Company Registration No. 05150902 (England and Wales)

QUINN ESTATES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

QUINN ESTATES LIMITED

COMPANY INFORMATION

Director	M W Quinn
Secretary	J Cavell
Company number	05150902
Registered office	The Cow Shed Highland Court Farm Bridge Kent CT45HW
Auditor	Wilkins Kennedy Audit Services 5th Floor Ashford Commercial Quarter 1 Dover Place Ashford Kent TN23 1FB

QUINN ESTATES LIMITED

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QUINN ESTATES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The director presents the strategic report for the year ended 31 March 2019.

Fair review of the business
The company's objectives are to grow its core business through continued improvements, efficiencies and good practices; aligning our processes to match the requirements of our major clients. We strive to be the South East's leading mixed-use developer.

The company's principle activities remains consistence with previous years. Its activities involve gaining planning permission on land and the development of building projects.

The financial position remains strong and in line with the directors' expectations. Net assets have increased from £1,426,612 as at 31 March 2018 to £1,947,900 as at 31 March 2019. The turnover of the company has increased from £17,235,250 in 2018 to £21,220,503 in 2019. This represents an increase of 23.1%. Profits before tax are reported for the year ended 31 March 2019 at £981,766 (2018: Profit of £491,787).

The results for the year and the financial position at the year-end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Principal risks and uncertainties
The directors perceive the company's risks as:

Cockering Farm Planning

Cockering Farm is located on the western edge of Canterbury in Kent. It is a site that Quinn Estates sought to develop for a mixed use development comprising of up to 400 dwellings including affordable housing, up to 3,716 sqm of commercial space, a community building or leisure centre, new highway infrastructure including spine road with accesses onto a network of internal roads, footpaths and cycle route, alongside the provision of no less than 18 hectares of open space, associated landscaping, utilities infrastructure, sustainable drainage system and earthworks.

On planning submission we received a judicial review which is the process of challenging the lawfulness of decisions of public authorities. In planning cases, this means that the application will be reconsidered having rectified any defects found.

The risk here was that we had already found a purchaser for the land and one of the conditions of completion was that they need a JR free approval.
Following a lengthy process the Judicial review was completed and planning was received in October 2019.

Cyclical property market movements

Senior management has extensive experience and detailed understanding of the core markets in which the company operates. This expertise is supplemented by market leading external advisors and contacts to ensure the correct decisions are made at the right time.

Operational complexity

The business recognises there are certain complexities within the planning and delivery of the work undertaken. The Directors look to mitigate this risk by focusing its activities in the South East, with an understanding that local relationships and local knowledge play a key role in the company's success.

Competition

The business is exposed to typical commercial risks due to the competitive market of property development in the UK. The Directors look to mitigate this risk by providing high quality buildings across a mixed portfolio of projects.

Liquidity risk

Liquidity risk is actively managed through the preparation and review of consistent financial information, including budgets, cash flows and management accounts.

Key performance indicators

We consider the key financial performance indicators of the company to be turnover and the gross profit margin. Turnover on our core business has increased by 23.1% on the previous financial year. The overall gross profit margin has moved to 13.01% for 2019 compared with 10.6% in 2018.

On behalf of the board

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M W Quinn

Director

24.12.2019

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The director presents his annual report and financial statements for the year ended 31 March 2019.

Director

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

M W Quinn

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £225,000. The director does not recommend payment of a final dividend.

Political donations

The recipients and amounts of the political donations are as follows:

Conservative Party- £52,160
Labour Party - £508

Statement of director's responsibilities

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

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

On behalf of the board

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M W Quinn
Director

Date: 24.12.2019

QUINN ESTATES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF QUINN ESTATES LIMITED

Opinion
We have audited the financial statements of Quinn Estates Limited (the 'company') for the year ended 31 March 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

We have nothing to report in respect of the following matters 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director
As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBER OF QUINN ESTATES LIMITED

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to him 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 member for our audit work, for this report, or for the opinions we have formed.

