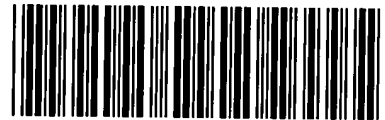


Company Registration No. 02597264 (England and Wales)

**CLEARVIEW HOMES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2016**

THURSDAY



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# CLEARVIEW HOMES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr R J Dias Mr S J Murphy
<b>Secretary</b>	Mrs D Murphy
<b>Company number</b>	02597264
<b>Registered office</b>	Clearview House 201 Pinner Road Northwood Middlesex HA6 1BX
<b>Auditor</b>	Carter Backer Winter LLP 66 Prescott Street London E1 8NN
<b>Business address</b>	Clearview House 201 Pinner Road Northwood Middlesex HA6 1BX
<b>Bankers</b>	National Westminster Bank Plc Enfield Branch 9 The Town Enfield Middlesex EN2 6LH
<b>Solicitors</b>	Mundays LLP Cedar House 78 Portsmouth Road Cobham Surrey KT11 1AN

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# **CLEARVIEW HOMES LIMITED**

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# **CLEARVIEW HOMES LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 OCTOBER 2016**

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The directors present the strategic report for the year ended 31 October 2016.

### **Fair review of the business**

It has always been policy at Clearview Homes Limited to only start the development of sites when we have, in place, sufficient funding to complete each development. This funding may be from either our own or external sources. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

The results for the year were considered satisfactory by the directors. After having started the financial year in a positive mode, the economic outlook in the property sector, became unsettled by the radical increase in stamp duty land tax (SDLT). This was followed last summer by the uncertainties surrounding the outcome of the referendum on the UK's membership of the EU. It also seems inevitable that interest rates will start to increase in the near future. Nonetheless, we believe that Clearview Homes Limited will continue to sustain its current level of activity in the coming year.

The company's development policy is to build out stock sites and then reinvest in new opportunities as we have always done in the 26 years that we have traded. In addition to development work we also continue to act as contractors on sites that we have assembled, where appropriate.

Turnover for the year was £26,018,238 this maintains the annual level of activity achieved in the previous year.

Net profit was lower in the year mainly due to 2014-15 having some exceptional returns on a site. However, we are pleased with our rate of return, despite the external pressures stated above.

No dividends were paid in the year (2015:£ 2,087,203)

The management of the business and the execution of our strategy are subject to a number of risks. The following section comprises a summary of the main risks which we believe could potentially impact upon our operating and financial performance.

### **Macroeconomic environment**

Property development in common with many other industries may suffer through the economic cycle and from pressures emanating from the markets generally.

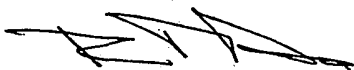
### **Technology**

The company operates successful technological solutions required for our trading activities and administration. We are constantly investigating improvements in these areas.

### **Legal**

The company is subject to varying UK and EEC legal and compliance regulations. The company takes its responsibilities seriously and ensures that its policies, systems and procedures are continually updated and comply with the legal requirements in all sectors in which we operate.

On behalf of the board



Mr R J Dias

**Director**

30 August 2017

# **CLEARVIEW HOMES LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 OCTOBER 2016**

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The directors present their annual report and financial statements for the year ended 31 October 2016.

### **Principal activities**

The principal activity of the company continued to be that of property developers and contractors.

### **Directors**

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

Mr R J Dias

Mr S J Murphy

### **Results and dividends**

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Future developments**

The company will continue to maintain the policies stated above and anticipate that such action will continue to strengthen its balance sheet and trading position.

### **Auditor**

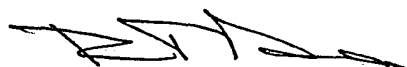
Carter Backer Winter LLP were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of disclosure to auditor**

(a) So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware, and

(b) they have taken all the 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 auditors are aware of that information.

On behalf of the board



Mr R J Dias

**Director**

30 August 2017

## **CLEARVIEW HOMES LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2016**

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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.

