

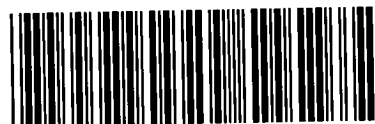
# **The Baron Homes Corporation Limited**

Registered number: 02930345

## **Annual report**

**For the year ended 31 March 2018**

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## THE BARON HOMES CORPORATION LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	Nazila Blencowe Michael Blencowe Montgomery Blencowe (appointed 5 March 2018) Martin Blencowe (appointed 5 March 2018)
<b>Registered number</b>	02930345
<b>Registered office</b>	10 Prince Albert Street Brighton Sussex BN1 1HE
<b>Independent auditor</b>	Mazars LLP Chartered Accountants & Statutory Auditor 14th Floor The Plaza 100 Old Hall Street Liverpool L3 9QJ

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**THE BARON HOMES CORPORATION LIMITED**

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## THE BARON HOMES CORPORATION LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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The directors present their report and the financial statements for the year ended 31 March 2018.

#### Principal activity

The principal activity of the company during the year was that of property investment including the acquisition of property for development and sale.

#### Results and dividends

The profit for the year, after taxation, amounted to £3,151,576 (2017 - £7,395,147).

The directors do not recommend the payment of a dividend.

#### Directors

The directors who served during the year were:

Nazila Blencowe  
Michael Blencowe  
Montgomery Blencowe (appointed 5 March 2018)  
Martin Blencowe (appointed 5 March 2018)

#### Directors' responsibilities statement

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

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

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

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

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**THE BARON HOMES CORPORATION LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2018**

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**Disclosure of information to auditor**

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

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

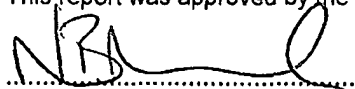
**Auditor**

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

**Small companies note**

This report has been prepared in accordance with the small companies regime of the Companies Act 2006.

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



**Nazila Blencowe**  
Director

Date: 20 December 2018

## **Independent auditor's report to the members of The Baron Homes Corporation Limited**

### **Opinion**

We have audited the financial statements of The Baron Homes Corporation Limited for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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 the audit:

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 1, 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Use of the audit report**

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



Gareth Hitchmough (Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
14th Floor, The Plaza  
100 Old Hall Street  
Liverpool  
L3 9QJ

20 December 2018



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**THE BARON HOMES CORPORATION LIMITED**

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

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	Note	2018 £	2017 £
Turnover		6,611,088	6,492,029
Cost of sales		(928,317)	(626,090)
<b>Gross profit</b>		<b>5,682,771</b>	<b>5,865,939</b>
Administrative expenses		(803,484)	(954,557)
Exceptional administrative expenses	<b>6</b>	-	(791,332)
(Losses)/gains on fair value movements of investment properties	<b>9</b>	(4,449,435)	7,521,003
(Losses)/gains on fair value movements of derivatives	<b>16</b>	(348,218)	94,855
<b>Operating profit</b>		<b>81,634</b>	<b>11,735,908</b>
Interest receivable and similar income		3,678,726	3,609
Interest payable and expenses		(1,690,988)	(3,376,370)
<b>Profit before tax</b>		<b>2,069,372</b>	<b>8,363,147</b>
Tax on profit	<b>7</b>	1,082,204	(968,000)
<b>Profit for the financial year</b>		<b>3,151,576</b>	<b>7,395,147</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 9 to 20 form part of these financial statements.


