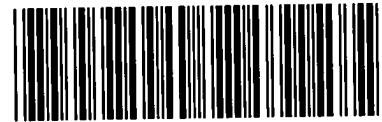


Company Registration No. 00267843 (England and Wales)

LAVER REGENERATION LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

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LAVER REGENERATION LIMITED

COMPANY INFORMATION

Directors	A D Laver A J Laver M R Bower P Guest N F T H Petrie
Secretary	M R Bower
Company number	00267843
Registered office	Bramall Lane Sheffield S2 4RJ
Auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD

LAVER REGENERATION LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 27

LAVER REGENERATION LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2017

The directors present the strategic report for the period ended 31 December 2017.

Review of the business

The principal activity of the company continued to be that of property development following the transfer of the company's timber business to Arnold Laver & Company Limited on 31 March 2017 as part of a group demerger.

The business is now fully focused on its property activities, all of which are progressing well and are expected to be successfully delivered over the coming years.

On behalf of the board



M R Bower

Director

29 June 2018

LAVER REGENERATION LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the period ended 31 December 2017.

Principal activities

On 30 March 2017 the company changed its name from Arnold Laver & Company Limited to Laver Regeneration Limited.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

A D Laver
A J Laver
M R Bower
P Guest
N F T H Petrie

Results and dividends

The results for the period are set out on page 7.

Ordinary dividends were paid amounting to £37,927,152. The directors do not recommend payment of a final dividend.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor

In accordance with the company's articles, a resolution proposing that BHP LLP be reappointed as auditor of the company will be put at a General Meeting.

LAVER REGENERATION LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2017

Statement of disclosure to auditor

Each of the directors in office at the date of approval of this annual report confirms 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 he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



M R Bower

Director

29 June 2018

LAVER REGENERATION LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2017

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. 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;
- 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.

LAVER REGENERATION LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LAVER REGENERATION LIMITED

Opinion

We have audited the financial statements of Laver Regeneration Limited (the 'company') for the period ended 31 December 2017 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the period 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 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Other information

The directors are 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.

In connection with our audit of the financial statements, 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 our audit:

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

LAVER REGENERATION LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LAVER REGENERATION LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- 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; 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are 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 directors determine 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have 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 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: <http://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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

John Warner (Senior Statutory Auditor)
for and on behalf of BHP LLP

29 June 2018

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD

LAVER REGENERATION LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2017

		Period ended 31 December 2017 £	Year ended 30 June 2016 £
	Notes		
Turnover	3	89,722,372	111,245,801
Cost of sales		(65,293,989)	(80,106,130)
Gross profit		24,428,383	31,139,671
Distribution costs		(17,138,522)	(20,880,743)
Administrative expenses		(6,293,263)	(6,879,710)
Other operating income		-	2,000
Exceptional income	4	3,327,333	-
Operating profit	5	4,323,931	3,381,218
Interest receivable and similar income	9	113,923	32,492
Interest payable and similar expenses	10	(733,282)	(1,071,997)
Gain on transfer of timber business		6,000,000	-
Profit before taxation		9,704,572	2,341,713
Tax on profit	11	1,054,810	(956,609)
Profit for the financial period		10,759,382	1,385,104

The company's timber business was transferred to Arnold Laver & Company Limited on 31st March 2017 as part of a group demerger.

LAVAR REGENERATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME **FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Period ended 31 December 2017 £	Year ended 30 June 2016 £
Profit for the period	10,759,382	1,385,104
Other comprehensive income		
Revaluation of tangible fixed assets	(2,750,000)	-
Total comprehensive income for the period	<u>8,009,382</u>	<u>1,385,104</u>

