

Exeter City Living Limited

**Annual Report and Financial Statements
Year Ended 31 March 2021**

Registration number: 11410540



Exeter City Living Limited

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Exeter City Living Limited

Company Information

Directors	E White
	R M Connolly
	C R A Kislingbury
	B Al-Khafaji
	R Hodgson
Registered office	Exeter City Council Civic Centre Paris Street Exeter EX1 1JN
Auditors	PKF Francis Clark Statutory Auditor Centenary House Peninsula Park Rydon Lane Exeter EX2 7XE

Exeter City Living Limited

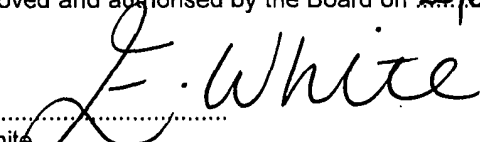
Balance Sheet

31 March 2021

	Note	2021 £	2020 £
Current assets			
Stocks	4	3,368,941	3,244,688
Debtors	5	354,855	186,410
Cash at bank and in hand		<u>3,534,395</u>	<u>5,145,864</u>
		7,258,191	8,576,962
Creditors: Amounts falling due within one year		<u>(667,976)</u>	<u>(594,338)</u>
Total assets less current liabilities		6,590,215	7,982,624
Creditors: Amounts falling due after more than one year		(8,819,509)	(9,032,114)
Provisions for liabilities		<u>(13,464)</u>	<u>(58,502)</u>
Net liabilities		<u>(2,242,758)</u>	<u>(1,107,992)</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>(2,242,759)</u>	<u>(1,107,993)</u>
Shareholders' deficit		<u>(2,242,758)</u>	<u>(1,107,992)</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 25/6/21 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 2021

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 £2,242,758 (2020: £1,107,992) it has support from the ultimate parent and most significant creditor, Exeter City Council, to continue the development of sites, as the company plays a pivotal role in the delivery of new housing for the city. The company has cash balances at year-end of £3.5m. On the basis of their forecasts and projections, the directors have assessed that there is sufficient cash to meet working capital requirements for at least twelve months from signing the accounts. The company is carrying work in progress of £3.4m at the reporting date, which further supports the company's liquidity position, as these are assets that may be turned into cash. The sale of Thornpark Rise is likely to be completed in next financial year realising a sales value of £2.45m.

Building great neighbourhoods is a core priority of the City Council and the importance of the company to the future agenda of the city council is demonstrated by the decision of the Council that the CEO should be the Shareholder Representative.

Exeter City Living Limited

Notes to the Financial Statements

Year Ended 31 March 2021

Key sources of estimation uncertainty

Management have applied judgement in respect of the following 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.

Estimation of market values

ECL appraises the future income expected from the sale of the Open Market homes it builds using its assessment of the current market data for the value of comparable dwellings available for sale or sold in a similar location. This assessment will be adjusted during the course of the development based on changes in market conditions or on evidence of achieved sales.

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.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Borrowing costs

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

Stocks

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

Exeter City Living Limited

Notes to the Financial Statements

Year Ended 31 March 2021

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 Staff numbers

The average number of persons employed by the company during the year was 2 (2020: nil).

4 Stocks

	2021 £	2020 £
Work in progress	3,368,941	3,186,186
Other inventories	-	58,502
	<u>3,368,941</u>	<u>3,244,688</u>

5 Debtors

	2021 £	2019 £
Trade debtors	48,909	14,400
Other debtors	47,711	41,037
Prepayments	258,235	130,973
	<u>354,855</u>	<u>186,410</u>

Exeter City Living Limited

Notes to the Financial Statements

Year Ended 31 March 2021

6 Creditors

	2021 £	2020 £
Due within one year		
Loans and borrowings	212,606	202,542
Social security and other taxes	4,454	126
Other creditors	1,358	-
Accrued expenses	449,558	391,670
	<u>667,976</u>	<u>594,338</u>
	2021 £	2020 £
Due after one year		
Loans and borrowings	<u>8,819,509</u>	<u>9,032,114</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 £3,575,481 (2020: £3,699,166). 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 £4,282,585.

7 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.

8 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 20 July 2021.