

ABBEYMILL HOMES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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ABBEYMILL HOMES LIMITED

COMPANY INFORMATION

Directors	P A Pacifici L A Hagan J Pacifici
Secretary	Mr L Hagan
Company number	02590519
Registered office	Market House Silver End Olney Buckinghamshire MK46 4AL
Auditor	Mercer & Hole Silbury Court 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF

ABBEYMILL HOMES LIMITED

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ABBEYMILL HOMES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their strategic report and the audited financial statements of the Company for the year ended 31 March 2019.

Fair review of the business

Abbeymill Homes Ltd is a residential property developer and promotes strategic land for development in the Buckinghamshire, Northamptonshire and Oxfordshire areas. Our Website is www.abbeymillhomes.co.uk.

The directors are pleased to report that 2019 was a successful year, during which the Company sold 52 new homes. The Company has been able to expand through its success with Strategic Land Activities, which continue to provide a 'pipeline' of land for current and medium or longer term development opportunities.

Abbeymill Homes Ltd is registered for the Government's 'Help to Buy' scheme which has continued into the new financial year, helping to maintain demand for our New Homes offering.

We are very pleased to report a profit before taxation for the year of £1,217,935. The directors are very proud of the company's longstanding reputation for completing developments of the highest quality.

Principal risks and uncertainties

The principal risks facing the company are the availability of suitable development land, planning legislation and obtaining suitable planning permissions, the supply of suitable materials and skilled labour, together with the availability of funding for house purchasers.

Abbeymill Homes Ltd is registered for the Government's Help to Buy scheme which has continued into the new financial year and helped to maintain demand for our New Homes offering.

Liquidity and Cash flow

Trading performance and cash flow forecasting are closely monitored within the company. The Directors are pleased to report that our review of cash flow and reserves in the short, medium and long term indicate sufficient liquidity for its foreseeable requirements.

Health and Safety

Health and safety compliance is core to the operations of the company and its business principles. The company has continued the development of its formal health and safety management systems during the year to reflect the growth of the business and keep up to date with regulatory requirements.

Development and performance

The directors are satisfied with the results for the year. Since the company operates from a sound financial position they are encouraged by future prospects and look forward to the 2020 financial year.

The directors do not anticipate that there will be any fundamental change in the development of the company's business during the coming year. The company will continue to invest in its business infrastructure and people to ensure that any risks and uncertainties are managed effectively.

ABBEYMILL HOMES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Key performance indicators

The Company monitors its performance, in particular the movement in sales rate per site, construction activity, active sites, unsold plots, payroll, sales incentives and sales rate per square foot.

In the year to 31 March 2019, the UK Housing market remained resilient with house prices in England showing an increase of 1.6%. Although general economic conditions remain somewhat uncertain as a result of the vote to leave the EU, the new homes market remains robust but cautious.

On behalf of the board



.....
J Pacifici

Director

..... 7th October 2019

ABBEYMILL HOMES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities

The principal activity of the company in the year under review was the construction of residential properties.

Directors

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

P A Pacifici
L A Hagan
J Pacifici

Results and dividends

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

Ordinary dividends were paid amounting to £220,500. The directors do not recommend payment of a final dividend.

Auditor

Mercer & Hole were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

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

On behalf of the board



J Pacifici
Director

Date: 07/10/19

ABBEYMILL HOMES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

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

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

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

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

ABBEYMILL HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ABBEYMILL HOMES LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial 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.

ABBEYMILL HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ABBEYMILL HOMES LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

ABBEYMILL HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ABBEYMILL HOMES 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 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 member for our audit work, for this report, or for the opinions we have formed.

Mercer & Hole

Philip Fenn ACA FCCA (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

8th October 2019
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Chartered Accountants
Statutory Auditor

Silbury Court
420 Silbury Boulevard
Central Milton Keynes
Buckinghamshire
MK9 2AF

ABBEYMILL HOMES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover	3	23,714,510	18,524,974
Cost of sales		(21,298,308)	(16,557,708)
Gross profit		2,416,202	1,967,266
Administrative expenses		(1,077,757)	(982,362)
Operating profit	4	1,338,445	984,904
Interest receivable and similar income	8	15,742	14,965
Interest payable and similar expenses	9	(136,252)	(11,085)
Profit before taxation		1,217,935	988,784
Tax on profit	10	(263,565)	(190,140)
Profit for the financial year		954,370	798,644