LAVER REGENERATION LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	13	-		52,254,308	
Investment properties	14	41,290,714		278,900	
Investments	15	11,286		11,286	
		<u>41,302,000</u>		<u>52,544,494</u>	
Current assets					
Stocks	16	-	15,544,158		
Debtors falling due after one year	17	50,014,164	55,030,667		
Debtors falling due within one year	17	5,754,926	28,139,335		
Cash at bank and in hand		39,496	71,161		
		<u>55,808,586</u>	<u>98,785,321</u>		
Creditors: amounts falling due within one year	18	<u>(19,423,165)</u>	<u>(36,812,173)</u>		
Net current assets		<u>36,385,421</u>		<u>61,973,148</u>	
Total assets less current liabilities		<u>77,687,421</u>		<u>114,517,642</u>	
Creditors: amounts falling due after more than one year	19	(15,580,291)		(18,000,909)	
Provisions for liabilities	22	(31,000)		(4,522,833)	
Net assets		<u>62,076,130</u>		<u>91,993,900</u>	
Capital and reserves					
Called up share capital	25	107,378		107,378	
Revaluation reserve		21,210,023		23,960,023	
Capital redemption reserve		9,728		9,728	
Profit and loss reserves		40,749,001		67,916,771	
Total equity		<u>62,076,130</u>		<u>91,993,900</u>	

The financial statements were approved by the board of directors and authorised for issue on 29 June 2018 and are signed on its behalf by:



M R Bower
Director

Company Registration No. 00267843

LAVER REGENERATION LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2017

	Notes	Share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 July 2015		107,378	51,043,590	9,728	40,998,100	92,158,796
Period ended 30 June 2016:						
Profit and total comprehensive income for the period		-	-	-	1,385,104	1,385,104
Dividends	12	-	-	-	(1,550,000)	(1,550,000)
Transfers		-	(27,083,567)	-	27,083,567	-
Balance at 30 June 2016		107,378	23,960,023	9,728	67,916,771	91,993,900
Period ended 31 December 2017:						
Profit for the period		-	-	-	10,759,382	10,759,382
Other comprehensive income:						
Revaluation of tangible fixed assets		-	(2,750,000)	-	-	(2,750,000)
Total comprehensive income for the period		-	(2,750,000)	-	10,759,382	8,009,382
Dividends	12	-	-	-	(37,927,152)	(37,927,152)
Balance at 31 December 2017		107,378	21,210,023	9,728	40,749,001	62,076,130

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Laver Regeneration Limited is a private company limited by shares incorporated in England and Wales. The registered office is Bramall Lane, Sheffield, S2 4RJ.

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 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.

This 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:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Laver Regeneration Holdings Limited. These consolidated financial statements are available from its registered office.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts and VAT, rents receivable and proceeds from the sales of properties.

1.4 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:

Freehold land and buildings	2% straight line
Fixtures and fittings	12.5% reducing balance
Plant and equipment	12.5% reducing balance

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 credited or charged to profit or loss.

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 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.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 Stocks

Stocks are 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 stocks to their present location and 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.

1.8 Cash and cash equivalents

Cash at bank and in hand 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.

1.9 Financial assets

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.

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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 company 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.

1.10 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.

Financial liabilities at fair value through profit or loss

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.

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.11 Equity instruments

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

1.12 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.

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

1.14 Retirement benefits

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

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Depreciation and residual values

The directors review the useful economic life and residual values of all fixed asset classes to ensure that they are appropriate in determining the depreciation cost for the year.

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover analysed by class of business		
Timber operations	89,611,086	111,107,816
Property	111,286	137,985
	<u>89,722,372</u>	<u>111,245,801</u>

	2017 £	2016 £
Other significant revenue		
Interest income	113,923	32,492
Grants received	-	2,000
	<u>-</u>	<u>2,000</u>

4 Exceptional items

	2017 £	2016 £
Exceptional income	(3,327,333)	-
	<u>(3,327,333)</u>	<u>-</u>

Exceptional income is the release of a provision made previously under the company's Long Term Incentive Plan. In the opinion of the directors, this provision is no longer required and was released at the year end.

5 Operating profit

	2017 £	2016 £
Operating profit for the period is stated after charging/(crediting):		
Government grants	-	(2,000)
Depreciation of owned tangible fixed assets	537,658	876,091
Depreciation of tangible fixed assets held under finance leases	462,009	336,184
(Loss)/profit on disposal of tangible fixed assets	2,795	(770)
Operating lease charges	451,625	561,702
	<u>1,452,087</u>	<u>1,770,207</u>

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

6 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	20,000	63,630
For other services		
Taxation compliance services	25,550	22,950
All other non-audit services	761	1,005
	<u>26,311</u>	<u>23,955</u>

7 Employees

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

	2017 Number	2016 Number
Selling and distribution	459	540
Administration and management	83	98
	<u>542</u>	<u>638</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	13,916,919	16,944,664
Social security costs	1,121,550	1,481,163
Pension costs	515,983	669,147
	<u>15,554,452</u>	<u>19,094,974</u>

8 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>563,528</u>	<u>787,546</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2016 - 2).

