

ELITE HOMES GROUP LIMITED
FINANCIAL STATEMENTS
REGISTERED NUMBER: 2781237
YEAR ENDED 31 DECEMBER 2018



ELITE HOMES GROUP LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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ELITE HOMES GROUP LIMITED

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 December 2018.

Principal activities and business review

Elite Homes Group Limited (the "Company") is a holding company with two operating subsidiaries; Elite Homes (Yorkshire) Limited and Elite Homes (North West) Limited. In line with the strategy of the ultimate parent company (Bovis Homes Group PLC), the Company and its subsidiaries aim to deliver market leading performance over the cycle from long term land investment with a focus on building and selling quality family homes.

As at 31 December 2018 the Company has net assets of £1.6m which is £0.1m higher than at the start of the year.

Principal risks and uncertainties

The Board addresses risk in its own decision making and takes regular account of the significance of market conditions, financing risks, sustainability, environmental, social and ethical matters through the inclusion of relevant information and data in Board reports and other documentation provided.

Key risks to the Company are considered to be the following:

- Our change programmes fail and prevent business operations;
- Major IT failure or cyber attack disabling critical systems;

Employees

The Company and its subsidiaries do not employ staff directly and rely on Bovis Homes Group PLC (the "Group") to deal with all staff matters. The Group's employment policies do not discriminate between employees, or potential employees on the grounds of age, sex, sexual orientation, colour, creed, ethnic origin or religious belief. It is Group policy to give full and fair consideration to the employment needs of disabled persons (and persons who become disabled whilst employed by the Group) where the requirements of the job may be adequately covered by these persons and to comply with any current legislation with regard to disabled persons.

Corporate and environmental policy

The Company and its subsidiaries, in carrying out their business activities, pursue their commitments to sustainable development and transparent corporate conduct in ethical and social matters, corporate governance, health and safety and the environment.

Future Developments

The directors have no further plans for the company at this point.

Suppliers

Payment policy in respect of all suppliers is to settle agreed outstanding accounts in accordance with terms and conditions agreed with suppliers when placing orders.

Key Performance Indicators

The Company is a holding company. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The growth and performance of Bovis Homes Group PLC, which includes the Company, is discussed on pages 18 to 29 of the annual report of Bovis Homes Group PLC, which does not form part of this report.

On behalf of the Board



E Sibley
Director
23 September 2019

ELITE HOMES GROUP LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2018.

RESULTS AND DIVIDENDS

The Company made a profit before tax of £38,000 for the year ended 31 December 2018 (2017: £38,000). There was no distribution of dividends for the year ended 31 December 2018 (2017: nil). The Company has net assets of £1,577,000 (2017: £1,546,000).

DIRECTORS

The Directors who held office during the year and up to the date of signing the financial statements were:

K B Carnegie

E Sibley

E Sibley was also a director of the ultimate holding company, Bovis Homes Group PLC, during the year. His interests in the capital of group companies are shown in the directors' report of Bovis Homes Group PLC.

No Directors have held any shares or rights to shares in the Company at any time during the year.

At no time during the year has any Director had a material interest in a contract with the Company, being a contract of significance in relation to the business of the Company.

COMPANY SECRETARY

M Palmer

REGISTERED OFFICE

11 Tower View
Kings Hill
West Malling
United Kingdom
ME19 4UY

COMPANY DETAILS

The Company was incorporated on 20 January 1993. The Company is a private company limited by shares and is incorporated and domiciled in the UK.

Registered in England and Wales No: 2781237

PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activity of the Company is that of a holding company.

OPERATING RISK MANAGEMENT

The management of operational risk is recognised as a key component of the business and fundamental to the long term success of the Company and its subsidiaries. The Board recognises this and has systems in place to manage and reduce the exposure to risk. The key business risks include but are not limited to the following areas:

Land

The ability to acquire sufficient land at acceptable margins is fundamental to the long term sustainability of the businesses. The risk is addressed by having experienced land teams within the Group and acquiring sites in accordance with the Company's strategy. The Group's land buying policy and procedures ensure the appropriate product is provided to the markets at the right price in the right

Planning

The increasing delays and complexity of the planning system slows the growth of the businesses. The progress through the planning system of all developments is closely monitored at both Company and holding Company Board levels.

Finance

The continued availability of adequate levels of finance is important to sustain the business. The Company is financed from within the Bovis Homes Group, where cash flow is closely monitored through weekly reporting which is provided to the finance function.

