

Company Registration No. 05150902 (England and Wales)

QUINN ESTATES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

QUINN ESTATES LIMITED

COMPANY INFORMATION

Director	M W Quinn
Secretary	J Cavell
Company number	05150902
Registered office	The Cow Shed Highland Court Farm Bridge Canterbury Kent United Kingdom CT4 5HW
Auditor	Azets Audit Services 5th Floor Ashford Commercial Quarter 1 Dover Place Ashford Kent United Kingdom TN23 1FB

QUINN ESTATES LIMITED

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QUINN ESTATES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The director presents the strategic report for the year ended 31 March 2020.

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 principal activities remains consistent 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 £1,947,900 as at 31 March 2019 to £2,184,582 as at 31 March 2020. Gross profit margin has remained consistent, decreasing slightly from 13% in 2019 to 11.8% in 2020. The company's total equity has increased by over £235,000 this year.

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

Principal risks and uncertainties

The director perceives the company's risks as follows:

Covid 19

At the beginning of March 2020, the directors had to make some difficult decisions with regards to how the company would progress in the uncertainty of the coming months. The team took immediate action, furloughing staff and reducing overheads. Reaching out to all of our consultants/Subcontractors and suppliers enabled us to continue progressing the planning and build schemes we already had in place.

Following the COVID-19 announcement, in March 2020 we were notified that construction could continue on site which provided our staff and subcontractors with the confidence to drive our schemes forward in Deal and Herne Bay, Kent. By July 2020 we were ahead of schedule on both of these sites and were able to allow marketing to take place on Phase 1, with reservation fees taken for all 18 plots within 3 months.

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 a spine road with access onto a network of internal roads, footpaths and cycle routes, 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 obtain a JR free approval.

Following a lengthy process, the Judicial review was completed and planning was received in October 2019.

QUINN ESTATES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Principal risks and uncertainties (continued)

Clifton Slipways, Gravesend

Clifton Slipways is a proposed development of 227 apartments situated alongside the River Thames in Gravesend, Kent, with unrivalled views over the river.

The site is located an 8-minute walk from Gravesend station where trains take 24 minutes to reach London St Pancras, where major international companies have significant offices employing tens of thousands of people.

We are working off a land value of £7m for the site, which comprises two separate towers and the restoration of the pier to provide commercial space.

At present we are awaiting planning permission on this site, if we successfully gain planning we will have to wait 6 weeks to confirm that there will be no Judicial review.

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 Director looks 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 Director looks 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 reduced from £21.2m in 2019 to £16.1m in 2020 however this was due to 2019 being an exceptional year and is in line with the directors expectations. The overall gross profit margin has remained largely consistent, moving to 11.8% for 2020 compared with 13% in 2019.

On behalf of the board

M W Quinn

Director

29 March 2021

QUINN ESTATES LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The director presents his annual report and financial statements for the year ended 31 March 2020.

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.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Political donations

The recipients and amounts of political donations are as follows:

Conservative Party- £61,550

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.

QUINN ESTATES LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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.

Going concern

Accounting standards require the directors to consider the appropriateness of the going concern basis when preparing the financial statements. The directors confirm that they consider that the going concern basis remains appropriate.

Despite the UK entering into a national lockdown due to the Covid-19 pandemic on 24th March 2020, the business has maintained its operating levels and the directors believe that the company has sufficient resources to continue in operational existence for the foreseeable future. The directors believe this to be the case as the company has positive reserves and cash balances. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

On behalf of the board

M W Quinn

Director

29 March 2021

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 2020 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 2020 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

We draw attention to the disclosures relating to the impact of Covid-19 since the year end set out in note 1.2. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information. 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.

QUINN ESTATES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF QUINN ESTATES LIMITED

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

QUINN ESTATES LIMITED

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.

