

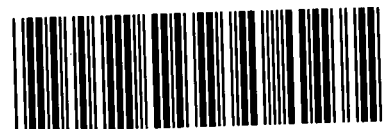
Yelcon Limited

Registered number: 00700033

Amended annual report and financial statements

For the period ended 31 December 2017

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COMPANIES HOUSE

YELCON LIMITED

COMPANY INFORMATION

Directors	S K Holman T J Padian M Rapley
Company secretary	T J Padian
Registered number	00700033
Registered office	1 St Mary's Court Main Street Hardwick Cambridge Cambridgeshire CB23 7QS
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor 3 Wellington Place Leeds LS1 4AP

YELCON LIMITED

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YELCON LIMITED

**STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2017**

Introduction

The directors present their strategic report for the 15 month period ended 31 December 2017.

The principal activity of the Company continued to be that of property development.

Business review

The directors are satisfied with the results for the year. The Company has generated an operating profit in the current financial period and is well placed to take advantage of the increased activity that the market place is experiencing.

Principal risks and uncertainties

The key business risks affecting the Company are considered by the directors to be the worldwide economic situation, in particular the impact of this on housing demand and mortgage availability.

The Company manages these risks by active monitoring of cash flow and through keeping an open dialogue with its suppliers and customers.

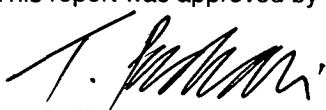
Financial and other key performance indicators

There are a number of financial and non-financial key performance indicators used by the directors to evaluate the Company's performance. These indicators are applied to individual projects and the Company as a whole.

The key financial indicators are turnover, gross profit and therefore gross margins achieved, in addition to operating profit.

The directors have reviewed the key performance indicators and consider that the results for the period and the net asset position at period end are satisfactory.

This report was approved by the board on 12 December 2018 and signed on its behalf.


T J Padian
Secretary

YELCON LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

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

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the period, after taxation, amounted to £514,026 (2016 - £130,449).

Directors

The directors who served during the period were:

S K Holman
T J Padian
M Rapley

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

YELCON LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2017**

Post balance sheet events

In May 2018, the Company extended its accounting reference period so as at to end on 31 December 2017. Subsequent periods will end on the same day and month in future years.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 12 December 2018 and signed on its behalf.



T J Padian
Secretary

YELCON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YELCON LIMITED

Opinion

We have audited the financial statements of Yelcon Limited (the 'Company') for the period ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

YELCON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YELCON LIMITED

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 the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

YELCON LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YELCON LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

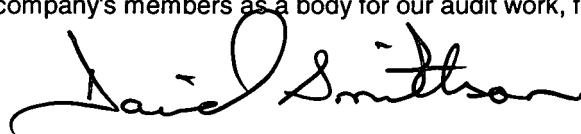
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



David Smithson (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
5th Floor
3 Wellington Place
Leeds
LS1 4AP

Date: 12 December 2018

YELCON LIMITED

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

	Note	15 months ended 31 December 2017 £	12 months ended 30 September 2016 £
Turnover	4	23,425,617	10,856,585
Cost of sales		(21,642,545)	(9,717,762)
Gross profit		1,783,072	1,138,823
Administrative expenses		(823,837)	(674,527)
Other operating income	5	77,627	144,235
Operating profit	6	1,036,862	608,531
Interest payable and similar charges	10	(430,150)	(384,334)
Profit before tax		606,712	224,197
Tax on profit	11	(92,686)	(93,748)
Profit for the financial period		514,026	130,449

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 11 to 31 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	31 December 2017 £	30 September 2016 £
Fixed assets			
Tangible assets	12	102,820	87,667
Investments	13	3,359,510	3,359,510
Investment property	14	43,372	43,372
		<u>3,505,702</u>	<u>3,490,549</u>
Current assets			
Stocks	15	12,792,884	13,718,240
Debtors: amounts falling due within one year	17	969,068	2,798,906
Current asset investments	18	4	4
Cash at bank and in hand	16	841,790	-
		<u>14,603,746</u>	<u>16,517,150</u>
Creditors: amounts falling due within one year	19	(11,838,418)	(14,233,981)
Net current assets		<u>2,765,328</u>	<u>2,283,169</u>
Total assets less current liabilities		<u>6,271,030</u>	<u>5,773,718</u>
Creditors: amounts falling due after more than one year	20	(8,429)	(214,992)
Provisions for liabilities			
Other provisions	24	(226,525)	(36,676)
		<u>(226,525)</u>	<u>(36,676)</u>
Net assets		<u>6,036,076</u>	<u>5,522,050</u>
Capital and reserves			
Called up share capital	25	1,000	1,000
Profit and loss account	26	6,035,076	5,521,050
		<u>6,036,076</u>	<u>5,522,050</u>

YELCON LIMITED
REGISTERED NUMBER: 00700033

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2017

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

12 December 2018



T J Padian
Director

The notes on pages 11 to 31 form part of these financial statements.

