

Company Registration No. 07236168 (England and Wales)

IPE Group (Holdings) Limited

**Annual report and
group financial statements
for the year ended 30 March 2020**

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IPE Group (Holdings) Limited

Company information

Director	Mohammed Imam
Company number	07236168
Registered office	4th Floor 73 New Bond Street London W1S 1RS
Independent auditor	Saffery Champness LLP City Tower Piccadilly Plaza Manchester M1 4BT

IPE Group (Holdings) Limited

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IPE Group (Holdings) Limited

Strategic report

For the year ended 30 March 2020

The director presents the strategic report for the year ended 30 March 2020.

Fair review of the business

The Group headed by IPE Group (Holdings) Limited (commonly known as IPE Developments) is a UK based property developer predominantly acquiring land in London and the South East, developing and constructing residential (90%) and mixed use residential and commercial (10%) property for sale, typically aiming for the first time buyer and property investors. The vast majority of the residential sales operate with the government backed "Help to Buy" scheme which is critical in the market space in which we operate. During the financial period in question the Group had turnover of £26,357,506 (2019 - £26,093,708).

Profit before interest, tax and amortisation of goodwill was £3,635,140 (2019 - £2,889,579). Goodwill amortisation reflects the write down of investments acquired by the Group for projects that had not been realised on the date of acquisition. These are considered to be exceptional items by the director which are not a reflection of the underlying profitability of the Group's principal activity, but are accounting entries required for compliance with FRS 102 (see Note 4 on page 22). The director considers the true profitability of the Group's underlying property development activities to be £3,635,140 (2019 - £2,889,579). The Group met its financial target for the year.

Principal risks and uncertainties

The current uncertainty associated with Covid and Brexit and the potential impact on the value of our stock is the most significant risk factor for the Group. However we have taken appropriate steps to mitigate against this uncertainty by only acquiring projects with significant margins that can absorb any major price corrections.

Liquidity risk and credit risks are always factors within this industry. An unknown shock to the system resulting in major interest rate hikes will adversely affect the business. We routinely assess the possibility of major interest rate increases and in our opinion we are a few years away from any changes that may significantly affect us.

Operational risks including the failure to complete an acquisition on time, the risks associated with construction and exceeding both financial budgets, time budgets and changes to property values are factors we continually need to monitor to ensure we are ready to adapt. We have mitigated construction risk significantly with a major change in our business model by forming our own construction arm. This company will tender with other contractors to ensure we get the best possible outcome. The key risk we eliminate is exceeding the budget by having the construction expertise in house and incentivising the construction management team to hit both time and financial targets.

London house prices are reaching levels where they will be very hard for the average person to acquire. We have therefore been seeking to diversify our product range and acquired sites in Birmingham and Essex.

Section 172(1) statement

The group recognises the importance of delivering effective corporate governance in supporting the longterm success and sustainability of its business. The members of the senior management team bring a wide range of technical and industrial experience when making decisions.

Business relationships

The Directors and Operational Board regularly review how the Group maintains positive relationships with all its stakeholders including suppliers, customers and others.

IPE Group (Holdings) Limited

Strategic report (continued)

For the year ended 30 March 2020

Key performance indicators

Key performance indicators include:

Review of actual turnover versus budget – this highlights the performance of the sales and marketing team.

Review of anticipated construction cost versus actual – this highlights the performance of the operation and construction team.

Actual timeline of revenue generated versus budget – The longer the period to fully exit a project the greater the profit erosion due to interest cost.

Return on cost – We need to hit a specific target before we will even consider acquiring a project.

Pipeline gross development value – This provides an indication of the scale of the group and the level of planning that will be required.

Timing of practical completion – This is a critical moment as it is the official sign off of a project by building control allowing us to generate revenue.

Number of offers, exchanges and completions – This is fundamental to establish cash flow.

Future development

As stated above, the Group has formed a joint venture to form a construction company that it controls. The vast majority of our projects have granted construction contracts to this own construction company eliminating significant risks associated at the construction phase of a project.

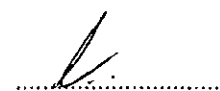
The Group also formed a joint venture with a team in the Midlands which acquired a project with an estimated gross development value of £2.1m (2019 - £4m). We plan to invest and develop further in this region as prices are far more in tune with consumers budgets and demand has been high.