**THE BARON HOMES CORPORATION LIMITED**  
**REGISTERED NUMBER: 02930345**

**BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2018 £	2017 £	2017 £
<b>Fixed assets</b>					
Tangible assets	8		72,308		78,993
Investment properties	9		110,551,450		114,963,000
			<u>110,623,758</u>		<u>115,041,993</u>
<b>Current assets</b>					
Debtors: amounts falling due after more than one year	10	2,011,891		3,197,000	
Debtors: amounts falling due within one year	10	788,283		981,062	
Cash at bank and in hand	11	1,238,375		1,322,190	
		<u>4,038,549</u>		<u>5,500,252</u>	
Creditors: amounts falling due within one year	12	(3,305,166)		(2,309,626)	
<b>Net current assets</b>			<u>733,383</u>		<u>3,190,626</u>
<b>Total assets less current liabilities</b>			<u>111,357,141</u>		<u>118,232,619</u>
Creditors: amounts falling due after more than one year	13		(59,202,263)		(66,814,533)
Deferred tax			<u>(8,450,216)</u>		<u>(10,865,000)</u>
<b>Net assets</b>			<u><u>43,704,662</u></u>		<u><u>40,553,086</u></u>
<b>Capital and reserves</b>					
Called up share capital			200		200
Profit and loss account			<u>43,704,462</u>		<u>40,552,886</u>
			<u><u>43,704,662</u></u>		<u><u>40,553,086</u></u>

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

  
**Nazila Blencowe**  
 Director

Date: 20 December 2018

The notes on pages 9 to 20 form part of these financial statements.

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**THE BARON HOMES CORPORATION LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

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	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 April 2016</b>	200	33,157,739	33,157,939
Profit for the year	-	7,395,147	7,395,147
<b>At 1 April 2017</b>	200	40,552,886	40,553,086
Profit for the year	-	3,151,576	3,151,576
<b>At 31 March 2018</b>	200	43,704,462	43,704,662

The notes on pages 9 to 20 form part of these financial statements.

The profit and loss account contains non-distributable reserves of £49,345,645 (2017: £38,122,514)

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## THE BARON HOMES CORPORATION LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 1. General information

The Baron Homes Corporation Limited is a private company limited by shares. The company is incorporated in the United Kingdom and registered in England and Wales. The registered office is 10 Prince Albert Street, Brighton, BN1 1HE.

The company's principal activity continues to be that of property investment including the acquisition of property for development and sale.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

These financial statements have been prepared 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.

These financial statements have been prepared under the historical cost convention, except for derivative financial instruments and investment properties which are stated at fair value.

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

The following principal accounting policies have been applied:

##### 2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**2.3 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

Plant & machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures & 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 Comprehensive Income.

**2.4 Investment property**

Investment property is carried at fair value determined annually by external valuers 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 Comprehensive Income.

**2.5 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.

**2.6 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018

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2. Accounting policies (continued)

2.7 Financial instruments

The company enters into basic financial instruments 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 and loans to related parties.

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.

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 balance sheet date.

Derivatives, including interest rate swaps, 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 derivatives.

2.8 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.

2.9 Finance costs

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

2.10 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**2. Accounting policies (continued)**

**2.11 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.12 Borrowing costs**

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

**2.13 Current and deferred taxation**

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet 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 Balance Sheet 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 balance sheet date.

**2.14 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

**3. Auditor's remuneration**

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £ (2017 - ).

**4. Employees**

The average monthly number of employees, including directors, during the year was 16 (2017 - 18).

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**THE BARON HOMES CORPORATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**5. Directors' remuneration**

	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
Directors' emoluments	70,833	70,025

**6. Exceptional items**

	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
HMRC settlement	-	791,332

During the prior year the company made a payment of £791,332 in full and final settlement of a disputed PAYE balance with HMRC.

**7. Taxation**

	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	147,471	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,229,675)	968,000
<b>Taxation on profit on ordinary activities</b>	(1,082,204)	968,000



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**THE BARON HOMES CORPORATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**7. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	2,069,372	8,363,147
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	393,181	1,672,629
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	12,196	55,697
Capital allowances for year in excess of depreciation	-	(20,646)
Other permanent differences	-	1,385
Utilisation of brought forward losses	-	(185,894)
Timing differences re the utilisation of non trading loan relationship debits	-	269,547
Fair value adjustment re derivative	-	(18,971)
Fair value adjustment re investment property	(298,710)	(1,504,201)
Chargeable gain on investment property	(1,208,022)	1,157,000
Timing differences arising re accelerated capital allowances	9,084	(19,613)
Dividends from UK companies	-	26,000
Change in tax rate	10,067	(390,263)
Deferred tax asset not recognised	-	(74,670)
<b>Total tax charge for the year</b>	<b>(1,082,204)</b>	<b>968,000</b>

**Factors that may affect future tax charges**

UK corporation tax rates are to reduce to 17% from 1 April 2020.