## **CLEARVIEW HOMES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF CLEARVIEW HOMES LIMITED**

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We have audited the financial statements of Clearview Homes Limited for the year ended 31 October 2016 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2016 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

## **CLEARVIEW HOMES LIMITED**

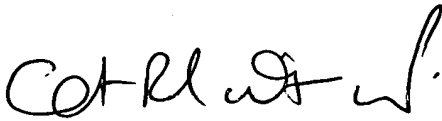
### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CLEARVIEW HOMES LIMITED**

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#### **Matters on which we are required to report by exception**

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

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



**Paul Woosey (Senior Statutory Auditor)  
for and on behalf of Carter Backer Winter LLP**

30 August 2017

**Chartered Accountants  
Statutory Auditor**

66 Prescott Street  
London  
E1 8NN



**CLEARVIEW HOMES LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 OCTOBER 2016**

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		<b>Year ended 31 October 2016 £</b>	<b>Period ended 31 October 2015 £</b>
	<b>Notes</b>		
<b>Turnover</b>	<b>3</b>	26,018,238	33,771,692
<b>Cost of sales</b>		(20,167,263)	(21,762,247)
<b>Gross profit</b>		5,850,975	12,009,445
<b>Administrative expenses</b>		(3,476,524)	(1,300,070)
<b>Other operating income</b>		139,842	157,700
<b>Operating profit</b>	<b>4</b>	2,514,293	10,867,075
<b>Interest receivable and similar income</b>	<b>7</b>	10	500
<b>Interest payable and similar charges</b>	<b>8</b>	(825,748)	(1,125,945)
<b>Profit before taxation</b>		1,688,555	9,741,630
<b>Taxation</b>	<b>9</b>	(770,736)	(2,029,852)
<b>Profit for the financial year</b>		917,819	7,711,778

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

# **CLEARVIEW HOMES LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2016**

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	<b>Year ended 31 October 2016 £</b>	<b>Period 31 October 2015 £</b>
<b>Profit for the year</b>	<b>917,819</b>	<b>7,711,778</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b><u>917,819</u></b>	<b><u>7,711,778</u></b>

# CLEARVIEW HOMES LIMITED

## BALANCE SHEET

AS AT 31 OCTOBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	11		88,036		34,634
Investments	12		33		33
			<u>88,069</u>		<u>34,667</u>
<b>Current assets</b>					
Stocks	14	32,639,502		22,550,402	
Debtors	15	490,793		760,455	
Cash at bank and in hand		2,752,023		10,406,649	
		<u>35,882,318</u>		<u>33,717,506</u>	
<b>Creditors: amounts falling due within one year</b>	16	(24,678,874)		(23,377,553)	
<b>Net current assets</b>			<u>11,203,444</u>		<u>10,339,953</u>
<b>Total assets less current liabilities</b>			<u>11,291,513</u>		<u>10,374,620</u>
<b>Provisions for liabilities</b>			9,296		8,370
<b>Net assets</b>			<u>11,300,809</u>		<u>10,382,990</u>
<b>Capital and reserves</b>					
Called up share capital	20		162		162
Profit and loss reserves			11,300,647		10,382,828
<b>Total equity</b>			<u>11,300,809</u>		<u>10,382,990</u>

The financial statements were approved by the board of directors and authorised for issue on 30 August 2017 and are signed on its behalf by:



Mr R J Dias  
Director

Company Registration No. 02597264

# CLEARVIEW HOMES LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 May 2014</b>		162	4,758,254	4,758,416
<b>Period ended 31 October 2015:</b>				
Profit and total comprehensive income for the period		-	7,711,778	7,711,778
Dividends	10	-	(2,087,204)	(2,087,204)
<b>Balance at 31 October 2015</b>		162	10,382,828	10,382,990
<b>Period ended 31 October 2016:</b>				
Profit and total comprehensive income for the period		-	917,819	917,819
<b>Balance at 31 October 2016</b>		162	11,300,647	11,300,809

# CLEARVIEW HOMES LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	22		(3,894,696)		3,815,719
Interest paid			(825,748)		(1,125,945)
Income taxes paid			(2,037,441)		(311,959)
<b>Net cash (outflow)/inflow from operating activities</b>			(6,757,885)		2,377,815
<b>Investing activities</b>					
Purchase of tangible fixed assets		(77,489)		-	
Interest received		10		500	
<b>Net cash (used in)/generated from investing activities</b>			(77,479)		500
<b>Financing activities</b>					
Repayment of borrowings		(737,377)		7,719,756	
Repayment of bank loans		(81,886)		(119,270)	
Dividends paid		-		(2,087,204)	
<b>Net cash (used in)/generated from financing activities</b>			(819,263)		5,513,282
<b>Net (decrease)/increase in cash and cash equivalents</b>			(7,654,627)		7,891,597
Cash and cash equivalents at beginning of year			10,406,649		2,515,052
<b>Cash and cash equivalents at end of year</b>			<u>2,752,023</u>		<u>10,406,649</u>