Robert Reynolds (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

30 March 2021

Chartered Accountants
Statutory Auditor

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

QUINN ESTATES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Turnover	3	16,148,300	21,220,503
Cost of sales		(14,243,336)	(18,459,239)
Gross profit		1,904,964	2,761,264
Administrative expenses		(1,585,738)	(1,812,822)
Other operating income		-	51,200
Operating profit	4	319,226	999,642
Interest receivable and similar income	6	-	5
Interest payable and similar expenses	7	-	(17,881)
Profit before taxation		319,226	981,766
Tax on profit	8	(82,544)	(235,478)
Profit for the financial year		236,682	746,288

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

QUINN ESTATES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
Profit for the year	236,682	746,288
Other comprehensive income	-	-
Total comprehensive income for the year	<u>236,682</u>	<u>746,288</u>

QUINN ESTATES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		13,024		16,283
Investments	11		500		500
			<u>13,524</u>		<u>16,783</u>
Current assets					
Stocks	13	2,056,612		2,083,787	
Debtors	14	9,952,879		9,400,189	
Cash at bank and in hand		608,557		110,125	
		<u>12,618,048</u>		<u>11,594,101</u>	
Creditors: amounts falling due within one year	15	(10,444,919)		(9,660,383)	
Net current assets			<u>2,173,129</u>		<u>1,933,718</u>
Total assets less current liabilities			<u>2,186,653</u>		<u>1,950,501</u>
Provisions for liabilities					
Deferred tax liability	16	2,071	(2,071)	2,601	(2,601)
Net assets			<u><u>2,184,582</u></u>		<u><u>1,947,900</u></u>
Capital and reserves					
Called up share capital	18		1		1
Profit and loss reserves			<u>2,184,581</u>		<u>1,947,899</u>
Total equity			<u><u>2,184,582</u></u>		<u><u>1,947,900</u></u>

The financial statements were approved and signed by the director and authorised for issue on 29 March 2021

M W Quinn

Director

Company Registration No. 05150902

QUINN ESTATES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 April 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	9	-	(225,000)	(225,000)
Balance at 31 March 2019		1	1,947,899	1,947,900
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	236,682	236,682
Balance at 31 March 2020		1	2,184,581	2,184,582

QUINN ESTATES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	23	738,008		130,288	
Interest paid		-		(17,881)	
Income taxes paid		(238,493)		-	
Net cash inflow from operating activities		499,515		112,407	
Investing activities					
Purchase of tangible fixed assets		(1,083)		-	
Proceeds on disposal of associates		-		(500)	
Interest received		-		5	
Net cash used in investing activities			(1,083)		(495)
Financing activities					
Dividends paid		-		(225,000)	
Net cash used in financing activities			-		(225,000)
Net increase/(decrease) in cash and cash equivalents		498,432		(113,088)	
Cash and cash equivalents at beginning of year		110,125		223,213	
Cash and cash equivalents at end of year		608,557		110,125	

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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, Canterbury, Kent, United Kingdom, CT4 5HW.

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 prepared profit and cash flow projections and on the basis of these projections 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.

In their assessment the director has considered the potential impact that the Covid 19 pandemic could have on the company's trade, its supply chain and its customers. The director has also taken into consideration the liquid funds held by the company at and subsequent to the year end. The conclusion of these considerations is that the director does not consider that the Covid 19 pandemic will have a material impact on the company's ability to continue as a going concern.

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:

Fixtures, fittings & equipment	25% reducing balance
Computer equipment	25% 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.

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.

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

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 Work in progress

Stock and work in progress 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 work in progress 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.

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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.

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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

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.

1.10 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.

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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:

	2020	2019
	£	£
Turnover analysed by class of business		
Sale of property related services	16,148,300	21,220,503

	2020	2019
	£	£
Other significant revenue		
Interest income	-	5

	2020	2019
	£	£
Turnover analysed by geographical market		
UK	16,148,300	21,220,503

4 Operating profit

	2020	2019
	£	£
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	24,590	7,500
Depreciation of owned tangible fixed assets	4,342	5,427
(Profit)/loss on disposal of tangible fixed assets	-	11,006
Operating lease charges	91,000	85,350

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Employees

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

2020 Number	2019 Number
18	18
<u>18</u>	<u>18</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	842,307	845,263
Social security costs	88,928	90,817
Pension costs	14,946	9,710
	<u>946,181</u>	<u>945,790</u>