Wilkins Kennedy Audit Services

Robert Reynolds (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services

30 December 2019

Statutory Auditor

5th Floor
Ashford Commercial Quarter
1 Dover Place
Ashford
Kent
TN23 1FB

QUINN ESTATES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover	3	21,220,503	17,235,250
Cost of sales		(18,459,239)	(15,406,049)
Gross profit		2,761,264	1,829,201
Administrative expenses		(1,812,822)	(1,341,014)
Other operating income		51,200	3,600
Operating profit	4	999,642	491,787
Interest receivable and similar income	7	5	-
Interest payable and similar expenses	8	(17,881)	-
Profit before taxation		981,766	491,787
Tax on profit	9	(235,478)	(3,133)
Profit for the financial year		746,288	488,654

The profit and loss account has been prepared on the basis that all operations are continuing operations.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	2019	2018
	£	£
Profit for the year	746,288	488,654
Other comprehensive income	-	-
Total comprehensive income for the year	746,288	488,654

QUINN ESTATES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	11		16,283		32,716
Investments	12		500		-
			16,783		32,716
Current assets					
Stocks	15	2,083,787		1,407,074	
Debtors	16	9,400,189		6,753,307	
Cash at bank and in hand		110,125		223,213	
		11,594,101		8,383,594	
Creditors: amounts falling due within one year	17	(9,660,383)		(6,984,082)	
Net current assets			1,933,718		1,399,512
Total assets less current liabilities			1,950,501		1,432,228
Provisions for liabilities	18		(2,601)		(5,616)
Net assets			1,947,900		1,426,612
Capital and reserves					
Called up share capital	21		1		1
Profit and loss reserves			1,947,899		1,426,611
Total equity			1,947,900		1,426,612

The financial statements were approved and signed by the director and authorised for issue on 24.12.2019

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M W Quinn

Director

Company Registration No. 05150902

QUINN ESTATES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	Share capital	Profit and loss reserves	Total
		£	£	£
Balance at 1 April 2017		1	937,957	937,958
Year ended 31 March 2018:				
Profit and total comprehensive income for the year		-	488,654	488,654
Balance at 31 March 2018		1	1,426,611	1,426,612
Year ended 31 March 2019:				
Profit and total comprehensive income for the year		-	746,288	746,288
Dividends	**10**	-	(225,000)	(225,000)
Balance at 31 March 2019		1	1,947,899	1,947,900

QUINN ESTATES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	26		130,288		(19,736)
Interest paid			(17,881)		-
Income taxes paid			-		(116,420)
Net cash inflow/(outflow) from operating activities			112,407		(136,156)
Investing activities					
Purchase of tangible fixed assets		-		(26,700)	
Proceeds on disposal of associates		(500)		-	
Interest received		5		-	
Net cash used in investing activities			(495)		(26,700)
Financing activities					
Dividends paid		(225,000)		-	
Net cash used in financing activities			(225,000)		-
Net decrease in cash and cash equivalents			(113,088)		(162,856)
Cash and cash equivalents at beginning of year			223,213		386,069
Cash and cash equivalents at end of year			110,125		223,213

1 Accounting policies

Company information

Quinn Estates Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Cow Shed, Highland Court Farm, Bridge, Kent, CT45HW.

1.1 Accounting convention

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

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

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

1.2 Going concern

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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:

Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Computer equipment	25% reducing balance
Motor vehicles	25% straight line

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

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1 Accounting policies **(Continued)**

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

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

Work in progress is accumulated and invoiced to the relevant related companies when agreed between the companies.

1.8 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 Accounting policies **(Continued)**

1.9 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

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.

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.

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 though 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.

1.10 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.

1.11 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.

1 Accounting policies **(Continued)**

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. 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.

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

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

	2019	2018
	£	£
Turnover analysed by class of business		
Sale of services	21,220,503	17,235,250

	2019	2018
	£	£
Other significant revenue		
Interest income	5	-

	2019	2018
	£	£
Turnover analysed by geographical market		
UK	21,220,503	17,235,250

4 Operating profit

	2019	2018
Operating profit for the year is stated after charging:	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	7,500	-
Depreciation of owned tangible fixed assets	5,427	10,907
Loss on disposal of tangible fixed assets	11,006	-
Cost of stocks recognised as an expense	4,439,689	2,567,497
Operating lease charges	85,350	68,396

5 Employees

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

	2019	2018
	Number	Number
	18	15

5 Employees (Continued)

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	845,263	664,208
Social security costs	90,817	75,756
Pension costs	9,710	3,470
	945,790	743,434

6 Director's remuneration

	2019	2018
	£	£
Remuneration for qualifying services	8,424	8,160

7 Interest receivable and similar income

	2019	2018
	£	£
Interest income		
Other interest income	5	-

8 Interest payable and similar expenses

	2019	2018
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	3	-
Other finance costs:		
Other interest	17,878	-
	17,881	-

9 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	238,493	-
Deferred tax		
Origination and reversal of timing differences	(3,015)	3,133
Total tax charge	235,478	3,133

9 Taxation (Continued)

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

	2019	2018
	£	£
Profit before taxation	981,766	491,787
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	186,536	93,440
Tax effect of expenses that are not deductible in determining taxable profit	52,065	19,067
Permanent capital allowances in excess of depreciation	(108)	(3,134)
Research and development tax credit	-	(109,373)
Other non-reversing timing differences	(3,015)	3,133
Taxation charge for the year	235,478	3,133

During the year, a research and development claim made resulted in an amended return being submitted. The amount claimed would generate tax recoverable in excess of £400k. This is not reflected above.