YELCON LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2015	1,000	5,390,601	5,391,601
Comprehensive income for the year			
Profit for the year	-	130,449	130,449
At 1 October 2016	1,000	5,521,050	5,522,050
Comprehensive income for the period			
Profit for the period	-	514,026	514,026
At 31 December 2017	1,000	6,035,076	6,036,076

The notes on pages 11 to 31 form part of these financial statements.

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

1. General information

Yelcon Limited is a private limited company, limited by shares, registered in England and Wales under company number 00700033 at 1 St Mary's Court, Main Street, Hardwick, Cambridge, Cambridgeshire, CB23 7QS.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 31.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company's functional and presentational currency is GBP. Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Scotfield Group Limited as at 31 December 2017 and these financial statements may be obtained from Companies House.

2.3 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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

2. Accounting policies (continued)

2.4 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

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

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant & machinery	-	33% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	33% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.11 Investment property

Investment property are properties which are developed, sold and partially repurchased by the Company under reversionary agreements. These investment properties are carried at cost which equates to the fair value determined annually by the directors derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset.

No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Stock and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimate selling price costs to complete and sell. Cost is based on direct costs plus attributable overheads based on normal levels of activity. No element of profit is included in the valuation of work in progress.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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

2. Accounting policies (continued)

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability and where applicable, the ability of the asset to be operated as planned. There have been no indicators of impairments identified during the current period.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(ii) Recoverability of receivables

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

(iii) Determining residual values and useful economic lives of tangible assets

The Company depreciates tangible assets, over their estimated useful lives. The estimation of the useful lives of tangible assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is also applied, when determining the residual values for fixed assets. When determining the residual value, the directors have assessed the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful life. Where possible this is done with reference to external market prices.

YELCON LIMITED

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

4. Turnover

The whole of the Company's turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

5. Other operating income

	15 months ended 31 December 2017 £	12 months ended 30 September 2016 £
Share of LLP profits/(losses)	62,388	(38,580)
Rent receivable	1,688	77,805
Royalty receivable	-	5,130
Sundry income	14,301	-
Profit/(loss) on equity share properties	(750)	-
Management charges receivable	-	99,880
	<u>77,627</u>	<u>144,235</u>

Included within other operating income is £62,388 (2016: £38,580 loss), being the Company's share of the profit on disposal of property which was held by Stirling Scotfield (Huddersfield) LLP, an LLP in which the company is a designated member.

6. Operating profit

The operating profit is stated after charging:

	15 months ended 31 December 2017 £	12 months ended 30 September 2016 £
Depreciation of tangible fixed assets	44,969	30,941
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	15,250	13,279
Defined contribution pension cost	25,499	12,502
	<u>85,718</u>	<u>56,722</u>

YELCON LIMITED

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

7. Auditors' remuneration

	15 months ended 31 December 2017 £	12 months ended 30 September 2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>15,250</u>	<u>13,279</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

8. Employees

Staff costs, including directors' remuneration, were as follows:

	15 months ended 31 December 2017 £	12 months ended 30 September 2016 £
Wages and salaries	643,622	224,769
Social security costs	65,166	26,439
Cost of defined contribution scheme	25,499	12,502
	<u>734,287</u>	<u>263,710</u>

The average monthly number of employees, including the directors, during the period was 14 (2016: 13).

YELCON LIMITED

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

9. Directors' remuneration

	15 months ended 31 December 2017 £	12 months ended 30 September 2016 £
Directors' emoluments	168,907	107,328
Company contributions to defined contribution pension schemes	12,500	10,000
	<u>181,407</u>	<u>117,328</u>

During the period retirement benefits were accruing to 1 directors (2016 - 1) in respect of defined contribution pension schemes.