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**THE BARON HOMES CORPORATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**8. Tangible fixed assets**

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost or valuation</b>				
At 1 April 2017	34,157	85,355	285,827	405,339
Additions	-	-	1,690	1,690
At 31 March 2018	<u>34,157</u>	<u>85,355</u>	<u>287,517</u>	<u>407,029</u>
<b>Depreciation</b>				
At 1 April 2017	31,980	17,189	277,177	326,346
Charge for the year on owned assets	544	5,246	2,585	8,375
At 31 March 2018	<u>32,524</u>	<u>22,435</u>	<u>279,762</u>	<u>334,721</u>
<b>Net book value</b>				
At 31 March 2018	<u>1,633</u>	<u>62,920</u>	<u>7,755</u>	<u>72,308</u>
At 31 March 2017	<u>2,176</u>	<u>68,166</u>	<u>8,651</u>	<u>78,993</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Motor vehicles	<u>50,421</u>	<u>54,022</u>

**THE BARON HOMES CORPORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**9. Investment property**

	Freehold investment property £	Long term leasehold investment property £	Total £
<b>Valuation</b>			
At 1 April 2017	114,781,550	181,450	114,963,000
Additions at cost	37,885	-	37,885
Surplus on revaluation	(4,449,435)	-	(4,449,435)
<b>At 31 March 2018</b>	<b>110,370,000</b>	<b>181,450</b>	<b>110,551,450</b>

The 2018 valuations were made by CBRE, on an open market value 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:

	2018 £	2017 £
Historic cost	30,322,280	31,122,652

**10. Debtors**

	2018 £	2017 £
<b>Due after more than one year</b>		
Deferred tax asset	2,011,891	3,197,000
<b>Due within one year</b>		
Trade debtors	494,783	447,696
Amounts owed by group undertakings	-	270,292
Other debtors	293,500	237,517
Prepayments and accrued income	-	25,557
	<b>788,283</b>	<b>981,062</b>

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**THE BARON HOMES CORPORATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**11. Cash and cash equivalents**

	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
Cash at bank and in hand	1,238,375	1,322,190
	<u>1,238,375</u>	<u>1,322,190</u>

**12. Creditors: Amounts falling due within one year**

	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
Trade creditors	124,315	69,918
Amounts owed to group undertakings	570,636	-
Corporation tax	147,471	-
Other taxation and social security	438,376	414,054
Obligations under finance lease and hire purchase contracts	4,290	3,591
Other creditors	538,922	402,597
Accruals and deferred income	1,481,156	1,419,466
	<u>3,305,166</u>	<u>2,309,626</u>

**13. Creditors: Amounts falling due after more than one year**

	<b>2018</b> <b>£</b>	<b>2017</b> <b>£</b>
Bank loans	56,343,496	50,372,926
Net obligations under finance leases and hire purchase contracts	35,496	40,128
Directors' loan accounts	2,823,271	33,697
Financial instruments (note 16)	-	16,367,782
	<u>59,202,263</u>	<u>66,814,533</u>

Security for bank loans is in the form of a legal charge over all freehold and leasehold properties owned by the company at the year end date as shown in note 9.