6 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Other interest income	-	5
	<u>-</u>	<u>5</u>

7 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	3
Other finance costs:		
Other interest	-	17,878
	<u>-</u>	<u>17,881</u>

8 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	83,074	238,493
	<u>83,074</u>	<u>238,493</u>

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Taxation		(Continued)	
	2020 £	2019 £	
Deferred tax			
Origination and reversal of timing differences	(530)	(3,015)	
	<u> </u>	<u> </u>	
Total tax charge	82,544	235,478	
	<u> </u>	<u> </u>	
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:			
	2020 £	2019 £	
Profit before taxation	319,226	981,766	
	<u> </u>	<u> </u>	
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	60,653	186,536	
Tax effect of expenses that are not deductible in determining taxable profit	22,715	52,065	
Permanent capital allowances in excess of depreciation	(294)	(108)	
Other non-reversing timing differences	(530)	(3,015)	
	<u> </u>	<u> </u>	
Taxation charge for the year	82,544	235,478	
	<u> </u>	<u> </u>	
9 Dividends			
	2020 £	2019 £	
Interim paid	-	225,000	
	<u> </u>	<u> </u>	

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

10 Tangible fixed assets

	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£
Cost			
At 1 April 2019	37,245	2,470	39,715
Additions	-	1,083	1,083
At 31 March 2020	37,245	3,553	40,798
Depreciation and impairment			
At 1 April 2019	22,109	1,323	23,432
Depreciation charged in the year	3,785	557	4,342
At 31 March 2020	25,894	1,880	27,774
Carrying amount			
At 31 March 2020	11,351	1,673	13,024
At 31 March 2019	15,136	1,147	16,283

11 Fixed asset investments

	Notes	2020 £	2019 £
Investments in associates	12	500	500

Movements in fixed asset investments

	Shares in participating interests £
Cost or valuation	
At 1 April 2019 & 31 March 2020	500
Carrying amount	
At 31 March 2020	500
At 31 March 2019	500

12 Associates

Details of the company's associates at 31 March 2020 are as follows:

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

12 Associates (Continued)

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

13 Stocks

	2020	2019
	£	£
Work in progress	2,056,612	2,083,787

14 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	3,645,468	4,310,099
Amounts owed by undertakings in which the company has a participating interest	562,500	351,250
Other debtors	5,042,856	4,633,299
Prepayments and accrued income	702,055	105,541
	9,952,879	9,400,189

15 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	4,198,453	4,038,750
Amounts owed to group undertakings	2,420,146	1,826,826
Corporation tax	83,074	238,493
Other taxation and social security	442,595	1,452,177
Deferred income	210,186	69,466
Other creditors	2,568,881	1,527,359
Accruals and deferred income	521,584	507,312
	10,444,919	9,660,383

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

16 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	2,071	2,601
Movements in the year:		2020 £
Liability at 1 April 2019		2,601
Credit to profit or loss		(530)
Liability at 31 March 2020		2,071

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

17 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	14,946	9,710

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.

18 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary share of £1 each	1	1	1	1

19 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 2020 the VAT liability of Quinn Estates Limited amounted to £410,871. The group VAT liability as at 31 March 2020 amounted to £920,634.

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

20 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:

	2020 £	2019 £
Within one year	111,114	110,170
Between two and five years	239,994	343,223
	<u>351,108</u>	<u>453,393</u>

21 Events after the reporting date

The World Health Organisation officially declared the coronavirus (Covid-19) outbreak a global pandemic on 11 March 2020, and the UK entered its lockdown from 24 March 2020. Subsequent to the year end the UK government has introduced policies to manage the pandemic that have significantly affected business activity in the UK. The directors have assessed the operational and financial impact on the company within the directors report and in the going concern statement within note 1.2.

22 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	<u>48,133</u>	<u>47,671</u>

Transactions with related parties

During the year the company entered into the following transactions with related parties:

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 £2,420,146 (2019: 1,826,826) in respect of a loan from Quinn Investments Limited. During the year, Quinn Estates Limited made purchases from Quinn Investments Limited of £20,792 (2019: £20,550). During the year, Quinn Estates Limited made sales to Quinn Investments Limited of £147,702 (2019: £1,288,317).