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

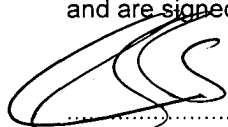
ABBEYMILL HOMES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	12		922,153		963,469
Current assets					
Stocks	14	11,897,442		17,351,057	
Debtors	15	1,485,982		829,535	
Cash at bank and in hand		1,285,463		1,538,966	
		14,668,887		19,719,558	
Creditors: amounts falling due within one year	16	(11,527,370)		(14,521,085)	
Net current assets			3,141,517		5,198,473
Total assets less current liabilities			4,063,670		6,161,942
Creditors: amounts falling due after more than one year	17		(2,576,832)		(5,393,094)
Provisions for liabilities	20		(34,914)		(50,794)
Net assets			1,451,924		718,054
Capital and reserves					
Called up share capital	23		15,000		15,000
Profit and loss reserves			1,436,924		703,054
Total equity			1,451,924		718,054

The financial statements were approved by the board of directors and authorised for issue on 7th October 2019 and are signed on its behalf by:



J Pacifici
Director

Company Registration No. 02590519

ABBEYMILL HOMES LIMITED

STATEMENT OF CHANGES IN EQUITY **FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2017		15,000	504,410	519,410
Year ended 31 March 2018:				
Profit and total comprehensive income for the year		-	798,644	798,644
Dividends	11	-	(600,000)	(600,000)
Balance at 31 March 2018		15,000	703,054	718,054
Year ended 31 March 2019:				
Profit and total comprehensive income for the year		-	954,370	954,370
Dividends	11	-	(220,500)	(220,500)
Balance at 31 March 2019		15,000	1,436,924	1,451,924

ABBEYMILL HOMES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28	4,668,150		(2,520,295)	
Interest paid		(136,252)		(11,085)	
Income taxes paid		-		(189,622)	
Net cash inflow/(outflow) from operating activities		4,531,898		(2,721,002)	
Investing activities					
Purchase of tangible fixed assets		(124,300)		(733,975)	
Proceeds on disposal of tangible fixed assets		86,403		87,749	
Proceeds from other investments and loans		358,146		(56,729)	
Interest received		15,742		14,965	
Net cash generated from/(used in) investing activities		335,991		(687,990)	
Financing activities					
Repayment of borrowings		(4,019,817)		2,824,382	
Repayment of bank loans		(850,194)		1,506,818	
Payment of finance leases obligations		(30,881)		(92,559)	
Dividends paid		(220,500)		(600,000)	
Net cash (used in)/generated from financing activities		(5,121,392)		3,638,641	
Net (decrease)/increase in cash and cash equivalents		(253,503)		229,649	
Cash and cash equivalents at beginning of year		1,538,966		1,309,317	
Cash and cash equivalents at end of year		1,285,463		1,538,966	

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Abbeymill Homes Limited is a private company limited by shares incorporated in England and Wales. The registered office is Market House, Silver End, Olney, Buckinghamshire, MK46 4AL.

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. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised on legal completion 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.

Revenue from the sale of property and extras is recognised when the significant risks and rewards of ownership of the property have passed to the buyer, the work has been completed, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The company recognises the full value of sales that have been developed in joint venture projects and amounts due to joint venture partners are included within cost of sales.

1.3 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 provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	5% on cost
Plant and machinery	25% - 33% reducing balance
Fixtures, fittings & equipment	20% - 25% on cost
Computer equipment	25% - 33% on cost
Motor vehicles	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 the profit and loss account.

1.4 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.

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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 the profit and loss account, 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 the profit and loss account, 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.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the profit and loss account. Reversals of impairment losses are also recognised in the profit and loss account.

The company recognises within its stock and work in progress the full cost of land and developments that are being developed under joint venture agreements. The joint venture agreements allow for the financier to have legal ownership of the development until completion, whereupon they must transfer legal title to Abbeymill's customers. Where land has been acquired by a financier and not paid for by Abbeymill Homes Ltd, the full cost of the land is recognised in the accounts, along with a corresponding creditor due to the financier for that land.

1.6 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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.

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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 the profit and loss account, 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 the profit and loss account, 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 the profit and loss account.

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 the profit and loss account.

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and other loans, 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.

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Other financial liabilities

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit and loss account. Debt instruments may be designated as being measured at fair value through the profit and loss account 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.

1.8 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.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.10 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.

1.11 Retirement benefits

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £86,880 (2016 - £51,200).

1.12 Leases

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

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

Rentals payable under operating leases, including any lease incentives received, are charged to 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.

