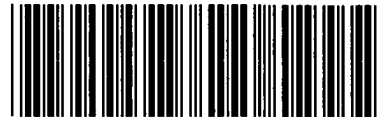


**Exeter City Living Limited**

**Annual Report and Financial Statements  
Year Ended 31 March 2020**

**Registration number: 11410540**

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# **Exeter City Living Limited**

## **Company Information**

<b>Directors</b>	E White
	R M Connolly
	C R A Kislingbury
<b>Registered office</b>	Exeter City Council Civic Centre Paris Street Exeter EX1 1JN
<b>Auditors</b>	PKF Francis Clark Centenary House Peninsula Park Rydon Lane Exeter EX2 7XE

# Exeter City Living Limited

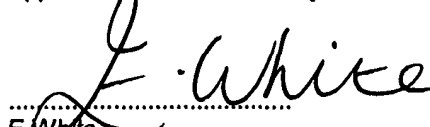
## Balance Sheet

31 March 2020

	Note	2020 £	2019 £
<b>Current assets</b>			
Stocks	3	3,244,688	1,415,647
Debtors	4	186,410	143,554
Cash at bank and in hand		<u>5,145,864</u>	<u>727,170</u>
		8,576,962	2,286,371
<b>Creditors: Amounts falling due within one year</b>		<u>(594,338)</u>	<u>(409,801)</u>
<b>Total assets less current liabilities</b>		7,982,624	1,876,570
<b>Creditors: Amounts falling due after more than one year</b>		(9,032,114)	(2,129,704)
<b>Provisions for liabilities</b>		<u>(58,502)</u>	<u>-</u>
<b>Net liabilities</b>		<u>(1,107,992)</u>	<u>(253,134)</u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Profit and loss account		<u>(1,107,993)</u>	<u>(253,135)</u>
<b>Total equity</b>		<u>(1,107,992)</u>	<u>(253,134)</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 26/6/2020 and signed on its behalf by:

  
.....  
E White  
Director

Company Registration Number: 11410540

# **Exeter City Living Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2020**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Exeter City Council  
Civic Centre  
Paris Street  
Exeter  
EX1 1JN

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There are no material departures.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

The functional currency of Exeter City Living Limited is considered to be pounds sterling because that is the currency of the economic environment in which the company operates.

#### **Going concern**

The financial statements have been prepared on a going concern basis. Whilst the company has net liabilities of £1,107,993 (2019: £253,134) it has support from the ultimate parent to continue to fund new development sites. The directors have considered the potential impact of the Covid 19 pandemic on future cashflows of the company in making this assessment. The company has cash balances at the year end of £5.1m and the directors have assessed that there is sufficient cash to meet working capital requirements for at least twelve months from signing the accounts. Should there be any issues meeting the working capital requirements, the company has full support from Exeter City Council, its ultimate parent company. Whilst the Covid19 restrictions put in place have had a significant impact on the owner's income, the continuing provision of housing development in the City is critical to the Council's operational and strategic recovery.

# **Exeter City Living Limited**

## **Notes to the Financial Statements**

**Year Ended 31 March 2020**

### **Changes in accounting policy**

The directors have taken the decision to change the accounting policy relating to borrowing costs. Previously, borrowing costs incurred during the year that were directly attributable to the construction and sale of new homes were included within work in progress and subsequently released to cost of sales once sales were made. The directors have decided to cease capitalisation of borrowing costs and recognise them in the profit and loss account as they are incurred. The directors have assessed the impact of the change in policy on the figures reported in the prior year and concluded that there was no material impact arising from the change in policy. As such, no prior year adjustment to the accounts has been made.

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

Management have applied judgement in respect of two sources of estimation uncertainty at the end of the reporting period, for which there is a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities, as follows:

#### **Realisable value of work in progress**

The realisable value of properties which have been offered for a sale as an entire development to a single purchaser has been taken as the offer price. This offer price represents the result of detailed assessment (including valuations) and consequent negotiations which are substantially complete but remain ongoing at the reporting date.

#### **Contractor claims**

Provisions in the accounts have been made for contractor claims based upon an independent assessment of the claims by consultants. At the reporting date the outcome of the claims are uncertain and therefore provisions have been made based upon the estimated final account if the claim were to go to adjudication.

ECL's approach to claims, in the first instance, is to seek an assessment of the claim from a suitably qualified third party. Claims to date, have been assessed by Baker Ruff Hannon who are carrying out the Employer's Agent role on the contracts and are consultant project managers and quantity surveyors. These assessments provide three estimated outcomes; the full claim amount, the consultant's assessed figure based on the evidence provided and thirdly, an estimated claim value if it were to go to adjudication.

The initial response to a claim would be to instruct this third party assessment, in order to inform negotiations and reach an agreement with the claimant. Failing this the contractual processes for dispute resolution would follow. Whilst claims remain unsettled, management has included the anticipated adjudicator's position as a prudent allowance.

### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

Turnover and profit on the sale of residential property is recognised on the legal completion date. Turnover from development management services is recognised as the services are provided.

### **Borrowing costs**

Borrowing costs incurred during the period are recognised in the profit and loss account as they are incurred.

# Exeter City Living Limited

## Notes to the Financial Statements

Year Ended 31 March 2020

### Stocks

Stock of land and work in progress are stated at the lower of cost price and net realisable value.

### Financial instruments

#### Classification

The company holds the following financial instruments:

- Short term trade and other debtors and creditors;
- Other loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

#### Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.

### 3 Stocks

	2020 £	2019 £
Work in progress	3,186,186	1,415,647
Other inventories	58,502	-
	<u>3,244,688</u>	<u>1,415,647</u>

### 4 Debtors

	2020 £	2019 £
Trade debtors	14,400	-
Other debtors	41,037	142,776
Prepayments	130,973	778
	<u>186,410</u>	<u>143,554</u>

# Exeter City Living Limited

## Notes to the Financial Statements

Year Ended 31 March 2020

### 5 Creditors

	2020 £	2019 £
<b>Due within one year</b>		
Loans and borrowings	202,542	70,296
Trade creditors	-	3,566
Social security and other taxes	126	278
Accrued expenses	<u>391,670</u>	<u>335,661</u>
	<u>594,338</u>	<u>409,801</u>
	2020 £	2019 £
<b>Due after one year</b>		
Loans and borrowings	<u>9,032,114</u>	<u>2,129,704</u>

Loans and borrowings represent two loan amounts due to the ultimate parent. The first loan charges interest at a rate of 5% per annum. Capital and interest payments are made every six months. The capital will be repaid by 31 March 2044. The capital due for repayment in more than 5 years is £3,699,166 (2019: £1,915,878). The second loan charges interest at 4.94% per annum. Capital and interest payments are made every six months. The capital will be repaid by 31 March 2045. The capital due for repayment in more than 5 years is £4,417,016.

### 6 Ultimate parent undertaking

The parent entity preparing consolidated accounts including the company is Exeter City Council.

The registered office of the company is that of Exeter City Living Limited as disclosed in note 1.

### 7 Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report was Stephanie Henshaw, who signed for and on behalf of PKF Francis Clark on .....24.7.20