Computer software	-	3	years
IAS38	-	5	years

#### Other intangible assets

Any purchased computer software with a cost of over £500 and a useful economic life of over one year should be capitalised and charged to computer software within intangible assets.

No internal costs of implementing purchased computer costs should be capitalised.

The general rules for capitalising computer costs shall follow the principles of tangible assets set out in note 2.6.

The general rules for amortisation of computer software costs shall follow the principles of tangible assets as set out in note 2.6.

Amortisation should be charged on a straight-line basis at 33% (assumed 3 year life).

The estimated residual value of all computer software assets after the above useful life is deemed to be nil.

#### 2.7 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31 MARCH 2019**

**2. Accounting policies (continued)**

**2.6 Tangible assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 3 years
Office equipment	- 3 years
Fixtures and fittings	- 3 years
Plant and machinery	- 5 years
Leasehold property	- to the end of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.7 Impairment of fixed assets and goodwill**

Assets that are subject to depreciation or amortisation are assessed at each Balance Sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each Balance Sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

**2.8 Leases**

The group has applied IFRS 16 from 1 April 2018. Lease payments are allocated between principal and finance costs. The finance cost is charged to the profit and loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right of use assets are measured at cost comprising the following;

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs

Right of use assets are generally depreciated over the shorter of the assets useful life and the lease term on a straight line basis.

# **ilke Homes Limited**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

### **2. Accounting policies (continued)**

#### **2.9 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.

#### **2.10 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.

#### **2.11 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.

#### **2.12 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

##### **Financial assets**

The Company classifies all of its financial assets as loans and receivables.

##### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

##### **Financial liabilities**

The Company classifies all of its financial liabilities as liabilities at amortised cost.

# **ilke Homes Limited**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019**

### **2. Accounting policies (continued)**

#### **2.12 Financial instruments (continued)**

##### **At amortised cost**

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance sheet.

#### **2.13 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **2.14 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income 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.

#### **2.15 Pensions**

##### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

#### **2.16 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.



# ilke Homes Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### Accounting policies (continued)

#### *Stock provisioning*

Net realisable value ("NRV") provisions are considered by management at least quarterly. The NRV provision is considered on a line-by-line basis with regards to the items held in stock at the relevant period end date and the current level of trading and respective orders received for the stock items in question. A provision is made to reduce the carrying value of the stock if in management's judgement based on the evidence available it will not be realisable for an amount greater than the standard cost of its manufacture.

### 4. Turnover

The whole of the turnover is attributable to the principal activity of the Company. All turnover arose from external customers within the United Kingdom and is recognised at point in time.

### 5. Operating loss

The operating loss is stated after charging:

		Year ended 31 March 2019	8 months to 31 March 2018
	Note	£'000	£'000
Depreciation of property, plant and equipment	13	254	13
Depreciation of right of use assets	14	546	
Amortisation of intangible assets	12	12	1
Impairment of intangible assets	12	-	1,569
Operating leases charges		-	130
Cost of stocks recognised as an expense	14	2,435	283

### 6. Auditors' remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	Year ended 31 March 2019	8 months to 31 March 2018
	£'000	£'000
Fees for the audit of the Company:	20	15
Other services	42	67

# ilke Homes Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	Year ended 31 March 2019 £'000	8 months to 31 March 2018 £'000
Wages and salaries	4,918	1,135
Social security costs	601	91
Pension costs	217	14
	<b>5,736</b>	<b>1,240</b>

The average monthly number of employees, including the directors, during the year was as follows:

	Year ended 31 March 2019 £'000 Number	8 months to 31 March 2018 £'000 Number
Employees	222	37

### 8. Directors' remuneration

	Year ended 31 March 2019 £'000	8 months to 31 March 2018 £'000
Aggregate directors' remuneration	664	133
Pensions contributions	22	7
	<b>686</b>	<b>140</b>

During the year retirement, benefits were accruing for 2 (2018:1) directors in respect of defined contribution pension schemes.

The highest paid director received remuneration of £339,978 (2018: £140,557). Additional compensation for loss of office of £276,040 was paid in the year.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £19,286 (2018: £4,950).

### 9. Finance Costs

	Year ended 31 March 2019 £'000	8 months to 31 March 2018 £'000
Other interest payable	358	150
Interest expense on lease liabilities	648	-
	<b>1,006</b>	<b>150</b>

# ilke Homes Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 10. Taxation

	Year ended 31 March 2019 £'000	8 months to 31 March 2018 £'000
<b>Current tax</b>		
Current tax on loss for the year/period	-	-
<b>Deferred tax</b>		
Origination and reversal of temporary differences	-	-
<b>Total tax charge in the Statement of Comprehensive Income</b>	-	-
	Year ended 31 March 2019 £'000	8 months to 31 March 2018 £'000
<b>Factors affecting the tax expense for the year/period:</b>		
Loss before taxation	(22,365)	(7,703)
Loss before taxation multiplied by weighted average rate of tax of 19% (2018: 19.25%)	(4,249)	(1,483)
<i>Effects of:</i>		
Non-deductible expenses	50	74
Deferred tax on losses not recognised	4,199	1,409
<b>Total taxation expense</b>	-	-

#### *Factors that may affect future tax charges*

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using this enacted tax rate and reflected in these financial statements.

Tax losses of £5,608,000 (2018: £1,409,000) have not been recognised in these financial statements due to uncertainty as to when they may be recovered in the future.