We have also been diversifying our project range into the Home Counties and Essex to mitigate the risk of with property price inflation in London. We successfully acquired our first major site in Essex.

Our current pipeline has an estimated gross development value of £149m, (2019 - £175m). We therefore have a considerable pipeline of projects to work through and with the build-up of profits we plan to further grow our team.

Our ultimate objective is to have a sophisticated financing structure which allows us to grow to levels whereby we can list the Group on a UK stock exchange.

On behalf of the board



Mohammed Imam

Director

30/03/2021

IPE Group (Holdings) Limited

Director's report

For the year ended 30 March 2020

The director presents his annual report and financial statements for the year ended 30 March 2020.

These financial statements replace the original accounts and are now the statutory accounts. The financial statements are prepared as they were at the date of the original accounts.

The amendment to the financial statements is the correction of the revaluation reserve on the group balance sheet.

Principal activities

The principal activity of the company and group continued to be that of real estate development.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mohammed Imam

Auditor

The auditor, Saffery Champness LLP, has expressed their willingness to continue in office.

Energy and carbon report

As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

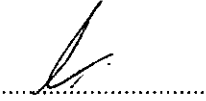
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

IPE Group (Holdings) Limited

Director's report (continued)

For the year ended 30 March 2020

On behalf of the board



Mohammed Imam

Director

Date: 30/03/2021

IPE Group (Holdings) Limited

Director's responsibilities statement For the year ended 30 March 2020

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's 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. He is 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.

IPE Group (Holdings) Limited

Independent auditor's report

To the members of IPE Group (Holdings) Limited

Opinion

We have audited the financial statements of IPE Group (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 March 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). The financial statements have been prepared under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

In our opinion the financial statements:

- give a true and fair view of the state of the group and of the parent company's affairs as at 30 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the parent 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.

IPE Group (Holdings) Limited

Independent auditor's report (continued) To the members of IPE Group (Holdings) Limited

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

IPE Group (Holdings) Limited

Independent auditor's report (continued)
To the members of IPE Group (Holdings) Limited

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is responsible for assessing the parent 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 director either intends to liquidate the parent company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the group and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed

Saffery Champness LLP

Simon Kite BSc FCA (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

Date: 30/3/2021

Chartered Accountants
Statutory Auditors

City Tower
Piccadilly Plaza
Manchester
M1 4BT

IPE Group (Holdings) Limited

**Group statement of comprehensive income
For the year ended 30 March 2020**

	Notes	2020 £	2019 £
Turnover	3	26,357,506	26,093,708
Cost of sales		(22,252,705)	(22,559,141)
Gross profit		<u>4,104,801</u>	<u>3,534,567</u>
Administrative expenses		(2,006,773)	(1,165,928)
Other operating income		269,403	288,290
Exceptional item	4	(351,220)	(1,404,878)
Operating profit	5	<u>2,016,211</u>	<u>1,252,051</u>
Share of results of associates		(11,991)	130,726
Interest receivable and similar income	8	16,725	17,494
Interest payable and similar expenses	9	(1,509,661)	(1,224,468)
Other gains and losses	10	1,279,190	84,430
Profit before taxation		<u>1,790,474</u>	<u>260,233</u>
Tax on profit	11	(307,891)	(358,106)
Profit/(loss) for the financial year	25	<u><u>1,482,583</u></u>	<u><u>(97,873)</u></u>
Profit/(loss) for the financial year is attributable to:			
- Owners of the parent company		634,042	(770,898)
- Non-controlling interests		848,541	673,025
		<u><u>1,482,583</u></u>	<u><u>(97,873)</u></u>
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		634,042	(770,898)
- Non-controlling interests		848,541	673,025
		<u><u>1,482,583</u></u>	<u><u>(97,873)</u></u>