During the year, Quinn Estates Limited made sales to M Quinn, director of the company of £36,620 (2019: £31,504) in respect of the construction of his personal property.

M Quinn is also a director of PQW Millstrood Limited. Included within other debtors is an amount due from PQW Millstrood Limited of £Nil (2019: £289,819) in respect of a loan made to that company. Included within other creditors is an amount owed to PQW Millstrood Limited of £272,564 (2019: £Nil). Included within trade debtors is an amount due from PQW Millstrood Limited of £Nil (2019: £3,835) in respect of sales made in earlier years.

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

22 Related party transactions

(Continued)

M Quinn is also a director of Hammill Properties Limited. Included within other debtors is an amount due from Hammill Properties Limited of £68,078 (2019: £102,014). Included within trade debtors is an amount due from Hammill Properties Limited of £1,009,367 (2019: £587,776). During the year, Quinn Estates Limited made sales to Hammill Properties Limited of £1,686,140 (2019: £1,663,821).

M Quinn is also a director of Newmaquinn Commercial Limited. Included within other debtors is an amount due from Newmaquinn Commercial Limited of £49,471 (2019: £66,240). Included within trade debtors is an amount due from Newmaquinn Commercial Limited of £926,580 (2019: £Nil). During the year, Quinn Estates Limited made sales to Newmaquinn Commercial Limited of £2,821,757 (2019: £Nil).

M Quinn is also a director of Quinn Wilson Estates (1) Limited. Included within other creditors is an amount owed to Quinn Wilson Estates (1) Limited of £36,138 (2019: £92,209). Included within trade debtors is an amount due from Quinn Wilson Estates (1) Limited of £Nil (2019: £81,389). Included within trade creditors is an amount due from Quinn Wilson Estates (1) Limited of £201,964 (2019: £191,964). During the year Quinn Estates Limited made sales to Quinn Wilson Estates (1) Limited of £49,226 (2019: £18,000).

M Quinn is also a director of Quinn Estates Kent Limited. Included within other debtors is an amount due from Quinn Estates Kent Limited of £4,563,340 (2019: £3,454,663). During the year, Quinn Estates Limited made sales to Quinn Estates Kent Limited of £1,977,094 (2019: £3,317,727).

M Quinn is also a director of Quinn Patel & Plews Developments Limited. Included within other debtors is an amount due from Quinn Patel & Plews Developments Limited of £49,501 (2019: £66,240). Included within trade debtors is an amount due from Quinn Patel & Plews Developments Limited of £74,996 (2019: £80,545). During the year Quinn Estates Limited made sales to Quinn Patel & Plews Developments Limited of £93,901 (2019: £390,638).

M Quinn is also a director of SQE Grafty Green Limited. Included within other debtors is an amount due from SQE Grafty Green Limited of £89,511 (2019: £116,240). Included within trade debtors is an amount due from SQE Grafty Green Limited of £328,846 (2019: £480,980). During the year Quinn Estates Limited made sales to SQE Grafty Green Limited of £117,853 (2019: £845,000).

M Quinn is also a director of Quinnatori Limited. Included within other debtors is an amount due to Quinnatori Limited of £3,900 (2019: £3,900). Included within trade debtors is an amount due from Quinnatori Limited of £75,687 (2019: £75,687).

M Quinn is also a director of Quinn Estates Ashford Limited. Included within other creditors is an amount owed to Quinn Estates Ashford Limited of £257,224 (2019: £Nil). During the year, Quinn Estates Limited made sales to Quinn Estates Ashford Limited of £81,796 (2019: £343,834).

M Quinn is also a director of Quinn Estates Bardell Wharf Limited. Included within other creditors is an amount due to Quinn Estates Bardell Wharf Limited of £41,978 (2019: £Nil). Included within trade debtors is an amount due from Quinn Estates Bardell Wharf Limited of £311,419 (2019: £Nil). During the year, Quinn Estates Limited made sales to Quinn Estates Bardell Wharf Limited of £206,352 (2019: £605,778).