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

All revenues in the period arose from sales made within the UK.

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	10,000
Depreciation of owned tangible fixed assets	62,197	47,126
Depreciation of tangible fixed assets held under finance leases	35,949	68,187
Profit on disposal of tangible fixed assets	(18,933)	(31,614)
Operating lease charges	19,419	32,004
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	10,000	10,000
	<u> </u>	<u> </u>

6 Employees

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

	2019	2018
	Number	Number
Directors	3	3
Other staff	10	12
	<u> </u>	<u> </u>
	13	15
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2019	2018
	£	£
Wages and salaries	533,057	562,582
Social security costs	58,374	64,328
Pension costs	82,713	32,387
	<u> </u>	<u> </u>
	674,144	659,297
	<u> </u>	<u> </u>

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2019**

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	116,545	129,839
Company pension contributions to defined contribution schemes	78,019	29,897
	<u>194,564</u>	<u>159,736</u>

8 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	2,163	192
Other interest income	13,579	14,773
	<u>15,742</u>	<u>14,965</u>

Investment income includes the following:

Interest on financial assets measured at fair value through profit or loss	<u>15,742</u>	<u>14,965</u>
--	---------------	---------------

9 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	12,347	317
Other interest on financial liabilities	114,428	-
	<u>126,775</u>	<u>317</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	9,377	10,658
Other interest	100	110
	<u>136,252</u>	<u>11,085</u>

10 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	279,033	209,692
Adjustments in respect of prior periods	412	700
	<u>279,445</u>	<u>210,392</u>

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

10 Taxation

(Continued)

	2019	2018
	£	£
Current tax		
Deferred tax		
Origination and reversal of timing differences	(15,880)	(20,252)
	<u> </u>	<u> </u>
Total tax charge	<u>263,565</u>	<u>190,140</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:

	2019	2018
	£	£
Profit before taxation	1,217,935	988,784
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	231,408	187,869
Tax effect of expenses that are not deductible in determining taxable profit	29,877	4,501
Adjustments in respect of prior years	412	700
Deferred tax adjustments in respect of prior years	1,868	2,383
Fixed asset differences	-	(5,313)
	<u> </u>	<u> </u>
Taxation charge for the year	<u>263,565</u>	<u>190,140</u>

11 Dividends

	2019	2018
	£	£
Interim paid	220,500	600,000
	<u> </u>	<u> </u>

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

12 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2018	654,568	409,922	3,153	7,663	330,041	1,405,347
Additions	-	36,762	-	13,538	74,000	124,300
Disposals	-	-	(3,153)	(5,163)	(179,304)	(187,620)
At 31 March 2019	654,568	446,684	-	16,038	224,737	1,342,027
Depreciation and impairment						
At 1 April 2018	-	276,305	3,152	7,663	154,758	441,878
Depreciation charged in the year	-	48,922	-	-	49,224	98,146
Eliminated in respect of disposals	-	-	(3,152)	(5,163)	(111,835)	(120,150)
At 31 March 2019	-	325,227	-	2,500	92,147	419,874
Carrying amount						
At 31 March 2019	654,568	121,457	-	13,538	132,590	922,153
At 31 March 2018	654,568	133,617	1	-	175,283	963,469

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12 Tangible fixed assets

(Continued)

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

	2019 £	2018 £
Plant and machinery	151,490	206,800
	<u>151,490</u>	<u>206,800</u>
Depreciation charge for the year in respect of leased assets	35,949	68,187
	<u>35,949</u>	<u>68,187</u>

13 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,431,215	694,978
	<u>1,431,215</u>	<u>694,978</u>
Carrying amount of financial liabilities		
Measured at amortised cost	13,593,553	19,660,789
	<u>13,593,553</u>	<u>19,660,789</u>

14 Stocks

	2019 £	2018 £
Work in progress	11,897,442	17,351,057
	<u>11,897,442</u>	<u>17,351,057</u>

Included within stock and work in progress is land and developments valued at £7.9m (2018: £14.3m) that are being developed through joint venture agreements. Abbeymill homes has the right to develop and sell plots in those developments however the legal owner of the land and developments remain with the financier until legal completion.