IPE Group (Holdings) Limited

Group balance sheet
As at 30 March 2020


		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		-	351,220	
Tangible assets	13		-	13,749	
Investment properties	14		9,057,928	8,278,529	
Investments	15		161,088	1,262,365	
			<u>9,219,016</u>	<u>9,905,863</u>	
Current assets					
Stocks	18	49,894,270		45,518,103	
Debtors	19	12,446,100		11,390,263	
Cash at bank and in hand		118,497		147,919	
		<u>62,458,867</u>		<u>57,056,285</u>	
Total assets			<u><u>71,677,883</u></u>	<u><u>66,962,148</u></u>	
Capital and reserves					
Called up share capital	24		100,002	100,002	
Revaluation reserve	25		595,680	345,680	
Other reserves	25		870,191	870,191	
Profit and loss reserves	25		126,379	(257,663)	
Equity attributable to owners of the parent company			<u>1,692,252</u>	<u>1,058,210</u>	
Non-controlling interests			<u>551,504</u>	<u>1,818,508</u>	
			<u>2,243,756</u>	<u>2,876,718</u>	
Creditors: amounts falling due within one year	20		69,322,636	64,020,929	
Deferred tax liability	22		111,491	64,501	
Total liabilities			<u><u>71,677,883</u></u>	<u><u>66,962,148</u></u>	

IPE Group (Holdings) Limited

Group balance sheet (continued)

As at 30 March 2020

The financial statements were approved and signed by the director and authorised for issue on 30/03/2021


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Mohammed Imam

Director

Company Registration No. 07236168

IPE Group (Holdings) Limited

Company balance sheet

As at 31 March 2020

			2020	2019
	Notes	£	£	£
Fixed assets				
Investments	15		232,111	2,157,886
Current assets				
Debtors	19	13,896,946		12,596,384
Cash at bank and in hand		9,932		40,491
		<u>13,906,878</u>	<u>12,636,875</u>	
Total assets		<u>14,138,989</u>	<u>14,794,761</u>	
Capital and reserves				
Called up share capital	24	100,002		100,002
Profit and loss reserves	25	242,922		(928,270)
		<u>342,924</u>	<u>(828,268)</u>	
Creditors: amounts falling due within one year	20	13,796,065		15,623,029
Total liabilities		<u>14,138,989</u>	<u>14,794,761</u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,171,192 (2019 £3,233,323 loss).

The financial statements were approved and signed by the director and authorised for issue on 31.03.2021

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 Mohammed Imam
 Director

Company Registration No. 07236168

IPE Group (Holdings) Limited

**Group statement of changes in equity
For the year ended 30 March 2020**

	Share capital	Revaluation reserve	Other reserves	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	£	£	£	£	£	£	£
Balance at 31 March 2018	100,002	211,612	870,191	647,303	1,829,108	1,145,483	2,974,591
Year ended 30 March 2019:							
Loss and total comprehensive income for the year	-	-	-	(770,898)	(770,898)	673,025	(97,873)
Transfers	-	84,430	-	(84,430)	-	-	-
Other movements	-	49,638	-	(49,638)	-	-	-
Balance at 30 March 2019	100,002	345,680	870,191	(257,663)	1,058,210	1,818,508	2,876,718
Year ended 30 March 2020:							
Profit and total comprehensive income for the year	-	-	-	634,042	634,042	848,541	1,482,583
Transfers	-	250,000	-	(250,000)	-	-	-
Other movements	-	-	-	-	-	(2,115,545)	(2,115,545)
Balance at 30 March 2020	100,002	595,680	870,191	126,379	1,692,252	551,504	2,243,756

IPE Group (Holdings) Limited

**Company statement of changes in equity
For the year ended 30 March 2020**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 31 March 2018	100,002	2,305,053	2,405,055
Year ended 30 March 2019:			
Loss and total comprehensive income for the year	-	(3,233,323)	(3,233,323)
Balance at 30 March 2019	100,002	(928,270)	(828,268)
Year ended 30 March 2020:			
Profit and total comprehensive income for the year	-	1,171,191	1,171,191
Balance at 30 March 2020	100,002	242,922	342,924

IPE Group (Holdings) Limited

Group statement of cash flows
For the year ended 30 March 2020

	Notes	£	2020 £	£	2019 £
Cash flows from operating activities					
Cash absorbed by operations	28		(479,140)		(8,744,116)
Interest paid			(1,509,661)		(1,224,468)
Income taxes paid			(430,168)		(226,429)
Net cash outflow from operating activities			(2,418,969)		(10,195,013)
Investing activities					
Purchase of tangible fixed assets		-		(3,582)	
Proceeds on disposal of tangible fixed assets		13,749		-	
Purchase of investment property		-		(213,529)	
Purchase of associates		(17)		(58)	
Dividends from associates		1,089,303		-	
Proceeds on disposal of investments		-		41	
Interest received		16,725		17,494	
Net cash generated from/(used in) investing activities			1,119,760		(199,634)
Financing activities					
Increase in bank loans		3,403,663		9,590,360	
Payment of finance leases obligations		(17,981)		(10,841)	
Dividends paid to non-controlling interests		(2,115,895)		-	
Net cash generated from financing activities			1,269,787		9,579,519
Net decrease in cash and cash equivalents			(29,422)		(815,128)
Cash and cash equivalents at beginning of year			147,919		963,047
Cash and cash equivalents at end of year			118,497		147,919

1 Accounting policies

Company information

IPE Group (Holdings) Limited ("the company") is a private limited company incorporated in England and Wales. The registered office is 4th Floor, 73 New Bond Street, London, W1S 1RS.