# ilke Homes Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 11. Intangible assets

Cost	Development £'000	Software £'000	Total £'000
At 1 April 2018	1,569	28	1,597
Additions	1,622	74	1,696
<b>At 31 March 2019</b>	<b>3,191</b>	<b>102</b>	<b>3,293</b>
<b>Accumulated amortisation &amp; impairments</b>			
At 1 April 2018	1,569	1	1,570
Charge for the year	-	12	12
<b>At 31 March 2019</b>	<b>1,569</b>	<b>13</b>	<b>1,582</b>
<b>Net book value</b>			
At 31 March 2019	1,622	89	1,711
At 31 March 2018	-	27	27

### 12. Property, plant and equipment

Cost	Leasehold Improves	Fixtures & Fittings	Office equipment	Plant & machinery	IT equipment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2018	-	-	4	39	94	137
Additions	708	207	37	1,529	138	2,619
<b>At 31 March 2019</b>	<b>708</b>	<b>207</b>	<b>41</b>	<b>1,568</b>	<b>232</b>	<b>2,756</b>
<b>Accumulated depreciation</b>						
At 1 April 2018	-	-	1	2	10	13
Charge for the year	29	23	8	141	53	254
<b>At 31 March 2019</b>	<b>29</b>	<b>23</b>	<b>9</b>	<b>143</b>	<b>63</b>	<b>267</b>
<b>Net book value</b>						
At 31 March 2019	679	184	32	1,425	169	2,489
At 31 March 2018	-	-	3	37	84	124

# ilke Homes Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 13. Right of use assets

	Property £'000	Total £'000
<b>Cost</b>		
At 1 April 2018		
Additions	7,834	7,834
At 31 March 2019	7,834	7,834
<b>Accumulated depreciation</b>		
At 1 April 2018		
Charge for the year	546	546
At 31 March 2019	546	546
<b>Net book value</b>		
At 31 March 2019	7,288	7,288
At 31 March 2018	-	-

### 14. Stocks

	2019 £'000	2018 £'000
Raw materials and consumables	1,133	172
Work in progress	498	284
Finished goods	804	-
	2,435	456

# ilke Homes Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 15. Debtors

	2019 £'000	2018 £'000
<b>Due after more than one year</b>		
Amounts owed by group undertakings	-	250
<b>Due within one year</b>		
Trade receivables	2,026	10
Less: Provision for impairment	(250)	-
Trade receivables – net	1,776	10
Other debtors	1,528	695
Prepayments and accrued income	611	264
Amounts owed by group undertakings	283	-
	<b>4,198</b>	<b>969</b>

All other trade and other receivables are expected to be recovered within 12 months of the balance sheet date. The fair value of all other trade and other receivables is the same as the carrying values shown above.

### 16. Cash at bank and in hand

	2019 £'000	2018 £'000
Cash at bank and in hand	8,521	4,295

### 17. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	3,105	678
Other taxation and social security	319	103
Accruals and deferred income	2,717	843
Amounts owed to group undertakings	230	-
Other creditors	262	8
	<b>6,633</b>	<b>1,632</b>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 MARCH 2019**

**18. Lease Liabilities**

Lease liabilities included in the statement of financial position

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Current	<b>184</b>	-
Non-current	<b>7,358</b>	-
	<b>7,542</b>	-

Maturity analysis – Contractual undiscounted cash flows

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Not later than 1 year	<b>825</b>	-
Later than 1 year and not later than 5 years	<b>4,180</b>	-
Later than 5 years	<b>8,540</b>	-
	<b>13,545</b>	-

There is no significant liquidity risk regarding lease liabilities. Lease liabilities are monitored within the Group's treasury function.

**19. Loans**

Analysis of loans maturity is given below:

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts falling dues within 7 years</b>		
Other loans	<b>2,336</b>	<b>1,899</b>

The loan is unsecured, and interest accrues at 15% interest until repayment date in Oct 2024.

# ilke Homes Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 20. Called up share capital

	2019 £'000	2018 £'000
Allotted, called up and fully paid		
40,197,030 Ordinary shares of £1 each	40,197	10,192

On 21<sup>st</sup> June 2018, the Company issued 10,000,000 ordinary shares of £0.01 with a consideration of £10,000,000.

On 16<sup>th</sup> July 2018, the Company issued 5,029 ordinary shares of £0.01 with a consideration of £5,029.

On 26<sup>th</sup> July 2018, the Company issued 66,250 ordinary shares of £0.01 with a consideration of £66,250.

On 26<sup>th</sup> July 2018, the Company issued 116,000 M ordinary shares of £0.01 with a consideration of £116,000.

On 19<sup>th</sup> October 2018, the Company issued 32,000 M ordinary shares of £0.01 with a consideration of £32,000.

Between 16<sup>th</sup> November 2018 and 4<sup>th</sup> December 2018, the Company issued 10,000,000 ordinary shares of £0.01 with a consideration of £10,000,000.

Between 16<sup>th</sup> November 2018 and 4<sup>th</sup> December 2018, the Company issued 16,000 M ordinary shares of £0.01 with a consideration of £16,000.

On 26<sup>th</sup> March 2019, the Company issued 10,000,000 ordinary shares of £0.01 with a consideration of £10,000,000.

Shares rank equally for voting purposes. On a show of hands each member shall have vote on a poll. Each member shall have one vote per share held and ranks equally for any dividend declared. Each share ranks equally for any distribution made on a winding up. The shares are not redeemable.

### 20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £217,242 (2018: £14,333).

### 21. Ultimate parent undertaking and controlling party

ILKE Homes Holdings Limited is the owner of the largest group in which these results are consolidated and these consolidated financial statements can be obtained from Flaxby Industrial Estate, Flaxby, Knaresborough, HG5 0XJ

The Company's ultimate parent company is Whitehorse Holding Sarl, a company incorporated in Luxembourg, whilst the Company's ultimate controlling party is TDR Capital LLP through investment funds under their management.