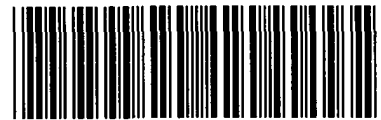


FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019

THE BARON HOMES
CORPORATION LIMITED

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THE BARON HOMES CORPORATION LIMITED

COMPANY INFORMATION

Directors

Nazila Blencowe
Michael Blencowe
Montgomery Blencowe
Martin Blencowe

Registered number

02930345

Registered office

10 Prince Albert Street
Brighton
East Sussex
BN1 1HE

Independent auditors

Menzies LLP
Chartered Accountants & Statutory Auditor
3000a Parkway
Whiteley
Hampshire
PO15 7FX

THE BARON HOMES CORPORATION LIMITED

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THE BARON HOMES CORPORATION LIMITED

REGISTERED NUMBER:02930345

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	67,733	72,308
Investment property	5	117,606,310	110,551,450
		<u>117,674,043</u>	<u>110,623,758</u>
Current assets			
Debtors: amounts falling due after more than one year	6	1,494,060	2,011,891
Debtors: amounts falling due within one year	6	2,382,836	788,284
Cash at bank and in hand		2,567,816	1,238,375
		<u>6,444,712</u>	<u>4,038,550</u>
Creditors: amounts falling due within one year	7	(4,577,520)	(3,305,167)
Net current assets		<u>1,867,192</u>	<u>733,383</u>
Total assets less current liabilities		<u>119,541,235</u>	<u>111,357,141</u>
Creditors: amounts falling due after more than one year	8	(65,621,403)	(59,202,263)
Provisions for liabilities			
Deferred tax		(8,450,207)	(8,450,216)
		<u>(8,450,207)</u>	<u>(8,450,216)</u>
Net assets		<u>45,469,625</u>	<u>43,704,662</u>
Capital and reserves			
Called up share capital		200	200
Profit and loss account		45,469,425	43,704,462
		<u>45,469,625</u>	<u>43,704,662</u>

THE BARON HOMES CORPORATION LIMITED

REGISTERED NUMBER:02930345


STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 31 MARCH 2019

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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


.....
Nazila Blencowe
Director

Date: 6/12/19

The notes on pages 3 to 10 form part of these financial statements.

THE BARON HOMES CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

The Baron Homes Corporation Limited is a private company limited by shares, registered in England and Wales. The address of its registered office is disclosed on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

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

Turnover comprises revenue recognised by the Company in respect of rental income and service charges receivable during the year. Amounts are accrued or prepaid, as appropriate, to recognise the period for which the revenue relates.

2.3 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.4 Finance costs

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

2.5 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.6 Pensions

Defined contribution pension plan

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

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

THE BARON HOMES CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.7 Current and deferred taxation

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

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

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

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

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

2.8 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance

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

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

2.9 Investment property

Investment property is carried at fair value determined annually either by external valuers or by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Income and Retained Earnings.

THE BARON HOMES CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.10 Debtors

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

2.11 Cash and cash equivalents

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

2.12 Creditors

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

2.13 Provisions for liabilities

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

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

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

THE BARON HOMES CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.14 Financial instruments

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

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

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

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

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Employees

The average monthly number of employees, including directors, during the year was 14 (2018 - 16).

THE BARON HOMES CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2018	34,158	85,354	287,517	407,029
Additions	1,982	-	975	2,957
At 31 March 2019	36,140	85,354	288,492	409,986
Depreciation				
At 1 April 2018	32,524	22,435	279,762	334,721
Charge for the year on owned assets	408	4,836	2,288	7,532
At 31 March 2019	32,932	27,271	282,050	342,253
Net book value				
At 31 March 2019	3,208	58,083	6,442	67,733
At 31 March 2018	1,634	62,919	7,755	72,308

THE BARON HOMES CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

5. Investment property

	Freehold investment property £	Long term leasehold investment property £	Total £
Valuation			
At 1 April 2018	110,370,000	181,450	110,551,450
Additions at cost	7,061,540	-	7,061,540
Disposals	(6,680)	-	(6,680)
At 31 March 2019	117,424,860	181,450	117,606,310

The 2019 valuations were made by the directors. The directors have based their valuations on external reports dated 6 April 2018 produced by CBRE Limited, on an open market basis for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Historic cost	48,554,585	41,499,725
Accumulated depreciation and impairments	(12,151,610)	(11,177,444)
	36,402,975	30,322,281

THE BARON HOMES CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

6. Debtors

	2019 £	2018 £
Due after more than one year		
Deferred tax asset	1,494,060	2,011,891
	<u>1,494,060</u>	<u>2,011,891</u>
Due within one year		
Trade debtors	456,403	494,783
Amounts owed by group undertakings	1,380,195	-
Other debtors	262,910	263,501
Prepayments and accrued income	74,000	30,000
Financial instruments	209,328	-
	<u>2,382,836</u>	<u>788,284</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	90	-
Bank loans	971,429	-
Trade creditors	206,059	124,315
Amounts owed to group undertakings	-	570,636
Corporation tax	-	147,471
Other taxation and social security	374,980	438,376
Obligations under finance lease and hire purchase contracts	4,290	4,290
Other creditors	1,648,983	538,922
Accruals and deferred income	1,371,689	1,481,157
	<u>4,577,520</u>	<u>3,305,167</u>

THE BARON HOMES CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

	2019 £	2018 £
Bank loans	61,590,685	56,343,496
Net obligations under finance leases and hire purchase contracts	31,206	35,496
Other creditors	3,999,512	2,823,271
	<u>65,621,403</u>	<u>59,202,263</u>

Security for bank loans is in the form of a legal charge over the freehold and leasehold properties owned by the Company at the year end.

9. Related party transactions

At 31 March 2019:

The Company owed its directors £3,999,512 (2018 - £2,823,271) included in creditors falling due after more than one year and £8,402 (2018 - £1,412) falling due within one year.

The ultimate parent company, Chestnut Development Co Limited, owed £1,380,195 (2018 - was owed £570,636).

The Company had loan transactions with the following companies under common control:

The Company owed West Acre UK Investments Limited £755,000 (2018 - £nil).

The Company owed Baron Developments (Brighton) Limited £31,830 (2018 - £27,075).

The Company was owed by Baron Management Limited £263,181 (2018 - £251,033). During the year, the Company charged a management fee of £146,000 (2018 - £132,000).

10. Ultimate parent undertaking

The ultimate parent undertaking of The Baron Homes Corporation Limited is Chestnut Development Co Limited, a company incorporated in England and Wales. The principal place of business is 10 Prince Albert Street, Brighton BN1 1HE.

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2019 was unqualified.

The audit report was signed on *9th December 2019* by Mr James Hadfield FCA (Senior Statutory Auditor) on behalf of Menzies LLP.