The group consists of IPE Group (Holdings) Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

IPE Group (Holdings) Limited

Notes to the financial statements (continued) For the year ended 30 March 2020

1 Accounting policies (continued)

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The group financial statements incorporate those of IPE Group (Holdings) Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 March 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

1.3 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future as a letter of support has been received to confirm that amounts due to NMI Holdings Limited will not be called on unless there is adequate resources to do so. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1 Accounting policies (continued)

1.4 Turnover

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

Revenue from the sale of property is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on completion), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is either 1 or 3 years depending on the subsidiary.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight line
Computers	25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

1 Accounting policies (continued)

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1 Accounting policies (continued)

1.10 Stocks

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.11 Cash at bank and in hand

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

1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

IPE Group (Holdings) Limited

**Notes to the financial statements (continued)
For the year ended 30 March 2020**

1 Accounting policies (continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

IPE Group (Holdings) Limited

Notes to the financial statements (continued)

For the year ended 30 March 2020

2 Critical accounting judgements and key sources of estimation uncertainty

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

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

Valuation of investment properties

Investment properties are valued by the directors using their knowledge of the industry, comparable property values and mortgage valuations.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Turnover	26,357,506	26,093,708

	2020	2019
	£	£
Other significant revenue		
Interest income	16,725	17,494

4 Amortisation of goodwill

	2020	2019
	£	£
Amortisation of goodwill	351,221	1,404,878

The goodwill arising on the acquisition of Aberfeldy Street Limited, Bemish Road Limited, Rotherhithe New Limited and North End Limited on 4 July 2016 has been written off over a period of 12 months as this was the expected remaining life of the projects over which the profits will be realised. At 31 March 2018 all goodwill had been amortised.

The goodwill arising on the acquisition of Walworth Road Limited on 4 July 2016 has been written off over a period of 36 months as this was the expected remaining life of the project over which the profits will be realised. As at 30 March 2020, all goodwill has been amortised.

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

5 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	-	23,016
Amortisation of intangible assets	351,220	1,404,878
	<u>351,220</u>	<u>1,404,878</u>

6 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	32,450	24,000
	<u>32,450</u>	<u>24,000</u>

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was 14 (2019: 0).

Group	2019	Company	2019
2020	2019	2020	2019
Number	Number	Number	Number
14	-	-	-
<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group	2019	Company	2019
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	441,479	-	-	-
Social security costs	42,606	-	-	-
Pension costs	4,270	-	-	-
	<u>488,355</u>	<u>-</u>	<u>-</u>	<u>-</u>

In year ended 30 March 2020, all staff are employed by the group and paid through the subsidiary IPE Property Management Limited. Staff were previously employed by a related party and recharged, so there are no prior year comparatives.

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

8 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	16,725	17,494

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	1,509,661	1,224,468

10 Other gains and losses

	2020	2019
	£	£
Gain on disposal of fixed asset investments	1,029,190	-
Changes in the fair value of investment properties	250,000	84,430
	<u>1,279,190</u>	<u>84,430</u>

11 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	260,901	555,850
Adjustments in respect of prior periods	-	(212,097)
Total current tax	<u>260,901</u>	<u>343,753</u>
Deferred tax		
Origination and reversal of timing differences	<u>46,990</u>	<u>14,353</u>
Total tax charge	<u>307,891</u>	<u>358,106</u>

IPE Group (Holdings) Limited**Notes to the financial statements (continued)****For the year ended 30 March 2020****11 Taxation (continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	1,790,474	260,233
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	340,190	49,444
Gains not taxable	2,278	(18,620)
Tax effect of utilisation of tax losses not previously recognised	-	(137,808)
Unutilised tax losses carried forward	219,252	61,878
Amortisation on assets not qualifying for tax allowances	66,732	266,927
Other timing differences	(320,561)	136,285
Taxation charge	307,891	358,106

The main rate of corporation tax for the year ended 30 March 2020 was 19% and will remain in force until 31 March 2023.