M Quinn is also a director of Quinn Estates Sittingbourne Limited. Included within other debtors is an amount due from Quinn Estates Sittingbourne Limited of £250 (2019: £250).

M Quinn, a director of Quinn Estates Limited, is also a director of Quinn Estates Grays Rochester Limited. Included within other debtors is an amount due from Quinn Estates Grays Rochester Limited of £100 (2019: £100).

M Quinn, a director of Quinn Estates Limited, is also a director of Quinn Estates Barwick Road Limited. Included within other debtors is an amount due from Quinn Estates Barwick Road Limited of £100 (2019: £100).

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

22 Related party transactions

(Continued)

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 £49,471 (2019: £218,420). During the year, Quinn Estates Limited made sales to Ashford Commercial Quarter Limited of £964,054 (2019: £3,937,675).

M Quinn is also a director of Quinn Estates Brokehill Limited. Included within other debtors is an amount due from Quinn Estates Brokehill Limited of £53,563 (2019: £67,710). Included within trade debtors is an amount due from Quinn Estates Brokehill Limited of £217,199 (2019: £46,554). During the year, Quinn Estates Limited made sales to Quinn Estates Brokehill Limited of £658,103 (2019: £291,947).

M Quinn is also a director of Quinn Estates Newtown Works Limited. Included within other creditors is an amount due to Quinn Estates Newtown Works Limited of £42,563 (2019: £18,367 other debtor). During the year, Quinn Estates Limited made sales to Quinn Estates Newtown Works Limited of £590,529 (2019: £65,619).

M Quinn is also a director of Quinn Estates Betteshanger Limited. Included within other debtors is an amount due from Quinn Estates Betteshanger Limited of £23,000 (2019: £nil). Included within trade debtors is an amount due from Quinn Estates Betteshanger Limited of £3,060 (2019: £nil). During the year, Quinn Estates Limited made sales to Quinn Estates Betteshanger Limited of £2,550 (2019: £nil).

M Quinn is also a director of Betteshanger Property Limited. Included within other debtors is an amount due from Betteshanger Property Limited of £2,000 (2019: £nil). During the year, Quinn Estates Limited made sales to Betteshanger Property Limited of £100,000 (2019: £nil).

M Quinn is also a director of Quinn Estates Fowlmead Limited. Included within other creditors is an amount due to Quinn Estates Fowlmead Limited of £14,138 (2019: £nil). Included within trade debtors is an amount due from Quinn Estates Fowlmead Limited of £17,688 (2019: £nil). During the year, Quinn Estates Limited made sales to Quinn Estates Fowlmead Limited of £14,740 (2019: £nil).

M Quinn is also a director of Downriver Holdings Limited, an associate of Quinn Estates Limited. Included within debtors is an amount due from Downriver Holdings Limited of £562,500 (2019: £351,250).

M Quinn is also a director of Downriver Properties Limited, a subsidiary of Downriver Holdings Limited. Included within other debtors is an amount due from Downriver Properties Limited of £49,471 (2019: £nil). Included within trade debtors is an amount due from Downriver Properties Limited of £182,870 (2019: £nil). During the year, Quinn Estates Limited made sales to Downriver Properties Limited of £482,600 (2019: £nil).

QUINN ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

23 Cash generated from operations

	2020 £	2019 £
Profit for the year after tax	236,682	746,288
Adjustments for:		
Taxation charged	82,544	235,478
Finance costs	-	17,881
Investment income	-	(5)
(Gain)/loss on disposal of tangible fixed assets	-	11,006
Depreciation and impairment of tangible fixed assets	4,342	5,427
Movements in working capital:		
Decrease/(increase) in stocks	27,175	(676,713)
Increase in debtors	(552,690)	(2,646,882)
Increase in creditors	799,235	2,417,168
Increase in deferred income	140,720	20,640
Cash generated from operations	738,008	130,288

24 Analysis of changes in net funds

	1 April 2019 £	Cash flows 31 March 2020 £	£
Cash at bank and in hand	110,125	498,432	608,557

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