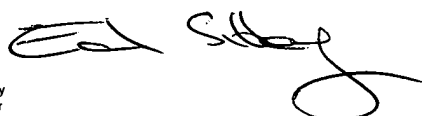
FINANCIAL RISK MANAGEMENT

The Company is only exposed to credit risk on intercompany balances and is funded from within the Bovis Homes Group, so has no external credit, liquidity or interest rate risks which require management.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITORS

The Directors of the Company have each confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. The Directors of the Company have also confirmed that they have each taken all steps that ought to have been taken in order to make themselves aware of any relevant audit information and to establish that this has been communicated to the auditors.

On behalf of the Board



E Sibley
Director
23 September 2019

ELITE HOMES GROUP LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, the Report of the Directors 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). 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;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

By order of the Board

M Palmer
Secretary

23 September 2019

Company Number
Registered Address

2781237
11 Tower View, Kings Hill, West Malling, United Kingdom, ME19 4UY

Independent auditors' report to the members of Elite Homes Group Limited

Report on the audit of the financial statements

Opinion

In our opinion, Elite Homes Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Directors for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

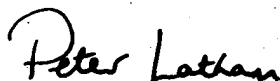
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Peter Latham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
23 September 2019

ELITE HOMES GROUP LIMITED

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

		2018 £'000	2017 £'000
	Note		
Finance income	3	94	92
Finance costs	4	(56)	(54)
PROFIT BEFORE TAXATION		38	38
Income tax expense	8	(7)	(7)
PROFIT FOR THE FINANCIAL YEAR		31	31

The attached accounting policies and notes form a part of these financial statements.
The results for 2018 and 2017 arose from continuing operations.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £'000	2017 £'000
PROFIT FOR THE FINANCIAL YEAR	31	31
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	31	31

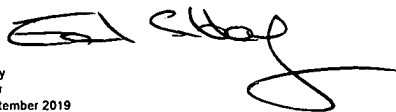
ELITE HOMES GROUP LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £'000	2017 £'000
ASSETS			
Investments	9	-	-
Total non-current assets		-	-
Debtors	10	3,882	3,786
Total current assets		3,882	3,786
TOTAL ASSETS		3,882	3,786
Equity			
Called up share capital	11	-	-
Retained earnings		1,577	1,546
Total shareholders' funds		1,577	1,546
LIABILITIES			
Trade and other creditors	12	2,305	2,240
Total current liabilities		2,305	2,240
TOTAL LIABILITIES		2,305	2,240
TOTAL EQUITY AND LIABILITIES		3,882	3,786

The financial statements on pages 6 to 10 were approved by the Board of Directors on 23 September 2019 and signed on its behalf by:

E Sibley
Director
23 September 2019



ELITE HOMES GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called Up Share Capital	Retained Earnings	Total Shareholders' Funds
	£'000	£'000	£'000
Balance at 1 January 2017	-	1,515	1,515
Profit and total comprehensive income for the financial year	-	31	31
Balance at 31 December 2017	-	1,546	1,546
Profit and total comprehensive income for the financial year	-	31	31
Balance at 31 December 2018	-	1,577	1,577

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101), the Company Act 2006 and have been prepared under the historic cost convention.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

a) Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information in respect of:

- paragraph 79(a) (iv) of IAS 1 Share capital and reserves;
- paragraph 73(e) of IAS 16 Property, plant and equipment; and

b) The following paragraphs of IAS 1, 'Presentation of financial statements':

- 10(d), 10(f), 16, 38, 40, 111, and 134-136

c) IAS 7, 'Statement of cash flows'

d) Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'

e) Paragraph 17 of IAS 24, 'Related party transactions' in respect of key management compensation

f) The requirements of IAS 24, 'Related party transactions' to disclose related party transactions entered into between two or more members of a group.

g) Paragraph 4a of IFRS 10, 'Consolidated financial statements' - in respect of consolidated financial statements

Impact of standards and interpretations effective for the first time

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2018:

IFRS 9 'Financial instruments' replaced IAS39 'Financial Instruments: Recognition and Measurement' and was effective from 1 January 2018. The implementation of the standard has not had a material impact on the Company's 2018 financial statements for the following reasons:

- i. The Company does not presently hold any complex financial instruments
- ii. There are no material expected credit losses on debtors
- iii. The Company has experienced a low level of default events on its debtors historically and currently has no reason to expect this to change significantly in the future

IFRS 15, 'Revenue from contracts with customers', amendment to IFRS 2 'Share-based payments', amendment to IFRS 4 'Insurance Contracts' regarding the implementation of IFRS 9 'Financial Instruments', amendment to IAS 40 'Investment Property', and annual Improvements 2014-2016, have all come into effect with no significant impact on the Company.