At Budget 2021 the government announced that from 1 April 2023 the rate of corporation tax will be 25% for companies with annual profits over £250,000. For companies with annual profits below £50,000 the rate will remain at 19%. Marginal relief provisions will also be introduced so that, where a company's profits fall between the lower (£50,000) and upper (£250,000) limits, it will be able to claim an amount of marginal relief that bridges the gap between the lower and upper limits providing a gradual increase in the corporation tax rate.

The lower and upper limits will be proportionately reduced for short accounting periods and where there are associated companies.

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 31 March 2019 and 30 March 2020	5,513,838
Amortisation and impairment	
At 31 March 2019	5,162,618
Amortisation charged for the year	351,220
At 30 March 2020	5,513,838
Carrying amount	
At 30 March 2020	-
At 30 March 2019	351,220

The company had no intangible fixed assets at 30 March 2020 or 30 March 2019.

13 Tangible fixed assets

Group	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost				
At 31 March 2019	1,161	2,421	44,243	47,825
Disposals	(1,161)	(2,421)	(44,243)	(47,825)
At 30 March 2020	-	-	-	-
Depreciation and impairment				
At 31 March 2019	290	606	33,180	34,076
Eliminated in respect of disposals	(290)	(606)	(33,180)	(34,076)
At 30 March 2020	-	-	-	-
Carrying amount				
At 30 March 2019	871	1,815	11,063	13,749

The company had no tangible fixed assets at 30 March 2020 or 30 March 2019.

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

14 Investment property

	Group 2020 £	Company 2020 £
Fair value		
At 31 March 2019 and 30 March 2020	8,278,529	-
Transfers from inventories	902,928	-
Disposals	(373,529)	-
Net gains or losses through fair value adjustments	250,000	-
	<u>9,057,928</u>	<u>-</u>
At 30 March 2020	<u>9,057,928</u>	<u>-</u>

Investment property comprises freehold land and buildings. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 30 March 2020 by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Cost	8,462,248	7,932,849	-	-
Accumulated depreciation	-	-	-	-
Carrying amount	<u>8,462,248</u>	<u>7,932,849</u>	<u>-</u>	<u>-</u>

15 Fixed asset investments

		Group 2020 £	2019 £	Company 2020 £	2019 £
	Notes				
Investments in subsidiaries	16	-	-	106,758	2,032,567
Investments in associates	17	35,827	1,137,104	92	78
Unlisted investments		125,261	125,261	125,261	125,241
		<u>161,088</u>	<u>1,262,365</u>	<u>232,111</u>	<u>2,157,886</u>

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

15 Fixed asset investments (continued)

Movements in fixed asset investments
Group

	Shares in group undertakings and participating interests	Unlisted investments	Total
	£	£	£
Cost or valuation			
At 31 March 2019	1,137,104	125,261	1,262,365
Valuation changes	(11,991)	-	(11,991)
Dividends received	(1,089,300)	-	(1,089,300)
Additions	14	-	14
	<hr/>	<hr/>	<hr/>
At 30 March 2020	35,827	125,261	161,088
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 30 March 2020	35,827	125,261	161,088
	<hr/>	<hr/>	<hr/>
At 30 March 2019	1,137,104	125,261	1,262,365
	<hr/>	<hr/>	<hr/>

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

15 Fixed asset investments (continued)

Movements in fixed asset investments
Company

	Shares in group undertakings and participating interests	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 31 March 2019	8,211,895	125,261	8,337,156
Additions	1,001	-	1,001
At 30 March 2020	8,212,896	125,261	8,338,157
Impairment			
At 31 March 2019	6,179,270	-	6,179,270
Impairment losses	1,926,776	-	1,926,776
At 30 March 2020	8,106,046	-	8,106,046
Carrying amount			
At 30 March 2020	106,850	125,261	232,111
At 30 March 2019	2,032,625	125,261	2,157,886

16 Subsidiaries

Details of the company's subsidiaries at 30 March 2020 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Aberfeldy Street Limited	3	Property development and management	Ordinary shares	100
AI Capital Investment Limited	1	Property development and management	Ordinary shares	100
AI Ventures Limited	1	Dormant	Ordinary shares	100