# **CLEARVIEW HOMES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 OCTOBER 2016**

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#### **1 Accounting policies**

##### **Company information**

Clearview Homes Limited is a private company limited by shares incorporated in England and Wales. The registered office is Clearview House, 201 Pinner Road, Northwood, Middlesex, HA6 1BX.

##### **1.1 Accounting convention**

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

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

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

These financial statements for the year ended 31 October 2016 are the first financial statements of Clearview Homes Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 May 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company does not prepare group accounts as its subsidiaries are dormant.

##### **1.2 Going concern**

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

##### **1.3 Reporting period**

The financial statements for the comparative period were prepared for eighteen months. As such, the figures will not be comparable with the current financial period of twelve months.

##### **1.4 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Turnover is recognised when all the legal obligations have been completed.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), 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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

##### **1.5 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.

# CLEARVIEW HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	25% to 33% straight line
Motor vehicles	25% straight line

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

#### 1.6 Fixed asset investments

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

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

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

#### 1.8 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

# CLEARVIEW HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

### 1 Accounting policies

(Continued)

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

#### 1.9 Cash and cash equivalents

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

#### 1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Other financial assets*

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

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.



# CLEARVIEW HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

### 1 Accounting policies

(Continued)

#### ***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, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.12 Taxation

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

# CLEARVIEW HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

### 1 Accounting policies

(Continued)

#### **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.

#### **1.13 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.

#### **1.14 Retirement benefits**

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

#### **1.15 Leases**

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

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

#### **1.16 Employer Financed Retirement Benefit Schemes (EFRBS)**

In a previous accounting period the Company established an employer financed retirement benefit scheme for the benefit of its officers, employees and their wider families, The Clearview Homes Limited 2013 EFRBS ('the Scheme').

In accordance with UITF Abstract 32 'Employee Benefit Trusts and other intermediate payment arrangements', the Company does not include the assets and liabilities of the Scheme on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the Scheme and will not have control of the rights or other access to those future economic benefits.'

# CLEARVIEW HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

### 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

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

	2016 £	2015 £
<b>Turnover</b>		
UK	26,018,238	33,771,692
<b>Other significant revenue</b>		
Interest income	10	500

### 4 Operating profit

	2016 £	2015 £
Operating profit for the period is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	12,000	12,000
Depreciation of owned tangible fixed assets	24,086	36,729
Cost of stocks recognised as an expense	18,373,755	19,833,588
Operating lease charges	6,551	11,758

### 5 Employees

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

	2016 Number	2015 Number
Operable staff	20	15
Administrative staff	8	8
Directors	2	2
	30	25

# CLEARVIEW HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	3,770,245	2,159,547
Social security costs	709,762	239,876
Pension costs	16,213	36,199
	<u>4,496,220</u>	<u>2,435,622</u>

### 6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	<u>2,146,176</u>	<u>248,325</u>

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 2 (2015 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2016 £	2015 £
Remuneration for qualifying services	<u>438,000</u>	<u>145,125</u>

### 7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	<u>10</u>	<u>500</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>10</u>	<u>500</u>
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# CLEARVIEW HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

### 8 Interest payable and similar charges

	2016 £	2015 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	20,963	34,875
Other interest on financial liabilities	623,795	1,085,804
	<u>644,758</u>	<u>1,120,679</u>
<b>Other finance costs:</b>		
Other interest	180,990	5,266
	<u>825,748</u>	<u>1,125,945</u>

### 9 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	771,662	2,034,232
	<u>771,662</u>	<u>2,034,232</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(926)	(4,380)
	<u>(926)</u>	<u>(4,380)</u>
<b>Total tax charge</b>	<u>770,736</u>	<u>2,029,852</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:

	2016 £	2015 £
<b>Profit before taxation</b>	<u>1,688,555</u>	<u>9,741,630</u>
<b>Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)</b>	337,711	2,045,742
Tax effect of expenses that are not deductible in determining taxable profit	434,969	35,383
Group relief	(1,018)	(982)
Deferred tax adjustments in respect of prior years	(926)	(4,380)
Capital allowances	-	(2,433)
Other adjustments	-	(43,478)
<b>Taxation charge for the period</b>	<u>770,736</u>	<u>2,029,852</u>

# CLEARVIEW HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

### 10 Dividends

	2016 £	2015 £
Final paid	-	2,087,204

### 11 Tangible fixed assets

	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 November 2015	31,590	89,572	121,162
Additions	77,489	-	77,489
At 31 October 2016	109,079	89,572	198,651
<b>Depreciation and impairment</b>			
At 1 November 2015	30,546	55,983	86,529
Depreciation charged in the year	1,693	22,393	24,086
At 31 October 2016	32,239	78,376	110,615
<b>Carrying amount</b>			
At 31 October 2016	76,840	11,196	88,036
At 31 October 2015	1,045	33,589	34,634

### 12 Fixed asset investments

	Notes	2016 £	2015 £
Investments in associates		33	33

#### Movements in fixed asset investments

	Shares in group undertakings and participating interests £
<b>Cost or valuation</b>	
At 1 November 2015 & 31 October 2016	33
<b>Carrying amount</b>	
At 31 October 2016	33
At 31 October 2015	33

# CLEARVIEW HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

### 13 Financial instruments

	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	366,764	478,507
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	22,112,915	21,278,995

### 14 Stocks

	2016 £	2015 £
Work in progress	32,639,502	22,550,402

### 15 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	101,963	48,169
Amounts due from undertakings in which the company has a participating interest	75,290	75,290
Other debtors	313,540	636,996
	490,793	760,455

### 16 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	17	387,344	469,230
Other borrowings	17	11,613,392	12,350,769
Trade creditors		1,466,123	2,538,574
Corporation tax		771,662	2,037,441
Other taxation and social security		1,794,297	61,117
Other creditors		4,797,744	2,959,775
Accruals and deferred income		3,848,312	2,960,647
		24,678,874	23,377,553

**CLEARVIEW HOMES LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2016****17 Loans and overdrafts**

	2016 £	2015 £
Bank loans	387,344	469,230
Other loans	11,613,392	12,350,769
	<u>12,000,736</u>	<u>12,819,999</u>
Payable within one year	<u>12,000,736</u>	<u>12,819,999</u>

**18 Deferred taxation**

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

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	<u>(9,296)</u>	<u>(8,370)</u>

There were no material deferred tax movements in the year.

**19 Retirement benefit schemes**

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>16,213</u>	<u>36,199</u>

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.

**20 Share capital**

	2016 £	2015 £
Ordinary share capital Issued and fully paid 162 Ordinary Shares of £1 each	<u>162</u>	<u>162</u>



## CLEARVIEW HOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

#### 21 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	2,146,176	248,325

At the year end the company was owed £75,290 (2015: £216,290) by Trident Property Limited, a company in which it holds a participating interest.

The company owed £3,631,628 (2015: £1,527,064) to S J Murphy and £1,321,184 (2015: £1,420,870) to R J Dias, the two directors and shareholders of the company. S J Murphy was paid £165,111 in interest during the year.

Clearview Homes continue to trade from the property and pays rent to The Clearview House Limited for use of the building (previously Clearview Homes Pension Fund).

During the year, the company has made accelerated payments in respect of a tax and NIC on an EFRBS scheme, totalling £1,715,248. These amounts have been charged to the profit and loss account.

#### 22 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	917,819	7,711,778
<b>Adjustments for:</b>		
Taxation charged	770,736	2,029,852
Finance costs	825,748	1,125,945
Investment income	(10)	(500)
Depreciation and impairment of tangible fixed assets	24,086	36,729
<b>Movements in working capital:</b>		
(Increase) in stocks	(10,089,100)	(11,735,073)
Decrease/(increase) in debtors	269,662	(172,869)
Increase in creditors	3,386,363	4,819,857
<b>Cash (absorbed by)/generated from operations</b>	<b>(3,894,696)</b>	<b>3,815,719</b>