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

8 Directors' remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2017 £	2016 £
Remuneration for qualifying services	186,158	266,864

9 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Other interest income	113,923	32,492

10 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and loans	717,253	839,752
Amortisation of finance costs	16,029	232,245
	733,282	1,071,997

11 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	144,591	38,880
Adjustments in respect of prior periods	(34,901)	229
Total current tax	109,690	39,109
Deferred tax		
Origination and reversal of timing differences	(1,164,500)	917,500
Total tax (credit)/charge	(1,054,810)	956,609

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

11 Taxation

(Continued)

The actual (credit)/charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	9,704,572	2,341,713
Expected tax charge based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	1,892,392	468,343
Tax effect of expenses that are not deductible in determining taxable profit	(1,147,624)	25,000
Change in unrecognised deferred tax assets	(1,195,269)	51,685
Adjustments in respect of prior years	(34,901)	-
Effect of change in corporation tax rate	1,836	-
Group relief	1,619	(9,915)
Permanent capital allowances in excess of depreciation	(572,863)	-
Other permanent differences	-	421,268
Other adjustments	-	228
Taxation (credit)/charge for the period	(1,054,810)	956,609

12 Dividends

	2017 £	2016 £
Interim paid to Laver Regeneration Group Limited	37,927,152	1,550,000

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

13 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 July 2016	47,385,854	20,968,018	7,694,762	76,048,634
Additions	571,951	627,681	210,096	1,409,728
Disposals	(650,000)	(249,599)	-	(899,599)
Revaluation	(2,750,000)	-	-	(2,750,000)
Transfers to group companies	(1,311,705)	(21,346,100)	(7,904,858)	(30,562,663)
Transfer to investment property	(43,246,100)	-	-	(43,246,100)
At 31 December 2017	-	-	-	-
Depreciation and impairment				
At 1 July 2016	2,201,226	15,946,262	5,646,838	23,794,326
Depreciation charged in the period	236,790	573,815	189,062	999,667
Eliminated in respect of disposals	-	(248,303)	-	(248,303)
Transfers to group companies	(203,730)	(16,271,774)	(5,835,900)	(22,311,404)
Transfer to investment property	(2,234,286)	-	-	(2,234,286)
At 31 December 2017	-	-	-	-
Carrying amount				
At 31 December 2017	-	-	-	-
At 30 June 2016	45,184,628	5,021,756	2,047,924	52,254,308

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and equipment	-	1,531,940
Depreciation charge for the period in respect of leased assets	462,009	336,184

14 Investment property

	2017 £
Fair value	
At 1 July 2016	278,900
Transfers from owner-occupied property	41,011,814
At 31 December 2017	41,290,714

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

14 Investment property

(Continued)

The fair value of the investment property has been arrived at by the directors taking account of factors since the previous formal valuation carried out at 30 June 2014 by professional valuers, who were not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

15 Investments

	Current assets		Fixed Assets	
	2017	2016	2017	2016
	£	£	£	£
Unlisted investments	-	-	11,286	11,286

The company has not designated any financial assets that are not classified as financial assets at fair value through profit or loss.

Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Movements in fixed asset investments

	Shares £
Cost or valuation	
At 1 July 2016 & 31 December 2017	11,286
Carrying amount	
At 31 December 2017	11,286
At 30 June 2016	11,286

16 Stocks

	2017 £	2016 £
Finished goods and goods for resale	-	15,544,158

17 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	16,947	18,200,731
Other debtors	3,145,257	3,199,221
Prepayments and accrued income	2,592,722	6,739,383
	5,754,926	28,139,335

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

17 Debtors

(Continued)

	2017 £	2016 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	50,014,164	55,030,667
Total debtors	55,769,090	83,170,002

Trade debtors disclosed above are measured at amortised cost.

Amounts due from parent and fellow group undertakings have no set repayment or interest terms. In the opinion of the directors there would be no benefit in calculating a theoretical carrying value at amortised cost as required by FRS 102. The balances continue therefore to be carried at transaction price.