10 Dividends

	2019	2018
	£	£
Interim paid	225,000	-

11 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2018	18,350	49,421	45,034	15,562	128,367
Disposals	(18,350)	(12,176)	(42,564)	(15,562)	(88,652)
At 31 March 2019	-	37,245	2,470	-	39,715
Depreciation and impairment					
At 1 April 2018	17,758	24,595	37,736	15,562	95,651
Depreciation charged in the year	-	5,045	382	-	5,427
Eliminated in respect of disposals	(17,758)	(7,531)	(36,795)	(15,562)	(77,646)
At 31 March 2019	-	22,109	1,323	-	23,432
Carrying amount					
At 31 March 2019	-	15,136	1,147	-	16,283
At 31 March 2018	592	24,826	7,298	-	32,716

12 Fixed asset investments

	Notes	2019 £	2018 £
Investments in associates	13	500	-

Movements in fixed asset investments

	Shares in group undertakings and participating interests £
Cost or valuation	
At 1 April 2018	-
Additions	500
At 31 March 2019	500
Carrying amount	
At 31 March 2019	500
At 31 March 2018	-

13 Associates

Details of the company's associates at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Downriver Holdings Limited	United Kingdom	Buying and selling of own real estate	Ordinary	50.00	

14 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	9,294,648	6,649,310
Carrying amount of financial liabilities		
Measured at amortised cost	7,900,247	6,395,808

15 Stocks

	2019 £	2018 £
Work in progress	2,083,787	1,407,074

16 Debtors

Amounts falling due within one year:	2019 £	2018 £
Trade debtors	4,310,099	1,879,864
Amounts owed by undertakings in which the company has a participating interest	351,250	-
Other debtors	4,633,299	4,721,384
Prepayments and accrued income	105,541	152,059
	9,400,189	6,753,307

17 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Trade creditors		4,038,750	4,133,569
Amounts owed to group undertakings		1,826,826	359,113
Corporation tax		238,493	-
Other taxation and social security		1,452,177	539,448
Deferred income		69,466	48,826
Other creditors		1,527,359	1,873,834
Accruals and deferred income		507,312	29,292
		9,660,383	6,984,082

18 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	19	2,601	5,616

19 Deferred taxation

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

Balances:	Liabilities 2019 £	Liabilities 2018 £
Accelerated capital allowances	2,601	5,616

Movements in the year:	2019 £
Liability at 1 April 2018	5,616
Credit to profit or loss	(3,015)
Liability at 31 March 2019	2,601

The deferred tax asset set out above relates to accelerated capital allowances.

20 Retirement benefit schemes

Defined contribution schemes	**2019** £	**2018** £
Charge to profit or loss in respect of defined contribution schemes	9,710	3,470

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.

21 Share capital

	2019 £	**2018** £
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1

22 Financial commitments, guarantees and contingent liabilities

The company is part of a group registration for value added tax along with its parent company Quinn Investments Limited. The company would become liable should Quinn Investments Limited become unable to meet any future VAT obligations. As at 31 March 2019 the VAT liability of Quinn Estates Limited amounted to £1,410,690. The group VAT liability as at 31 March 2019 amounted to £1,507,733.

23 Operating lease commitments

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

	2019 £	**2018** £
Within one year	110,170	72,357
Between two and five years	343,223	100,492
	453,393	172,849

24 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel is as follows.

	2019 £	**2018** £
Aggregate compensation	47,671	47,155

24 Related party transactions **(Continued)**

M Quinn, a director of Quinn Estates Limited, is also a director of PQW Millstrood Limited. Included within other debtors is an amount due from PQW Millstrood Limited of £289,819 (2018: £212,460) in respect of a loan made to that company. Included within trade debtors is an amount due from PQW Millstrood Limited of £3,835 (2018: £3,835) in respect of sales made in earlier years.