10. Interest payable and similar expenses

	15 months ended 31 December 2017 £	12 months ended 30 September 2016 £
Bank interest payable	424,560	380,482
Finance leases and hire purchase contracts	5,153	3,760
Other interest payable	437	92
	<u>430,150</u>	<u>384,334</u>

YELCON LIMITED

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

11. Taxation

	15 months ended 31 December 2017 £	12 months ended 30 September 2016 £
Corporation tax		
Current tax on profits for the year	82	11,202
Adjustments in respect of previous periods	-	13,547
Total current tax	<u>82</u>	<u>24,749</u>
Deferred tax		
Origination and reversal of timing differences	92,604	68,999
Total deferred tax	<u>92,604</u>	<u>68,999</u>
Taxation on profit on ordinary activities	<u>92,686</u>	<u>93,748</u>

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

11. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 19.4% (2016 - 20%). The differences are explained below:

	15 months ended 31 December 2017 £	12 months ended 30 September 2016 £
Profit on ordinary activities before tax	606,712	224,198
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.4% (2016 - 20%)	18,180	44,840
Effects of:		
Expenses not deductible for tax purposes	484	1,837
Capital allowances for period/year in excess of depreciation	5,126	(3,085)
Utilisation of tax losses	(52,954)	(39,903)
Provisions not deductible for tax purposes	32,980	-
Short term timing difference leading to an increase (decrease) in taxation	92,604	68,796
Non-taxable income	-	7,716
Adjustment in respect of prior period	-	13,547
Other differences	(3,734)	-
Total tax charge for the period/year	92,686	93,748

The company has estimated losses of £526,619 (2016: £776,326) available for carry forward against future trading profits.

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective 1 April 2017) and to 17% (effective from 1 April 2020) was substantively enacted in September 2016 and has therefore been considered when calculating tax and any deferred tax balances at the reporting date.

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

12. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 October 2016	8,485	147,888	23,037	179,410
Additions	40,467	25,000	-	65,467
Disposals	-	(22,526)	-	(22,526)
At 31 December 2017	48,952	150,362	23,037	222,351
Depreciation				
At 1 October 2016	4,594	65,459	21,690	91,743
Charge for the period on owned assets	14,144	30,306	519	44,969
Disposals	-	(17,181)	-	(17,181)
At 31 December 2017	18,738	78,584	22,209	119,531
Net book value				
At 31 December 2017	30,214	71,778	828	102,820
At 30 September 2016	3,891	82,429	1,347	87,667

The net book value of tangible fixed assets includes £66,371 (2016: £74,741) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £28,025 (2016: £23,134) for the period.

YELCON LIMITED

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

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2016	3,359,510
At 31 December 2017	<u>3,359,510</u>
Net book value	
At 31 December 2017	<u>3,359,510</u>
At 30 September 2016	<u>3,359,510</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Camstead Limited	Ordinary	100 %	Property development

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves as at 31 December 2017 £	Profit for the period ended 31 December 2017 £
Camstead Limited	4,834,544	512,773
	<u>4,834,544</u>	<u>512,773</u>

YELCON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. Investment property

	Freehold investment property £
Valuation	
At 1 October 2016	43,372
At 31 December 2017	<u>43,372</u>

These investment properties are carried at cost which equates to the fair value determined annually by the directors, derived from the current market rents and investment property yields for comparable real estate.

15. Stocks

	31 December 2017 £	30 September 2016 £
Work in progress	12,725,009	13,620,365
Equity share properties	67,875	97,875
	<u>12,792,884</u>	<u>13,718,240</u>

16. Cash and cash equivalents

	31 December 2017 £	30 September 2016 £
Cash at bank and in hand	841,790	-
Less: bank overdrafts	-	(39,175)
	<u>841,790</u>	<u>(39,175)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Debtors

	31 December 2017 £	30 September 2016 £
Trade debtors	221,319	-
Amounts owed by group undertakings	206,756	950,646
Other debtors	438,059	1,706,442
Prepayments and accrued income	54,458	301
Tax recoverable	-	437
Deferred taxation	48,476	141,080
	<u>969,068</u>	<u>2,798,906</u>

18. Current asset investments

	31 December 2017 £	30 September 2016 £
Other investments	4	4
	<u>4</u>	<u>4</u>

The company has holdings in a number of property management companies. These are held with the intention that the shares are transferred to residents at par value on the acquisition of properties within the developments. The investments are therefore held for subsequent resale and the company has no involvement in the management of the property management companies.

YELCON LIMITED

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

19. Creditors: Amounts falling due within one year

	31 December 2017 £	30 September 2016 £
Bank overdrafts	-	39,175
Bank loans	7,799,940	10,913,306
Trade creditors	2,078,310	897,361
Amounts owed to group undertakings	1,624,565	995,035
Corporation tax	82	11,202
Other taxation and social security	-	14,360
Obligations under finance lease and hire purchase contracts	38,434	36,023
Other creditors	197,546	1,122,385
Accruals and deferred income	99,541	205,134
	<u>11,838,418</u>	<u>14,233,981</u>

All bank loans are secured by first mortgages over various freehold properties and a fixed charge over book and other debts and a floating charge over all other assets.