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

16 Subsidiaries

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct (continued)
Bemish Road Limited	3	Property development and management	Ordinary shares	75
Bluecroft IPE Jubilee Limited	1	Property development and management	Ordinary shares	65
Bluecroft IPE Crystal Palace Limited	1	Dormant	Ordinary shares	70
Bluecroft IPE Morville Limited	1	Property development and management	Ordinary shares	68
Fairfield Bow Limited	1	Property development and management	Ordinary shares	50
IPE 32 Bemish Road Limited	1	Dormant	Ordinary shares	100
IPE Bemish Road Limited	1	Dormant	Ordinary shares	100
IPE Bickley Road Limited	1	Dormant	Ordinary shares	100
IPE Capital Limited	1	Property development and management	Ordinary shares	100
IPE Clifford Road Limited	1	Property development and management	Ordinary shares	60
IPE Developments Management Limited	1	Property development and management	Ordinary shares	50
IPE Freeholds Limited	1	Property development and management	Ordinary shares	100
IPE Hanwell Limited	1	Property development and management	Ordinary shares	100

IPE Group (Holdings) Limited**Notes to the financial statements (continued)**
For the year ended 30 March 2020**16 Subsidiaries**

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct (continued)
IPE Nightingale Limited	1	Property development and management	Ordinary shares	100
IPE Orchestra Land Limited	2	Property development and management	Ordinary shares	80
IPE Property Assets Limited	1	Property development and management	Ordinary shares	100
Market Road Richmond Limited	1	Dormant	Ordinary shares	85
IPE SMAM Jubilee Limited	1	Dormant	Ordinary shares	81
IPE SMAM Morville Limited	1	Dormant	Ordinary shares	71
IPE Squirries Street Limited	4	Property development and management	Ordinary shares	60
IPE Tanner Street Limited	1	Property development and management	Ordinary shares	100
IPE Wood Street Limited	1	Property development and management	Ordinary shares	100
North End Ariana Limited	3	Property development and management	Ordinary shares	50
Paul Bow Limited	1	Property development and management	Ordinary shares	100
Roman Road Apartments Limited	1	Property development and management	Ordinary shares	100

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

16 Subsidiaries

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct (continued)
Rotherhithe New Limited	3	Property development and management	Ordinary shares	100
ARC Bemish Road Limited	1	Dormant	Ordinary shares	100
Vallance Estates Ltd	2	Property development and management	Ordinary shares	100
Walworth Road Limited	3	Property development and management	Ordinary shares	50
IPE Calm Homes Solihull Limited	1	Property development and management	Ordinary shares	80
IPE Church Path Limited	1	Property development and management	Ordinary shares	100
IPE Creekside Limited	1	Property development and management	Ordinary shares	100
IPE Equity Management Limited	1	Dormant	Ordinary shares	100
IPE Nightingale Property Limited	1	Dormant	Ordinary shares	75
IPE Property Development Management Limited	1	Property development and management	Ordinary shares	100
IPE Tanner Street Properties Limited	1	Dormant	Ordinary shares	100
IPE Tidemill Forest Road Limited	1	Property development and management	Ordinary shares	100
St Paul Way Properties Limited	1	Dormant	Ordinary shares	100
Aston Grange Forest Road Limited	1	Property development and management	Ordinary shares	100

IPE Group (Holdings) Limited**Notes to the financial statements (continued)****For the year ended 30 March 2020****16 Subsidiaries**

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct (continued)
IPE Arcadia Street Limited	1	Property development and management	Ordinary shares	100
Buckhurst Hill Capital Limited	1	Property development and management	Ordinary shares	50
IPE Calm Homes Solihull 2 Limited	1		Ordinary shares	100
IPE Merchant Street Limited	1	Property development and management	Ordinary shares	100
IPE Radlett Close Limited	1	Property development and management	Ordinary shares	100
IPE Clifford Road Properties	1	Property development and management	Ordinary shares	100

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

16 Subsidiaries (continued)

1. 4th Floor, 73 New Bond Street, London, England, W1S 1RS
2. Black Sea House, 72 Wilson Street, London, England, EC2A 2DH
3. Nerine House, PO Box 434, St Georges Place, St Peter Port, Guernsey, GY1 3ZG, Channel Islands
4. 72 Wilson Street, London, United Kingdom, EC2A 2DH
5. 2 Riduna Park, Station Road, Melton, Suffolk, England, IP12 1QT

The following subsidiaries are exempt from audit under the requirements of s479A of the Companies Act 2006. IPE Group (Holdings) Limited guarantees the liabilities of the companies under s479C of the Companies Act 2006 in respect of the year ended 30 March 2020.