18 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	20	1,384,291	1,824,477
Obligations under finance leases	21	-	382,683
Other borrowings	20	-	10,608,493
Trade creditors		71,153	19,099,478
Amounts due to group undertakings		2,005,689	-
Corporation tax		144,591	38,880
Other taxation and social security		-	1,369,244
Amount due to Arnold Laver & Company Limited		15,356,203	-
Other creditors		-	16,104
Accruals and deferred income		461,238	3,472,814
		19,423,165	36,812,173

19 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	20	15,580,291	17,414,482
Obligations under finance leases	21	-	586,427
		15,580,291	18,000,909

Amounts included above which fall due after five years are as follows:

Payable by instalments	10,200,194	12,121,652
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LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

20 Loans and overdrafts

	2017 £	2016 £
Bank loans	16,964,582	18,798,554
Bank overdrafts	-	440,405
Other loans	-	10,608,493
	<u>16,964,582</u>	<u>29,847,452</u>
Payable within one year	1,384,291	12,432,970
Payable after one year	<u>15,580,291</u>	<u>17,414,482</u>

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

The bank loan carried at amortised cost is repayable in quarterly instalments over 15 years and bears interest at LIBOR plus 2.1% per annum.

21 Finance lease commitments

Future minimum lease payments due under finance leases:

	2017 £	2016 £
Within one year	-	382,683
Between two and five years	-	586,427
	<u>-</u>	<u>969,110</u>

22 Provisions for liabilities

	Notes	2017 £	2016 £
Provision under the Long Term Incentive Plan		-	3,327,333
Deferred tax liabilities	23	<u>31,000</u>	<u>1,195,500</u>
		<u>31,000</u>	<u>4,522,833</u>

Movements on provisions apart from retirement benefits and deferred tax liabilities:

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

(Continued)

22 Provisions for liabilities

	Provision under the Long Term Incentive Plan £
At 1 July 2016	3,327,333
Reversal of provision	(3,327,333)
At 31 December 2017	-

In the opinion of the directors the provision is no longer required and was released at the year end.

23 Deferred taxation

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

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
ACAs	31,000	1,814,500
Other timing differences	-	(619,000)
	<u>31,000</u>	<u>1,195,500</u>
Movements in the period:		2017 £
Liability at 1 July 2016		1,195,500
Credit to profit or loss		(1,164,500)
Liability at 31 December 2017		<u>31,000</u>

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

24 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	515,983	669,147

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

25 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
107,378 Ordinary of £1 each	107,378	107,378
	107,378	107,378

26 Operating leases commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	-	422,452
Between two and five years	-	724,981
	-	1,147,433

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2017

27 Transfer of Timber business

On 31 March 2017 the company transferred its Timber business to Arnold Laver & Company Limited as part of a group demerger.

	£
Cash and cash equivalents	19,592
Property, plant and equipment	8,244,568
Trade and other receivables	26,076,411
Inventories	17,959,370
Trade and other payables	13,668,776
Obligations under finance leases	985,639
Borrowings	7,343,376
	<hr/>
	30,302,150
Gain on transfer of timber business	6,000,000
	<hr/>
Total consideration	36,302,150
	<hr/> <hr/>

28 Financial commitments, guarantees and contingent liabilities

Under a cross guarantee the Company has guaranteed the bank borrowings of fellow subsidiaries. The bank borrowings of fellow subsidiaries at the year end amounted to £19,700,000.

LAVER REGENERATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE PERIOD ENDED 31 DECEMBER 2017**

29 Related party transactions

Transactions with related parties

At 31 December 2017 the company was owed £1,062,809 (2016: £1,013,010) by Chesterfield Waterfront Limited a company in which Laver Regeneration Limited is a 50% shareholder.

At 31 December 2017 the company was owed £751,705 (2016: £535,494) by Chesterfield Waterside Limited a company in which Laver Regeneration Limited is a 40.5% shareholder.

At 31 December 2017 the company was owed £258,765 (2015: £331,920) by Urbo Regeneration Limited a company in which Laver Regeneration Limited is a 38% shareholder.

At 31 December 2017 the company owed £15,356,203 to Arnold Laver & Company Limited, a company under common control.

The above amounts are repayable on demand.

30 Controlling party

The company's immediate parent company is Laver Regeneration Group Limited. The ultimate parent company is Laver Regeneration Holdings Limited.