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**THE BARON HOMES CORPORATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**14. Loans**

Analysis of the maturity of loans is given below:

	2018 £	2017 £
<b>Amounts falling due 1-2 years</b>		
Bank loans	56,343,496	-
<b>Amounts falling due 2-5 years</b>		
Bank loans	-	50,372,926
	<u>56,343,496</u>	<u>50,372,926</u>

**15. Deferred taxation**

	2018 £	2017 £
At beginning of year	(7,668,000)	(6,700,000)
Charged to profit or loss	1,229,675	(968,000)
<b>At end of year</b>	<u>(6,438,325)</u>	<u>(7,668,000)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Fixed asset timing differences	60,084	(82,000)
Tax losses and other deductions	1,951,807	169,000
Fair value of investment property	(8,450,216)	(10,865,000)
Fair value of derivative investments	-	3,110,000
	<u>(6,438,325)</u>	<u>(7,668,000)</u>
<b>Comprising:</b>		
Asset - due after one year	2,011,891	3,197,000
Liability	(8,450,216)	(10,865,000)
	<u>(6,438,325)</u>	<u>(7,668,000)</u>

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**THE BARON HOMES CORPORATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Derivatives**

The company used interest rate derivatives to manage its exposure to interest rate risks on its variable rate bank loans. Such contracts, which had maturity dates of more than 5 years from the balance sheet date, were derivative financial instruments for the purpose of these financial statements. The fair value of such instruments were calculated using valuation techniques which used market and non-market inputs to estimate the estimated discounted cashflows.

The change in fair value of the derivative financial instruments resulted in an expense of £348,218 (2017: income of £99,855) being recorded in the Statement of Comprehensive Income.

The derivative financial instruments were settled in full on 8 June 2017.

**17. Commitments under operating leases**

At 31 March 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	432	2,591
Later than 1 year and not later than 5 years	-	432
	<u>432</u>	<u>3,023</u>

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## THE BARON HOMES CORPORATION LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 18. Related party transactions

As at 31 March 2018, Nazila Blencowe's directors loan showed £2,821,859 (2017: £10,504) owed to her. During the year the maximum overdrawn balance was £779,259 (2017: £419,022) and interest of £536 was charged on the overdrawn balance.

As at 31 March 2018, Michael Blencowe's director's loan showed a £nil balance (2017: £23,193 owed by the company).

As at 31 March 2018 Martin Blencowe's director's loan showed a balance of £1,412 owed by the company (2017: £nil).

As at 31 March 2018 the company was owed £251,033 from Baron Management Limited (2017: £353,322), a company in which N Blencowe is a director and shareholder, and Martin Blencowe, Michael Blencowe and Montgomery Blencowe are directors. During the year the company charged a management fee of £132,000 (2017: £97,000) and was charged a management fee of £21,825 (2017: £156,182). Baron Management Limited holds £nil (2017: £234,536) of tenants' lease deposits on behalf of the company.

As at 31 March 2018 the company owed £570,636 to Chestnut Development Co Limited (2017: £270,292 owed from) its ultimate parent company.

During the year £26,356 (2017: £30,073) was paid, in relation to management fees, to Standfords Estate Agents Limited, formerly Baron Estate Agencies Limited, a company of which Michael Blencowe is a director and shareholder.

As at 31 March 2018 the company owed £27,075 (2017: £4,755 owed from) to Baron Developments (Brighton) Limited, a company of which N Blencowe and Michael Blencowe are directors and shareholders.

As at 31 March 2018 the company was owed £23,588 (2017: £nil) from Lyons Corporation Limited, a company of which N Blencowe is a director and Montgomery Blencowe is a director and shareholder.

As at 31 March 2018 the company was owed £6,000 (2017: £nil) from Bell Harbour Limited, a company of which N Blencowe is a director and shareholder. During the year £5,000 (2017: £5,000) of sales were made to Bell Harbour Limited.

As at 31 March 2018, the company owed £18,980 (2017: £nil) to Moretons Investments Limited, a company where by Michael Blencowe is a director and shareholder.

#### 19. Controlling party

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.

Chestnut Development Co Limited is under the control of N Blencowe.