M Quinn, a director of Quinn Estates Limited is also a director of Hammill Properties Limited. Included within other debtors is an amount due from Hammill Properties Limited of £102,014 (2018: £75,687). Included within trade debtors is an amount due from Hammill Properties Limited of £587,776 (2018: £141,365). During the year, Quinn Estates Limited made sales to Hammill Properties Limited of £1,663,821 (2018: £254,257).

M Quinn, a director of Quinn Estates Limited is also a director of Newmaquinn Commercial Limited. Included within other debtors is an amount due from Newmaquinn Commercial Limited of £66,240 (2018: other creditor balance of £443,417).

During the year, Quinn Estates Limited made sales to M Quinn, a director of the company of £31,504 (2018: £387,699) in respect of the construction of his personal property.

Quinn Estates Limited is a wholly owned subsidiary of Quinn Investments Limited. Included within other creditors is an amount due to Quinn Investments Limited of £236,417 (2018: £359,113) in respect of a loan from Quinn Investments Limited. During the year, Quinn Estates Limited made purchases from Quinn Investments Limited of £20,550 (2018: £15,035).

M Quinn, a director of Quinn Estates Limited, is also a director of Quinn Wilson Estates (1) Limited. Included within other debtors is an amount due from Quinn Wilson Estates (1) Limited of £Nil (2018: £178,951). Included within other creditors is an amount owed to Quinn Wilson Estates (1) Limited of £92,209 (2018: £Nil). Included within trade debtors is an amount due from Quinn Wilson Estates (1) Limited of £81,389 (2018: £124,877). Included within trade creditors is an amount due from Quinn Wilson Estates (1) Limited of £191,964 (2018: £129,164). During the year Quinn Estates Limited made sales to Quinn Wilson Estates (1) Limited of £18,000 (2018: £18,000).

M Quinn, a director of Quinn Estates Limited, is also a director of Quinn Estates Kent Limited. Included within other debtors is an amount due from Quinn Estates Kent Limited of £3,454,663 (2018: £4,057,490).

M Quinn, a director of Quinn Estates Limited, is also a director of Quinn Patel & Hayes Developments Limited. Included within other debtors is an amount due from Quinn Patel & Hayes Developments Limited of £66,240 (2018: £96,687). Included within trade debtors is an amount due from Quinn Patel & Hayes Developments Limited of £80,545 (2018: £220,816). During the year Quinn Estates Limited made sales to Quinn Patel & Hayes Developments Limited of £390,638 (2018: £437,613).

M Quinn, a director of Quinn Estates Limited, is also a director of SQE Grafty Green Limited. Included within other debtors is an amount due from SQE Grafty Green Limited of £116,240 (2018: £79,859). Included within trade debtors is an amount due from SQE Grafty Green Limited of £480,980 (2018: £98,273). During the year Quinn Estates Limited made sales to SQE Grafty Green Limited of £845,000 (2018: £577,164).

M Quinn, a director of Quinn Estates Limited, is also a director of Clover House (Whitstable) Limited. Included within other creditors is an amount due to Clover House (Whitstable) Limited of £Nil (2018: £92).

M Quinn, a director of Quinn Estates Limited, is also a director of Quinnatori Limited. Included within other debtors is an amount due to Quinnatori Limited of £3,900 (in 2018 a trade creditor of: £104,413).

M Quinn, a director of Quinn Estates Limited, is also a director of Quinn Estates Sittingbourne Limited. Included within other debtors is an amount due from Quinn Estates Sittingbourne Limited of £250 (2018: £250).

M Quinn, a director of Quinn Estates Limited, is also a director of Ashford Commercial Quarter Limited. Included within other debtors is an amount due from Ashford Commercial Quarter Limited of £218,420 (2018: other creditor balance of £437,698).

26 Cash generated from/(absorbed by) operations

	2019	2018
	£	£
Profit for the year after tax	746,288	488,654
Adjustments for:		
Taxation charged	235,478	3,133
Finance costs	17,881	-
Investment income	(5)	-
Loss on disposal of tangible fixed assets	11,006	-
Depreciation and impairment of tangible fixed assets	5,427	10,907
Movements in working capital:		
Increase in stocks	(676,713)	(388,126)
Increase in debtors	(2,646,882)	(4,281,174)
Increase in creditors	2,417,168	4,098,044
Increase in deferred income	20,640	48,826
Cash generated from/(absorbed by) operations	130,288	(19,736)