

Company Registration No. SC550691 (Scotland)

HILL NORTON HOMES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019
PAGES FOR FILING WITH REGISTRAR

HILL NORTON HOMES LIMITED

COMPANY INFORMATION

Directors	M P Williams C D Williams
Company number	SC550691
Registered office	Unit 5 Mayfield Industrial Estate Dalkeith EH22 4AD
Accountants	Campbell Dallas Titanium 1 King's Inch Place Renfrew PA4 8WF

HILL NORTON HOMES LIMITED

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HILL NORTON HOMES LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
Current assets					
Stocks		980,000		1,326,330	
Debtors	4	334,845		61,836	
Cash at bank and in hand		1,863		3,542	
		<u>1,316,708</u>		<u>1,391,708</u>	
Creditors: amounts falling due within one year	5	<u>(1,450,216)</u>		<u>(1,434,900)</u>	
Net current liabilities			(133,508)		(43,192)
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			<u>(133,608)</u>		<u>(43,292)</u>
Total equity			<u>(133,508)</u>		<u>(43,192)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 September 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 28 July 2020 and are signed on its behalf by:

M P Williams
Director

Company Registration No. SC550691

HILL NORTON HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

Company information

Hill Norton Homes Limited is a private company limited by shares incorporated in Scotland. The registered office is Unit 5, Mayfield Industrial Estate, Dalkeith, EH22 4AD.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

1.2 Going concern

At 30 September 2019 the company had net liabilities of £133,508 (2018: £43,192). The company has paid special attention to the recent COVID-19 pandemic and the associated impact on the business. This includes:

- The impact of government-imposed restrictions on our continued operation
- The uncertainty relating to demand in the short to medium term for residential housing.
- The economic impact on our customer base and the potential fall in revenue and decreased cash flow

The current and future financial position of the company, the cash flows and liquidity position have been reviewed considering COVID-19 and appropriate actions have been taken by the directors to pre-emptively strengthen these. Additional actions have been identified and implemented by the directors to mitigate the impacts.

Although it is not possible to reliably estimate the length or severity of the outbreak, at the time of approving the financial statements, the directors consider that, with the continued support of the directors and shareholders, the business will have adequate resources to navigate all foreseeable circumstances.

As such, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

1.3 Turnover

Where the company is engaged in construction contracts turnover represents the value of work done during the year ascertained by reference to contract measurement.

On the balance sheet a contract represents an asset where the gross value of work done exceeds payments to account on that contract. These are disclosed within debtors as amounts recoverable on contract.

Where the company develops and sell properties turnover represents the sales value of the properties and is recognised at the point of legal completion.

HILL NORTON HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.4 Stocks

Stocks are represented by land, raw materials and property in the course of development. Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises land, direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

The company determines the value of stocks charged to Cost of Sales based on the budgeted cost of each development. The budgeted cost is allocated to each plot and is released to Cost of Sales as each plot is sold.

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.

1.5 Cash and cash equivalents

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.

1.6 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 and cash and bank balances, 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.

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 company after deducting all of its liabilities.

HILL NORTON HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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.

1.7 Equity instruments

Equity instruments issued by the company 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 company.

1.8 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. 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.

HILL NORTON HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Accounting for construction contracts

The company estimates the outcome of its construction contracts. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion.

Estimated total contract costs are based on management's detailed budgets and projections. Where management judge that the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable.

Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2019 Number	2018 Number
Total	3	3

4 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	334,845	61,836

HILL NORTON HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

5 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	28,995	49,579
Taxation and social security	-	54,871
Other creditors	1,421,221	1,330,450
	<u>1,450,216</u>	<u>1,434,900</u>

6 Events after the reporting date

The aforementioned global outbreak of COVID-19 after the year-end has resulted in an elevated level of uncertainty within the UK economy. The longer term effects of the virus, and the subsequent impact of the Government-imposed restrictions on movement and business, are not yet clear.

7 Related party transactions

Balances with related parties

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties		Amounts owed to related parties	
	2019 £	2018 £	2019 £	2018 £
Other related parties	320,000	3,971	39,917	16,922

8 Directors' transactions

Included within other creditors are amounts of £1,049,200 (2018: 1,024,200), £322,268 (2018: £305,000) and £13,500 (2018: £0) owed to the directors M P Williams, C D Williams and C S Dougall respectively. The loans are interest free and have no fixed repayment terms.

9 Parent company

The company is under the control of its directors.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.