

Gladedale (Leeds) Limited

Annual report and financial statements for the year ended 31 December 2014

Company number: 3038854

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Gladedale (Leeds) Limited

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Gladedale (Leeds) Limited

Directors and advisors for the year ended 31 December 2014

Directors

Colin Lewis
Stephen Hirst
Mark Mitchell
Giles Sharp

Company secretary

Joanne Massey

Registered office

30 High Street
Westerham
Kent
United Kingdom
TN16 1RG

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Gladedale (Leeds) Limited

Directors' report for the year ended 31 December 2014

The directors present their Directors' report together with the audited financial statements of the Company for the year ended 31 December 2014. In this report, the 'Group' means Avant Homes Holdings Limited and its subsidiary undertakings and the 'Company' means Gladedale (Leeds) Limited.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Principal activities

The principal activity of the Company is that of residential house building in the United Kingdom.

Review of the business and future development

The profit and loss account is set out on page 6 and shows a loss on ordinary activities before taxation of £41,000 (2013: £36,000).

The directors do not recommend the payment of a final dividend (2013: £nil). The loss for the financial year after taxation of £41,000 (2013: £36,000) has been transferred to reserves.

Principal risks and uncertainties

The Company is a member of the Group and its risks are disclosed in the consolidated financial statements of Avant Homes Holdings Limited. Operational and financial risks are managed on a Group basis.

Financial instruments and risk management

Working capital requirements are principally satisfied from cash generated by the Company and through funding made available from the bank facilities established by Avant Homes Limited whose treasury function also handles hedging arrangements.

On 24 September 2014, reduced Group banking facilities of £327,100,000 were extended to 31 December 2015.

On 12 December 2014 the Group was acquired by Avant Acquisition Co Limited, a wholly owned subsidiary of Avant S.à.r.l. Immediately following the acquisition the Group repaid debt of £176,629,770 to Lloyds Banking Group, representing the entire amount outstanding at that date. Also on 12 December a £40,000,000 term loan was drawn in favour of Bank of America Merrill Lynch that was due to expire on 11 December 2015.

On 2 April 2015 the £40,000,000 term loan was repaid when the Group secured a 5-year, £120,000,000 Revolving Credit Facility from HSBC, Royal Bank of Scotland and Santander.

The Company benefits from the support provided by an intermediate parent undertaking, Avant Homes Holdings Limited.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs beyond those ascertainable from the financial statements is not necessary for an understanding of the development, performance or position of the business.

Directors

The directors who, unless otherwise stated, served during the year and up to the date of signing the financial statements were as follows:

N Fitzsimmons	(resigned 12 December 2014)
C Lewis	
S Hirst	
M Mitchell	
J Mortimore	(resigned 31 March 2015)
G Sharp	(appointed 23 January 2015)

Gladedale (Leeds) Limited

Directors' report for the year ended 31 December 2014 (continued)

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 prepared 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;
- state whether applicable UK Accounting Standards 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.

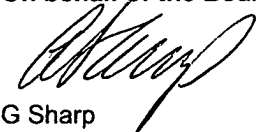
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved, the following applies:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



G Sharp
Director

11 September 2015

Gladedale (Leeds) Limited

Independent auditors' report to the members of Gladedale (Leeds) Limited

Report on the financial statements

Our opinion

In our opinion, Gladedale (Leeds) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss 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.

What we have audited

Gladedale (Leeds) Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year ended 31 December 2014; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the year ended 31 December 2014 is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remunerations specified by law have not been made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Gladedale (Leeds) Limited

Independent auditors' report to the members of Gladedale (Leeds) Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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) ("ISAs (UK and Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involve

We conducted our audit in accordance with ISAs (UK and Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements for the year ended 31 December 2014 (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.



Caroline Roxburgh (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
11 September 2015

Gladedale (Leeds) Limited

Profit and loss account for the year ended 31 December 2014

		2014	2013
	Note	£'000	£'000
Turnover	2	-	-
Cost of sales		(38)	(25)
Gross loss		(38)	(25)
Administrative expenses		(3)	(11)
Operating loss	5	(41)	(36)
Loss on ordinary activities before taxation		(41)	(36)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year	10	(41)	(36)

All amounts relate to continuing activities.

There were no recognised gains or losses in either financial year other than the losses for the financial years as shown above.

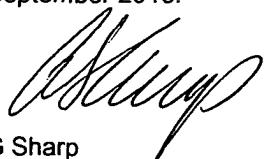
There is no material difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents.