Yelcon Limited and Camstead Limited have together provided a composite guarantee to its bankers in respect of bank borrowings with these group companies. At the end of the year the total bank borrowings of the group companies amounts to £13,236,639 (2016: £17,017,380).

Obligations under finance lease and hire purchase contracts are secured against the related assets.

20. Creditors: Amounts falling due after more than one year

	31 December 2017 £	30 September 2016 £
Net obligations under finance leases and hire purchase contracts	8,429	37,745
Other creditors	-	177,247
	<u>8,429</u>	<u>214,992</u>

YELCON LIMITED

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

21. Loans

Analysis of the maturity of loans is given below:

	31 December 2017 £	30 September 2016 £
Amounts falling due within one year		
Bank loans	7,799,940	10,913,306
	<u>7,799,940</u>	<u>10,913,306</u>

Bank loans carry an interest rate of 2.75% over the Bank of England's Base Rate.

Bank loans are repaid as each property is sold

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	31 December 2017 £	30 September 2016 £
Within one year	38,434	36,023
Between 1-5 years	8,429	37,745
	<u>46,863</u>	<u>73,768</u>

23. Deferred taxation

	2017 £	2016 £
At beginning of year	141,080	210,079
Charged to profit or loss	(92,604)	(68,999)
At end of year	<u>48,476</u>	<u>141,080</u>

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

23. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	31 December 2017 £	30 September 2016 £
Accelerated capital allowances	7,214	2,869
Tax losses carried forward	12,362	131,976
Other items	28,900	6,235
	<u>48,476</u>	<u>141,080</u>

24. Provisions

	Maintenance provision £	Costs to complete £	Total £
At 1 October 2016	36,676	-	36,676
Charged to profit or loss	19,849	170,000	189,849
At 31 December 2017	<u>56,525</u>	<u>170,000</u>	<u>226,525</u>

The maintenance provision is for rectification work on property construction. Actual maintenance costs are written off against this reserve and any amounts left over after two years are reversed.

The costs to complete provision is for estimated costs to complete fully sold developments. Actual costs are written off against the reserve and any amounts left after the development is finalised are reversed.

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

25. Share capital

	31 December 2017 £	30 September 2016 £
Allotted, called up and fully paid		
1,000 (2016 - 1,000) Ordinary shares of £1.00 each	1,000	1,000

Ordinary shareholders have full and equal rights to participate in voting and full rights to participate in dividends and capital distributions.

26. Reserves**Profit & loss account**

The profit & loss account reserve represents cumulative profits and losses.

27. Contingent liabilities

The bank holds a guarantee in favour of Huntingdonshire District Council for £6,500 (2016: £6,500).

The bank holds a guarantee in favour of Leeds City Council for £45,000 (2016: £Nil).

28. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £25,499 (2016: £12,502). Contributions totaling £Nil (2016: £nil) were payable to the fund at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
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29. Related party transactions

Transactions with group companies

The Company has taken advantage of the exemption, available in Section 33 of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" related party disclosure, from the requirement to disclose transactions with wholly-owned group companies.

Transactions with directors

Included within revenue are sales to a director totalling £300,000 (2016: £275,000).

Included within administrative expenses are rental costs in respect of a show home owned by a director totalling £56,250 (2016: £Nil).

Included within cost of sales are raw materials purchased from a director totalling £5,160 (2016: £Nil).

During the period the Company sold fixed assets totalling £Nil (2016: £10,000) with net book values totalling £Nil (2016: £10,000) to a director. During the period the Company purchased fixed assets totalling £Nil (2016: £8,850).

Included within other creditors at the period end is a balance of £Nil (2016: £330,122) owed by a director. This loan is interest free and repayable on demand. The maximum overdrawn balance during the year was £254,120 (2016: £Nil).

Included within other creditors at the period end is a balance of £417 (2016: £3,275) owed by a director. This loan is interest free and repayable on demand. The maximum overdrawn balance during the year was £4,313 (2016: £3,275).

Transactions with other related parties

Included within other operating income is a share of profits amounting to £62,388 (2016: £38,580 loss) made by Stirling Scotfield (Huddersfield) LLP, an LLP in which Yelcon Limited is a designated member. Included within other debtors at the period end is a balance of £61,092 (2016: £1,450,695) owed by Stirling Scotfield (Huddersfield) LLP.

30. Controlling party

The Company's ultimate parent undertaking is Scotfield Group Limited, a company registered in England and Wales whose financial statements are the only consolidation in which the results of Yelcon Limited are consolidated. Copies of the accounts of Scotfield Group Limited can be obtained from Companies House.

The Company's ultimate controlling party is M Rapley by virtue of his majority shareholding in Scotfield Group Limited.

YELCON LIMITED

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

31. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.