

Registered number: NI622337

Lagan Homes (Ardnavey) Ltd

Directors' report and financial statements

For the year ended 31 December 2016



Lagan Homes (Ardnavey) Ltd

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Lagan Homes (Ardnavey) Ltd

Company Information

Directors	D Canavan C Mulligan S McCann (appointed 10 February 2017)
Registered number	NI622337
Registered office	Lagan House 19 Clarendon Road Belfast BT1 3BG
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Waterfront Plaza 8 Laganbank Road Belfast BT1 3LR
Bankers	Danske Bank Donegall Square West Belfast BT1 6JS First Trust Bank Ann Street Belfast BT1 3AY
Solicitors	Carson McDowell Murray House 4 Murray Street Belfast BT1 6DN

Lagan Homes (Ardnallevy) Ltd

Directors' report

For the year ended 31 December 2016

The directors present their report and the audited financial statements of the company for the year ended 31 December 2016.

This is the first year the company has adopted FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland". Details of the transition have been presented in note 11 of the financial statements.

Principal activity

The company's principal activity is the construction of high quality housing developments.

Results and dividends

The profit for the year, after taxation, amounted to £100,209 (2015 - loss £4,156).

No interim dividend was paid during the year (2015: £nil). The directors do not propose a final dividend payment (2015: £nil).

Directors

The directors who served during the year and up until the date of signing the financial statements were:

D Canavan

C Mulligan

S McCann (appointed 10 February 2017)

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Lagan Homes (Ardnavey) Ltd

**Directors' report (continued)
For the year ended 31 December 2016**

Statement of 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

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 on 22.6.2017 and signed on its behalf.



C Mulligan
Director

Independent auditors' report to the members of Lagan Homes (Ardnalvalley) Ltd

Report on the financial statements

Our opinion

In our opinion Lagan Homes (Ardnalvalley) Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements included within the Director's report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2016;
- the Statement of income and retained earnings for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on matter 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Lagan Homes (Ardnalvalley) Ltd

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

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: prepare financial statements in accordance with the small companies regime; 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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

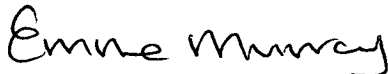
We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

Lagan Homes (Ardnavey) Ltd

Independent auditors' report to the members of Lagan Homes (Ardnavey) Ltd

What an audit of financial statements involves (continued)

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' report, we consider whether this report includes the disclosures required by applicable legal requirements.



Emma Murray (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
8 Laganbank Road
Belfast

Date: 22 June 2017

Lagan Homes (Ardnavey) Ltd

**Statement of income and retained earnings
For the year ended 31 December 2016**

	2016 £	2015 £
Turnover	2,708,989	-
Cost of sales	(2,579,754)	-
Gross profit	129,235	-
Administrative expenses	(2,352)	(559)
Operating profit/(loss)	126,883	(559)
Interest payable and similar charges	(4,651)	(3,597)
Profit/(loss) on ordinary activities before taxation	122,232	(4,156)
Tax on profit/(loss) on ordinary activities	(22,023)	-
Profit/(loss) for the financial year	100,209	(4,156)
Accumulated losses at the beginning of the year	(4,156)	-
	(4,156)	-
Profit/(loss) for the year	100,209	(4,156)
Retained earnings at the end of the year	96,053	(4,156)

The notes on pages 9 to 12 form part of these financial statements.

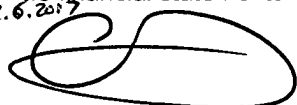
Lagan Homes (Ardnalvalley) Ltd
Registered number: NI622337

Balance sheet
As at 31 December 2016

	Note	2016 £	2015 £
Current assets			
Stocks	4	1,120,670	660,135
Debtors	5	234,704	276,324
		<u>1,355,374</u>	<u>936,459</u>
Creditors: amounts falling due within one year	6	(1,259,320)	(940,614)
Net current assets/(liabilities)		<u>96,054</u>	<u>(4,155)</u>
Total assets less current liabilities		<u>96,054</u>	<u>(4,155)</u>
Net assets/(liabilities)		<u>96,054</u>	<u>(4,155)</u>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account		96,053	(4,156)
		<u>96,054</u>	<u>(4,155)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22.6.2017



C Mulligan
Director

The notes on pages 9 to 12 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2016**

1. General information

The company's principal activity is the construction of high quality housing developments.

The company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is 19 Clarendon Road, Belfast, BT1 3BG.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. Details of the transition to FRS 102 are disclosed in note 11.

The following principal accounting policies have been consistently applied:

2.2 Stocks and work in progress

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.

2.3 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.

2.4 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount

**Notes to the financial statements
For the year ended 31 December 2016**

2. Accounting policies (continued)

2.4 Financial instruments (continued)

rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.5 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.6 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

3. Employee Numbers

The Company has no employees other than the directors, who did not receive any remuneration (2015 - £nil).

4. Stocks

	2016	2015
	£	£
Work in progress	1,120,670	660,135
	1,120,670	660,135

Lagan Homes (Ardnavey) Ltd**Notes to the financial statements
For the year ended 31 December 2016****5. Debtors**

	2016 £	2015 £
Trade debtors	24,420	-
Amounts owed by group undertakings	168,234	57,309
Other debtors	42,050	219,015
	<u>234,704</u>	<u>276,324</u>

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

6. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank overdrafts	624,975	686,853
Trade creditors	437,542	173,724
Amounts owed to group undertakings	167,817	76,839
Corporation tax	22,023	-
Other creditors	6,963	3,198
	<u>1,259,320</u>	<u>940,614</u>

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

Secured Loans

The bank facilities are secured by a floating charge. The company is also party to an unlimited intercompany cross guarantee and indemnity from group companies in respect of group bank facilities.

7. Share capital

	2016 £	2015 £
Allotted and fully paid		
1 (2015 - 1) Ordinary share of £1	<u>1</u>	<u>1</u>

8. Contingent liabilities

The company has entered into a cross guarantee on bank and other loan facilities taken out by group undertakings. In the opinion of the directors there is no indication that the company will suffer any loss.

**Notes to the financial statements
For the year ended 31 December 2016**

9. Related party transactions

The company has taken advantage of the exemptions contained in FRS 102, section 33, paragraph 33.1A not to disclose transactions with group companies as all of the voting rights of the company are controlled within the group.

10. Ultimate controlling party and parent undertakings

The immediate parent company is Eastonville Limited and the ultimate parent company for the group is Lagan Group (Holdings) Limited. Eastonville is incorporated in Northern Ireland and Lagan Group (Holdings) Limited is incorporated in the Isle of Man.

The parent undertaking of the smallest group of undertakings, of which this company is a member, and for which consolidated financial statements are prepared is Lagan Homes (N.I.) Limited.

The parent undertaking of the largest group of undertakings, of which this company is a member, and for which consolidated financial statements are prepared is Lagan Group (Holdings) Limited, a company incorporated in the Isle of Man.

The company considers the Lagan family to be the ultimate controlling party.

11. First time adoption of FRS 102

This is the first year the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 31 December 2015. The date of transition to FRS 102 was 1 January 2015. The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit and loss.