Gladedale (Leeds) Limited

Balance sheet as at 31 December 2014

	Note	2014 £'000	2013 £'000
Current assets			
Debtors (including £nil (2013: £350,000) due after more than one year)	7	8,691	8,756
Cash at bank and in hand		5	10
		8,696	8,766
Creditors: amounts falling due within one year	8	(7)	(36)
Net current assets		8,689	8,730
Total assets less current liabilities		8,689	8,730
Capital and reserves			
Called up share capital	9	200	200
Profit and loss account	10	8,489	8,530
Total shareholder's funds	11	8,689	8,730

The financial statements on pages 6 to 14 were approved by the Board and authorised for issue on 11 September 2015.



G Sharp
Director
Gladedale (Leeds) Limited
Company number: 3038854

Gladedale (Leeds) Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

1 Accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which, with the exception of the restatement of cost of sales and administrative expenses referred to below, have been applied consistently throughout the year, are set out below.

Cash flow statement

The Company is a wholly owned subsidiary of Avant Homes Holdings Limited, and is included in its consolidated financial statements which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

Revenue recognition

Sale of residential properties

Revenue on the sale of residential property is recognised when the contract has legally completed.

Operating leases

Annual rentals under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Deferred taxation

Deferred tax is recognised in respect of 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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Pension costs

Defined contributions scheme

The Company participates in a Group-wide defined contribution pension scheme. Pension costs are charged to the profit and loss account on an accruals basis.

Defined benefits scheme

There is a defined benefits scheme covering Ben Bailey Homes Limited and its subsidiaries, including the Company. The assets of this defined benefit scheme are held separately from those of the Company in independently administered funds.

As the Company is unable to identify its share of the assets and liabilities of the group scheme, contributions are accounted for if they were to a defined contribution pension scheme. Pension costs are charged to the profit and loss account on an accruals basis.

Gladedale (Leeds) Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

2 Turnover

Turnover represents amounts derived from the provision of goods and services which fall due within the Company's ordinary activities, after deduction of discounts and valued added tax. The turnover and loss on ordinary activities before taxation, all of which arises in the United Kingdom, is attributable to the Company's principal activity that of residential house building.

3 Employees

	2014	2013
Staff costs during the year consists of:	£'000	£'000
Wages and salaries	67	126
Social security costs	8	13
Other pension costs	7	11
	82	150

Average monthly number of persons employed (including executive directors):	2014 Number	2013 Number
Production	-	1
Sales and distribution	1	2
	1	3

All employee costs were recharged to other Group undertakings.

4 Directors

The directors are also executives of the immediate parent undertaking, Ben Bailey Homes Limited, and certain of the directors are also executives of the intermediate parent undertaking, Gladedale Holdings Limited, and/or the ultimate parent undertaking, Avant Homes Holdings Limited. It is not practicable to allocate their total remuneration between their services as executives of the Company and their services as directors of the other Group companies. Details of the directors' remuneration can be found in the financial statements of the immediate, intermediate and ultimate parent undertakings, as appropriate.

Gladedale (Leeds) Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

5 Operating loss

	2014	2013
	£'000	£'000
Operating loss is stated after charging:		
Auditors' remuneration		
- audit	-	9

Auditors' remuneration for 2014 was borne by another group undertaking.

6 Tax on loss on ordinary activities

	2014	2013
	£'000	£'000
Current tax		
UK corporation tax on loss for the year	-	-
Tax on loss on ordinary activities	-	-
	2014	2013
	£'000	£'000
Loss on ordinary activities before taxation	(41)	(36)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	(9)	(8)
Effects of:		
Other timing differences	(19)	-
Tax losses arising for which no deferred tax asset has been recognised	28	8
Current tax credit for year	-	-

The 2013 Finance Act included legislation to reduce the main rate of corporation tax to 20% with effect from 1 April 2015. This change was substantially enacted by the balance sheet date and the unrecognised deferred tax asset is based on this reduced rate.

There is an unrecognised deferred tax asset of £33,000 (2013: £7,000) relating to unrelieved tax losses, £5,000 (2013: £5,000) relating to capital allowances and £nil (2013: £18,000) relating to other timing differences available to carry forward. The total unrecognised deferred tax asset of £38,000 (2013: £30,000) has not been provided for in the financial statements as the directors of the Company feel that it is unlikely that there will be sufficient taxable profits in the foreseeable future against which to recover the asset.

Gladedale (Leeds) Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

7 Debtors

	2014	2013
	£'000	£'000
Trade debtors	1	1
Amounts owed by Group undertakings	8,690	8,401
Other debtors	-	4
Equity share receivables	-	350
	8,691	8,756

All amounts shown under debtors fall due for payment within one year, with the exception of £nil (2013: £350,000) of equity share receivables, which are recoverable in more than one year.

All amounts owed by Group undertakings are unsecured, interest free and are repayable on demand.

