

Edenstone Property Ventures Limited
Directors' report and financial
statements

Registered number 05110241

30 April 2017

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Directors' Report

The directors present their annual report and the audited financial statements for the year ended 30 April 2017. The directors consider that the company meets all of the criteria to qualify for the exemption from preparing a strategic report.

Principal activities and business review

The company's principal activity is construction and sale of residential housing.

The company made a profit for the year of £33,000 (2016: £78,000) and at 30 April 2017 had a deficit of shareholders' funds of £522,000 (2016: £555,000).

The results for the year are set out on page 5.

Proposed dividend

The directors do not recommend the payment of a dividend for the year (2016: £Nil).

Directors

The directors who held office during the year were as follows:

JS Taylor
MJ Taylor
SJ Rodden

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish the company's auditor is aware of such information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



SJ Rodden
Director

Building 102
Wales One Business Park
Magor
Monmouthshire
NP26 3DG

25 September 2017

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 judgments and 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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX
United Kingdom

Independent auditor's report to the members of Edenstone Property Ventures Limited

We have audited the financial statements of Edenstone Property Ventures Limited for the year ended 30 April 2017 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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 and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' Report:

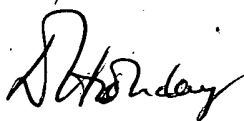
- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Edenstone Property Ventures Limited *(continued)*

Matters on which we are required to report by exception

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Emma Holiday (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

16th October 2017

Profit and loss account
for the year ended 30 April 2017

	<i>Note</i>	2017 £000	2016 £000
Turnover	2	5,718	509
Cost of sales		(5,565)	(431)
Profit before taxation	3-4	153	78
Tax on profit	5	(120)	-
Profit for the financial year		33	78

The notes on pages 8 to 13 form part of the financial statements.

No other gains and losses have been recognised in these financial statements other than the results for the financial years shown above. Accordingly, a separate statement of other comprehensive income has not been presented.

The above results relate wholly to continuing activities.

Balance sheet
at 30 April 2017

	<i>Note</i>	2017 £000	2016 £000
Current assets			
Stocks	6	-	2,415
Debtors	7	-	120
		<hr/>	<hr/>
		-	2,535
Creditors: amounts falling due within one year	8	(522)	(3,090)
		<hr/>	<hr/>
Net liabilities		(522)	(555)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		(522)	(555)
		<hr/>	<hr/>
Deficit on shareholders' funds		(522)	(555)
		<hr/>	<hr/>

The notes on pages 8 to 13 form part of the financial statements.

These financial statements were approved by the board of directors on **15** September 2017 and were signed on its behalf by:



SJ Rodden
Director

Statement of changes in equity
for the year ended 30 April 2017

	Called up Share Capital £000	Profit and Loss Account £000	Total Equity £000
Balance at 1 May 2015	-	(633)	(633)
Profit for the financial year, being total comprehensive income for the year	-	78	78
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2016 and 1 May 2016	-	(555)	(555)
Profit for the financial year, being total comprehensive income for the year	-	33	33
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2017	-	(522)	(522)
	<hr/>	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

Edenstone Property Ventures Ltd (the "Company") is a company limited by shares and incorporated, domiciled and registered in the UK (Wales).

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Edenstone Holdings Ltd, includes the Company in its consolidated financial statements. The consolidated financial statements of Edenstone Holdings Ltd are available to the public and may be obtained from Building 102, Wales One Business Park, Magor, Monmouthshire, NP26 3DG. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Edenstone Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 12.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

At 30 April 2017, the company was dependent for its business and working capital requirements on its parent undertaking, Edenstone Holdings Limited. Edenstone Holdings Limited has provided the company with an undertaking that, for at least 12 months from the date of approval of these financial statements, it intends to make available such funds as are needed by the company should the need arise and will not require repayment of amounts owed to it by the company. Accordingly, the directors have concluded that Edenstone Property Ventures Limited will continue in operational existence for the foreseeable future and for at least 12 months from the signing of these financial statements. For this reason, they consider it appropriate to continue to adopt the going concern basis of preparation.