15 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	200,500	2,096
Corporation tax recoverable	11,803	11,803
Amounts owed by group undertakings	745,538	-
Other debtors	523,991	810,388
Prepayments and accrued income	4,150	5,248
	<u>1,485,982</u>	<u>829,535</u>

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans	18	22,328	1,506,818
Obligations under finance leases	19	49,350	115,202
Other borrowings	18	8,408,795	8,943,083
Trade creditors		632,154	1,785,586
Corporation tax		489,111	209,666
Other taxation and social security		21,538	43,724
Other creditors		444,772	209,076
Accruals and deferred income		1,459,322	1,707,930
		<u>11,527,370</u>	<u>14,521,085</u>

17 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	18	634,296	-
Obligations under finance leases	19	71,786	36,815
Other borrowings	18	1,870,750	5,356,279
		<u>2,576,832</u>	<u>5,393,094</u>

18 Loans and overdrafts

	2019 £	2018 £
Bank loans	656,624	1,506,818
Other loans	10,279,545	14,299,362
	<u>10,936,169</u>	<u>15,806,180</u>
Payable within one year	8,431,123	10,449,901
Payable after one year	2,505,046	5,356,279

The bank loan of £656,624 is secured by a fixed charge created on 5 September 2018 registered on a freehold building owned by the company.

The company is developing a number of sites as part of joint venture agreements with financiers. The development remains the legal property of the financier until completion, at which point the financier is obliged to transfer ownership to Abbeymill's customers. £7.9m (2018: 14.3m) of work in progress is held under these joint venture agreements.

Included within other loans is £1.7m (2018: £nil) which is secured by fixed charges over land owned by the company.

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

19 Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	49,350	115,202
In two to five years	71,786	36,815
	<u>121,136</u>	<u>152,017</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	21	<u>34,914</u>	<u>50,794</u>

21 Deferred taxation

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

	Liabilities 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	<u>34,914</u>	<u>50,794</u>
Movements in the year:		2019 £
Liability at 1 April 2018		50,794
Credit to profit or loss		(15,880)
Liability at 31 March 2019		<u>34,914</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

22 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	82,713	32,387

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.

23 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
12,750 Ordinary A shares of £1 each	12,750	12,750
2,250 Ordinary B shares of £1 each	2,250	2,250
	15,000	15,000

24 Operating lease commitments

Lessee

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

	2019 £	2018 £
Within one year	10,212	4,470
Between two and five years	8,477	5,646
	18,689	10,116

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate compensation	299,264	220,697

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

25 Related party transactions

(Continued)

Transactions with related parties

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

	Sales		Purchases	
	2019	2018	2019	2018
	£	£	£	£
Connected companies	2,250	-	1,088,183	-
	<u>2,250</u>	<u>-</u>	<u>1,088,183</u>	<u>-</u>
			2019	2018
			£	£
Amounts due to related parties				
Connected companies			225,039	-
			<u>225,039</u>	<u>-</u>
			2019	2018
			£	£
Amounts due from related parties				
Entities with control, joint control or significant influence over the company			730,982	-
			<u>730,982</u>	<u>-</u>

26 Directors' transactions

Dividends totalling £0 (2018 - £600,000) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening balance	Amounts advanced	Interest charged	Amounts repaid	Closing balance
		£	£	£	£	£
Mr L Hagan - Loan	2.50	239,431	124,172	5,099	(360,569)	8,133
Mr P Pacifici - Loan	2.50	115,125	244,961	2,886	(360,849)	2,123
Mr J Pacifici - Loan	2.50	13,846	132,890	352	(147,088)	-
		<u>368,402</u>	<u>502,023</u>	<u>8,337</u>	<u>(868,506)</u>	<u>10,256</u>

27 Ultimate controlling party

The immediate and ultimate parent undertaking is Abbeymill Holdings Limited, a company incorporated in England and Wales.

The ultimate controlling party is J Pacifici by virtue of his shareholding in Abbeymill Holdings Limited.

ABBEYMILL HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

28 Cash generated from/(absorbed by) operations

	2019	2018
	£	£
Profit for the year after tax	954,370	798,644
Adjustments for:		
Taxation charged	263,565	190,140
Finance costs	136,252	11,085
Investment income	(15,742)	(14,965)
Gain on disposal of tangible fixed assets	(18,933)	(31,614)
Depreciation and impairment of tangible fixed assets	98,146	115,313
Movements in working capital:		
Decrease/(increase) in stocks	5,453,615	(4,426,086)
Increase in debtors	(1,014,593)	(255,132)
(Decrease)/increase in creditors	(1,188,530)	1,092,320
Cash generated from/(absorbed by) operations	<u><u>4,668,150</u></u>	<u><u>(2,520,295)</u></u>