IPE Capital Limited, company number 07508898
Paul Bow Limited, company number 09308618
Roman Road Apartments Limited, company number 10486872
AI Ventures Limited, company number 07852490
Vallance Estates Ltd, company number 05839115
IPE Property Assets Limited, company number 10687145
Fairfield Bow Limited, company number 10161221
Bluecroft - IPE Jubilee Limited, company number 10081313
Bluecrodt IPE Morville Limited, company number 10283256
AI (UK) Capital Ltd, company number 07323812
IPE Developments Management Limited, company number 07814921
AI Capital Investments Ltd, company number 09816663
IPE Freeholds Limited, company number 10705614
IPE Tanner Street Limited, company number 11056180
IPE Wood Street Limited, company number 10958724
IPE Squirries Street Limited, company number 10774720
IPE Clifford Road Limited, company number 11011255
IPE Nightingale Limited, company number 11056555
IPE Orchestra Land Limited, company number 10387676
Bluecroft IPE Crystal Palace Limited, company number 10816523
IPE 32 Bemish Road Limited, company number 11202269
IPE Bemish Road Limited, company number 11071955
IPE Bickley Road Limited, company number 11196460

IPE Group (Holdings) Limited

Notes to the financial statements (continued) For the year ended 30 March 2020

16 Subsidiaries (continued)

IPE Hanwell Limited, company number 11242026
IPE SMAM Jubilee Limited, company number 11072010
IPE SMAM Morville Limited, company number 11071932
IPE Calm Homes Solihull Limited, company number 11544649
IPE Church Path Limited, company number 10229818
IPE Creekside Limited, company number 10897606
IPE Equity Management Limited, company number 11860350
IPE Nightingale Property Limited, company number 11834656
IPE Property Development Management Limited, company number 11854933
IPE Tanner Street Properties Limited, company number 12132624
IPE Tidemill Forest Road Limited, company number 11637863
St Paul Way Properties Limited, company number 11637137

17 Associates

Details of associates at 30 March 2020 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Heath Holdings Limited	3	Property development and management	Ordinary shares	12.50	-
IPE Arnison Road	1	Property development and management	Ordinary shares	42.50	-
Stepney Way Properties Limited	1	Property development and management	Ordinary shares	20.00	-

See registered office key in Subsidiaries note.

18 Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Work in progress	49,894,270	45,518,103	-	-

IPE Group (Holdings) Limited

Notes to the financial statements (continued)

For the year ended 30 March 2020

19 Debtors

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	24,827	372,722	-	-
Amounts owed by group undertakings	-	-	11,062,615	9,617,761
Other debtors	12,421,273	11,017,541	2,834,331	2,978,623
	<u>12,446,100</u>	<u>11,390,263</u>	<u>13,896,946</u>	<u>12,596,384</u>

20 Creditors: amounts falling due within one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Bank loans	21	38,033,343	34,629,680	-	-
Obligations under finance leases		14,026	32,007	-	-
Trade creditors		69,565	1,911,080	69,565	52,968
Amounts owed to group undertakings		-	-	3,991,162	7,341,792
Corporation tax payable		1,049,486	1,171,763	100	100
Other taxation and social security		57,550	56,173	11,018	5,324
Other creditors		30,098,666	26,220,226	9,724,220	8,222,845
		<u>69,322,636</u>	<u>64,020,929</u>	<u>13,796,065</u>	<u>15,623,029</u>

IPE Group (Holdings) Limited

Notes to the financial statements (continued) For the year ended 30 March 2020

20 Creditors: amounts falling due within one year (continued)

Zorin Finance Limited and Pollen Street Secured Lending PLC have a fixed charge and negative pledge over the assets of IPE Hanwell Limited dated 10 March 2020.

CSPP Finance Limited has a fixed charge and negative pledge over the subordinated debt in IPE Arcadia Street Limited dated 2 March 2020, and IPE Wood Street Limited dated 16 August 2019.

CSPP Finance Limited has a fixed charge and negative pledge over the assets of IPE Arcadia Street Limited dated 2 March 2020, and IPE Wood Street Limited dated 16 August 2019.