Going Concern

The Directors are satisfied that the Company has sufficient resources to continue in operation for the foreseeable future. The Directors have reviewed detailed financial and covenant forecasts for the Group covering the period to December 2019 and summary financial forecasts for the following two years. The Group holding company which will continue to make available such funds as are needed by the Company, has sufficient funds to operate. For these reasons, the Directors consider it appropriate to prepare the financial statements of the Company on a going concern basis.

Segmental information

As the Company's only operation is that of a holding company and it is located entirely within the United Kingdom, no segmental analysis is required.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less amounts written off for impairment.

Debtors

Amounts owed by group undertakings are stated at their nominal value.

Taxation

The credit or expense for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax have occurred at the balance sheet date. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates enacted at the balance sheet date.

2 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors do not consider the judgements and estimates made in preparing the financial statements to have a significant effect on amounts recognised in the financial statements.

3 FINANCE INCOME

	2018 £'000	2017 £'000
Interest receivable from group undertakings	94	92

4 FINANCE COSTS

	2018 £'000	2017 £'000
Interest payable to group undertakings	56	54

ELITE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

5 STAFF COSTS

No staff were directly or indirectly employed during the year (2017: none).

6 DIRECTORS' EMOLUMENTS

The remuneration for the Directors was paid by Bovis Homes Limited, which makes no recharge to the Company. The Directors received no remuneration for their services as Directors of the Company (2017:nil)

7 AUDITORS' REMUNERATION

Auditors' remuneration in respect of audit and other fees were borne and paid by Bovis Homes Limited, the immediate parent undertaking. The Directors estimate the fee attributable to the Company is £2,000 (2017: £2,000). No non-audit fees are attributable to

8 INCOME TAX EXPENSE

Taxation which has been provided at 19% (2017: 19.25%) is based on the results for the year and comprised:

	2018 £'000	2017 £'000
Current tax for the year	7	7
Total current tax	7	7
Tax on profit	7	7

Reconciliation of effective tax rate

The total tax assessed for the year is at (2017: standard rate) the average standard rate of corporation tax in the UK of 19% (2017: 19.25%).

	2018 £'000	2017 £'000
Profit before taxation	38	38
Current tax at 19% (2017: 19.25%)	7	7
Total tax charge	7	7

Factors affecting future tax charge

UK corporation tax rate reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly.

9 INVESTMENTS

	Shares in Group Undertakings £'000
COST	
At 1 January 2018	10
At 31 December 2018	10
PROVISION FOR IMPAIRMENT	
At 1 January 2018	10
At 31 December 2018	10
NET BOOK AMOUNT	
At 31 December 2017	-
At 31 December 2018	-

Investment in subsidiaries at cost less provision for impairment represents:

Name	Holding	Activity in year	Incorporated	Registered Office
Elite Homes (North West) Limited	100% Ordinary shares	Residential Property Development	England & Wales	*
Elite Homes (Yorkshire) Limited	100% Ordinary shares	Residential Property Development	England & Wales	*

The value of the investment held in Elite Homes (Yorkshire) Limited was impaired in 2015, as the net value of the company did not support the book value of the investment.

* 11 Tower View, Kings Hill, West Malling, United Kingdom, ME19 4UY

10 DEBTORS

	2018 £'000	2017 £'000
Amounts owed by group undertakings	3,882	3,786
	3,882	3,786

Amounts owed by group undertakings are unsecured, repayable on demand and bear interest at a rate of 2.5%.

11 CALLED UP SHARE CAPITAL

	2018 £	2017 £
Authorised, allotted, called up and fully paid share capital: 13,375 (2017: 13,375) Ordinary shares of £0.01 each	133	133

12 TRADE AND OTHER CREDITORS

	2018 £'000	2017 £'000
Corporation tax creditor	7	7
Amounts owed to group undertakings	2,298	2,233
	2,305	2,240

Amounts owed to group undertakings are unsecured, repayable on demand and bear interest at a rate of 2.5%.

13 CAPITAL COMMITMENTS

There are no capital commitments at 31 December 2018 (2017: none).

14 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions within FRS 101 not to disclose transactions and balances with Bovis Homes Group PLC and its wholly owned subsidiaries, on the grounds that the Company itself is a wholly owned subsidiary of Bovis Homes Group PLC, for which the consolidated financial statements are publicly available. There were no other transactions with related parties during the year (2017: nil).

15 ULTIMATE HOLDING COMPANY

The immediate parent company is Bovis Homes Limited. The only company in which the results of the Company are consolidated is that headed by Bovis Homes Group PLC, which is incorporated in Great Britain and registered in England and Wales. Bovis Homes Group PLC is the ultimate parent company and controlling party. The consolidated financial statements of this company are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.