8 Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Trade creditors	7	15
Amounts owed to Group undertakings	-	11
Accruals and deferred income	-	10
	7	36

All amounts owed to Group undertakings are interest free, unsecured and are repayable on demand.

9 Called up share capital

	2014	2013
	£'000	£'000
Allotted and fully paid:		
200,000 (2013: 200,000) ordinary shares of £1 each	200	200

Gladedale (Leeds) Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Profit and loss account

	Profit and loss account £'000
At 1 January 2014	8,530
Loss for the financial year	(41)
At 31 December 2014	8,489

11 Reconciliation of movements in total shareholders' funds

	2014 £'000	2013 £'000
Loss for the financial year	(41)	(36)
Opening total shareholder's funds	8,730	8,766
Closing total shareholder's funds	8,689	8,730

12 Pension scheme

The group headed by Ben Bailey Homes Limited operates a funded defined benefit pension scheme of which Gladedale (Leeds) Limited is a member. This scheme was closed to new members on 15 October 2001. The assets are all held in separate trustee administered funds. The scheme is subject to a triennial valuation by independent actuaries using the projected unit method. The most recent valuation was conducted at 1 July 2013, assuming that the real valuation rate of investment return would be 3.3% per annum and that the real rate of salary increases would average 2.3% per annum. The rate of contribution by the Company is 18.6% (2013: 18.6%). The contribution by the Company for the year was £3,875 (2013: £9,504).

The valuation at 1 July 2013 showed that the market value of the scheme assets amounted to £2,401,000 and the actuarial value of these assets represented 111% of the benefits that had accrued to members, the actuarial valuation showed a surplus of £247,000 after allowing for future increases in earnings.

Financial Reporting Standard 17 'Retirement Benefits' (FRS 17)

In accordance with the requirements of FRS17, the group has undertaken a valuation of the assets and liabilities of the group defined benefit pension scheme at the year end. Full details of the valuation are given in the financial statements of Ben Bailey Homes Limited. A summary of the assumptions used and the resultant surplus arising is given below. Further disclosures are given in the financial statements of Ben Bailey Homes Limited, as it is not practicable to split the deficit between each of the companies participating in the scheme.

Gladedale (Leeds) Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

12 Pension scheme (continued)

The financial assumptions used to calculate scheme liabilities under FRS17 are:

	2014 % p.a.	2013 % p.a.	2012 % p.a.
RPI Inflation	3.1	3.4	3.0
CPI Inflation	2.0	2.4	2.5
Rate of general long-term increase in salaries	n/a	2.4	2.5
Pension increases (RPI capped at 5% p.a.)	2.9	3.2	3.0
Discount rate for scheme liabilities	3.5	4.4	4.6

The assets in the scheme at 31 December 2014:

	Value 2014 £'000	Value 2013 £'000	Value 2012 £'000
Fair value of scheme assets	2,147	1,834	2,103
Present value of scheme liabilities	(1,859)	(1,641)	(1,385)
Surplus in the scheme	288	193	718

The Company also contributed £3,255 (2013: £1,747) to defined contribution pension schemes in the year. At the end of the year, contributions of £nil (2013: £1,367), representing the unpaid contributions for December, were outstanding in respect of all pension schemes.

13 Contingent liabilities

On 12 December 2014, certain other Group members entered into cross guarantee and debenture instruments with Global Loan Agency Services Limited, GLAS Trust Corporation Limited and Bank of America Merrill Lynch guaranteeing and securing liability in relation to the Group's banking facilities. The Company was not an obligor under this arrangement, so the amount outstanding at 31 December 2014 was £nil (2013: Bank of Scotland £272,264,824).

The Company has given counter indemnities and guarantees to the National House Building Council in respect of performance bonds in the normal course of business.

Gladedale (Leeds) Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

14 Related parties transactions

The Company is a wholly owned subsidiary of Ben Bailey Homes Limited. Avant Homes Holdings Limited, an intermediate parent undertaking, has prepared consolidated financial statements for the year ended 31 December 2014 and therefore the Company has relied on the exemptions contained within FRS 8 in respect of the disclosure of related party transactions.

There are no other related parties transactions that require disclosure in these financial statements.

15 Ultimate parent undertaking

The Company is a wholly owned subsidiary of Ben Bailey Homes Limited.

The Directors consider the ultimate parent undertaking to be Avant S.à.r.l., a company registered in the Grand Duchy of Luxembourg. The Directors do not consider there to be any ultimate controlling party. Avant Acquisition Co Limited was the largest and Avant Homes Holdings Limited was the smallest group of which the Company was a member and for which consolidated financial statements are prepared. Copies of the financial statements of Avant Homes Holdings Limited are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.