Stocks

Stocks and work in progress are stated at the lower of cost and estimated selling price (less costs to complete and sell). Cost comprises land, site development and construction costs and finance costs.

Notes *(continued)*

1 **Accounting policies** *(continued)*

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Turnover

Turnover comprises the sales value of residential properties sold in the period, net of incentives offered on sale. Turnover is recognised when unconditional exchange of contracts for each property sale takes place.

Interest payable

Finance costs that are directly attributable to the development of residential housing are capitalised within work in progress and expensed within cost of sales on the sale of each property included in the residential development. Other finance costs are expensed as incurred.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

2 Turnover

Turnover is derived solely from the sale of residential property within the UK.

3 Expenses and auditor's remuneration

	2017 £000	2016 £000
<i>Included within profit/ loss are the following</i>		
Auditor's remuneration:		
Audit of these financial statements	-	-
	<u> </u>	<u> </u>

Auditor's remuneration was borne by a fellow group company, Edenstone Homes Limited.

4 Directors and employees

The amount of directors' remuneration attributable to the Company in respect of qualifying services was £nil (2016: £nil).

The company does not have any employees.

Notes (continued)

5 Taxation

Total tax expense recognised in the profit and loss account

	2017 £000	2016 £000
UK corporation tax for the year	-	-
Deferred tax – origination and reversal of timing differences	120	-
Total tax	120	-

Reconciliation of effective tax rate

	2017 £000	2016 £000
Profit for the year	33	78
Total tax expense	120	-
Profit excluding taxation	153	78
Tax using the UK corporation tax rate of 20% (2016: 20%)	31	16
Recognition of previously unrecognised tax losses	-	(16)
De-recognition of deferred tax asset relating to tax losses	89	-
Total tax expense included in profit and loss account	120	-

At 30 April 2017 the company had tax losses of £nil (2016: £600,000) in respect of which a deferred tax asset has been recognised (see note 7). No deferred tax asset has been recognised in respect of further tax losses carried forward of £930,000 (2016: £483,000) due to uncertainty regarding recoverability.

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax balance at 30 April 2017 has been calculated based on these rates.

6 Stocks

	2017 £000	2016 £000
Land, site development and construction costs	-	2,415

The total carrying amount of stocks pledged as security for liabilities in the year amounted to £nil (2016: £2,415,000). Stocks include capitalised finance costs of £nil (2016: £64,000). Total borrowing costs capitalised during the year was £188,000.

Notes (continued)

7 Debtors

	2017 £000	2016 £000
Deferred tax asset	-	120

8 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Amounts owed to group undertakings	522	1,235
Development finance loans	-	1,855
	<u>522</u>	<u>3,090</u>

The development finance loans were secured by fixed and floating charges until they were repaid during the year.

9 Called up share capital

	2017 £	2016 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1	1	1

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

10 Related Parties

The following are the transactions and balances with related parties of the company:

- A loan of £nil (2016: £488,000) was held by Ultimate Capital Limited, a company of which MJH Holden is a director and holds an equity interest. MJH Holden is also a director and shareholder of Edenstone Holdings Limited (see note 11). The loan was settled during the year.

The company has taken advantage of the exemption contained in Section 33 of FRS102 and has therefore not disclosed transactions with other wholly owned entities within the same group.

11 Ultimate parent undertaking

The parent undertaking of the company which heads the largest and smallest group of undertakings for which group financial statements are drawn up, and of which the company is a member, is Edenstone Holdings Limited. The consolidated financial statements of Edenstone Holdings Limited are available to the public and may be obtained from Building 102, Wales One Business Park, Magor, Monmouthshire, NP26 3DG.

Notes *(continued)*

12 Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management considers the key sources of estimation uncertainty and critical accounting judgements relate to:

Recoverability of deferred tax assets

The recoverability of deferred tax assets in respect of tax losses (see note 5) is related to the ability of the Company to generate taxable profits in future periods. An asset is recognised to the extent that it is probable that the losses will be recovered against the reversal of deferred tax liabilities or other future taxable profits.