Oaknorth Bank PLC has negative pledge over the share capital of Bluecroft - IPE Jubilee Limited dated 29 November 2019.

Zorin Finance Limited and P2P Global Investments PLC have a fixed charge and negative pledge over the assets of IPE Calm Homes Solihull Limited dated 8 March 2019, and IPE Tidemill Forest Road Limited dated 14 February 2019.

NMI Holdings Limited has a fixed and floating charge, and a negative pledge over the assets of IPE Group (Holdings) Limited dated 16 October 2018.

IPE Group (Holdings) Limited has a floating charge and negative pledge over 10 Arnison Road, East Molesey dated 12 September 2018.

21 Loans and overdrafts

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	38,033,343	34,629,680	-	-
Payable within one year	38,033,343	34,629,680	-	-

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities	Liabilities
	2020	2019
Group	£	£
Accelerated capital allowances	(1,688)	501
Revaluations	113,179	-
Investment property	-	64,000
	<u>111,491</u>	<u>64,501</u>

The company has no deferred tax assets or liabilities.

	Group	Company
	2020	2020
Movements in the year:	£	£
Liability at 31 March 2019	64,501	-
Charge to profit or loss	46,990	-
Liability at 30 March 2020	<u>111,491</u>	<u>-</u>

The deferred tax liability set out above is not expected to reverse within 12 months and relates to timing differences on revaluations.

23 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>4,270</u>	<u>-</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

24 Share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	100,002	100,002	100,002	100,002

25 Reserves

Revaluation reserve

The revaluation reserve represents the gain on revaluations from properties.

Other reserves

The other reserve is a merger reserve used for previous acquisitions under the merger method of accounting.

Profit and loss reserves

Profit and loss reserves represent accumulated income for the year and prior periods less dividends paid.

26 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales	
	2020	2019
	£	£
Group		
Entities with control, joint control or significant influence over the group	326,000	-

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

26 Related party transactions (continued)

	Debtors balance		Creditors balance	
	2020	2019	2020	2019
	£	£	£	£
Group				
Entities over which the entity has control, joint control or significant influence	-	20,497	-	415,545
Key management personnel	-	21,840	-	156,555
Other related parties	3,309,228	7,459,240	10,487,378	12,798,229
	<u>3,309,228</u>	<u>7,459,240</u>	<u>10,487,378</u>	<u>12,798,229</u>
Company				
Entities over which the entity has control, joint control or significant influence	-	20,497	-	164,200
Other related parties	1,598,543	2,846,221	6,930,927	6,894,490
	<u>1,598,543</u>	<u>2,846,221</u>	<u>6,930,927</u>	<u>6,894,490</u>

27 Directors' transactions

Company

At 30 March 2020, the director was owed by the company £869,817 (2019: £722,385).

Group

At 30 March 2020, the director was owed by the group £187,050 (2019: 2,360,997).

IPE Group (Holdings) Limited

Notes to the financial statements (continued)
For the year ended 30 March 2020

28 Cash absorbed by group operations

	2020	2019
	£	£
Profit/(loss) for the year after tax	1,482,583	(97,873)
Adjustments for:		
Share of results of associates and joint ventures	-	(130,726)
Taxation charged	307,891	358,106
Finance costs	1,509,661	1,224,468
Investment income	(16,725)	(17,494)
Loss on disposal of tangible fixed assets	13,749	-
Fair value (gain)/loss on investment properties	(250,000)	134,068
Amortisation and impairment of intangible assets	351,220	1,404,878
Depreciation and impairment of tangible fixed assets	-	23,016
Other gains and losses	-	(84,430)
Increase in provisions	46,990	14,863
Movements in working capital:		
Increase in stocks	(4,905,566)	(7,848,389)
(Increase)/decrease in debtors	(1,055,837)	4,256,103
Increase/(decrease) in creditors	2,036,894	(7,980,706)
Cash absorbed by operations	(479,140)	(8,744,116)

29 Analysis of changes in net debt - group

	31 March	Cash flows	30 March
	2019		2020
	£	£	£
Cash at bank and in hand	147,919	(29,422)	118,497
Borrowings excluding overdrafts	(34,629,680)	(3,403,663)	(38,033,343)
Obligations under finance leases	(32,007)	17,981	(14,026)
	(34,513,768)	(3,415,104)	(37,928,872)