

Celebration Homes Limited

Financial Statements

Year Ended

30 September 2021

Company Number 03893064



Celebration Homes Limited

Company Information

Directors	C J Byrne P J Byrne
Company secretary	M Byrne
Registered number	03893064
Registered office	6 Wharf Studios 28 Wharf Road London N1 7GR
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Celebration Homes Limited

Contents

	Page
Statement of Financial Position	1
Statement of Changes in Equity	2
Notes to the Financial Statements	3 - 10

Celebration Homes Limited

Registered number: 03893064

Statement of Financial Position As at 30 September 2021

	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investment property	5		15,318,358		14,895,352
Current assets					
Debtors: amounts falling due within one year	6	29,199		33,182	
Cash at bank and in hand		329,857		589,796	
		<u>359,056</u>		<u>622,978</u>	
Current liabilities					
Creditors: amounts falling due within one year	7	(11,218,297)		(11,637,805)	
Net current liabilities			<u>(10,859,241)</u>		<u>(11,014,827)</u>
Total assets less current liabilities			<u>4,459,117</u>		<u>3,880,525</u>
Provisions for liabilities					
Deferred tax	8		(160,698)		(98,051)
Net assets			<u>4,298,419</u>		<u>3,782,474</u>
Capital and reserves					
Called up share capital	9		1,630,000		1,630,000
Revaluation reserve	10		2,478,881		2,055,875
Profit and loss account	10		189,538		96,599
Total equity			<u>4,298,419</u>		<u>3,782,474</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 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 comprehensive income 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 on 23 December 2021.


P J Byrne
Director

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

Celebration Homes Limited

Statement of Changes in Equity For the Year Ended 30 September 2021

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 October 2020	1,630,000	2,055,875	96,599	3,782,474
Comprehensive income for the year				
Profit for the year	-	-	515,945	515,945
Total comprehensive income for the year	-	-	515,945	515,945
Surplus on revaluation of investment property	-	423,006	(423,006)	-
Total transactions with owners	-	423,006	(423,006)	-
At 30 September 2021	1,630,000	2,478,881	189,538	4,298,419

Statement of Changes in Equity For the Year Ended 30 September 2020

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 October 2019	1,630,000	1,869,978	60,391	3,560,369
Comprehensive income for the year				
Profit for the year	-	-	222,105	222,105
Total comprehensive income for the year	-	-	222,105	222,105
Surplus on revaluation of investment property	-	185,897	(185,897)	-
Total transactions with owners	-	185,897	(185,897)	-
At 30 September 2020	1,630,000	2,055,875	96,599	3,782,474

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

Celebration Homes Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

1. General information

Celebration Homes Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The 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. The financial statements have been prepared on a historical cost basis except for investment property (refer to note 2.4).

The preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to do so. The activities of the Company, along with the factors that may affect its future performance and position are set out in the Directors' report.

The wider Ardmore Group, of which the Company is a part, continues to hold substantial cash reserves, has no external debt, and has access to secured bank facilities. The directors regularly review the working capital requirements of the Company and Group while reviewing sensitivities to future performance.

The directors have reviewed the forecast future performance of the Group based on their current expectation of profits and cash flows. Despite the challenges following the aftermath of the pandemic, the Group has remained profitable and cash generative. This is expected to continue and the directors are anticipating that next year the Ardmore Group will generate record levels of turnover whilst maintaining profitability. These forecasts consider the lower levels of efficiency arising as a result of contracts become less efficient due Covid safe working, any impacts on site programme, delays in accessing required materials and adhering to the industry mandated Site Operating Procedures.

In the light of the forecasts, although the company is in net current liability position, the directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of Ardmore Group Limited. The directors have obtained a support letter from Ardmore Group Limited confirming that it intends to support the company for a period of not less than 12 months from the date these financial statements are signed.

The Ardmore Group has prepared a cash flow forecast for 12 months from the date of approval of these financial statements and the Ardmore Group considers it has sufficient cash reserves to continue trading throughout this period with significant headroom.

Celebration Homes Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

2. Accounting policies (continued)

2.2 Going concern (continued)

The Ardmore Group recognises the economic and trading uncertainties resulting from Covid-19 and has considered a range of potential scenarios of escalating impact and duration including a significant contract loss, reduced efficiency on site, delays in the site programme and local lockdowns. Whilst, the cash flow impacts of these scenarios are materially different to the current forecast, the Group would be able to continue trading for at least 12 months from the date of approval of the financial statements without needing to implement significant cash mitigation measures.

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

2.3 Turnover

Turnover represents rental income earned together with the recharge rates of utility costs on investment properties and is recognised at the end of the month to which it relates.

2.4 Investment property

Investment property is carried at fair value determined annually by the directors with reference to internal experts and external valuations. Values are 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.

Celebration Homes Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

2. Accounting policies (continued)

2.7 Financial instruments

The Company only 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, loans to related parties and investments in non-puttable ordinary shares.

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.

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 Comprehensive Income.

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.

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 Operating leases: the Company as lessor

Rental income from operating leases is credited to the Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

Amounts paid and payable as an incentive to sign an operating lease are recognised as a reduction to income over the lease term on a straight line basis, unless another systematic basis is representative of the time pattern over which the lessor's benefit from the leased asset is diminished.

Celebration Homes Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

2. Accounting policies (continued)

2.11 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 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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the Company as a lessor are operating leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty:

- Investment property (see note 5)

Investment properties are valued currently by the directors using yield methodology and comparable property transactions. This uses estimates of the likely sales proceeds upon disposal of the properties but there is an inevitable degree of judgement involved.

4. Employees

The Company had no employees (2020 - Nil) other than the directors, who did not receive any remuneration (2020 - £Nil).

Celebration Homes Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

5. Investment property

	Freehold investment property £
Valuation	
At 1 October 2020	14,895,352
Surplus on revaluation	423,006
At 30 September 2021	15,318,358

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

	2021 £	2020 £
Cost and net book value	12,911,966	12,911,966

The investment properties have been valued at 30 September 2021 with reference to external valuations and market data by C J Byrne and P J Byrne, who are directors of the Company. The directors are qualified to make valuations on the basis of their knowledge and experience of the commercial property market. In making the valuation the directors have considered the value in use of the properties and the present market conditions.

6. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	1,900	4,900
Prepayments and accrued income	27,299	28,282
	29,199	33,182

Celebration Homes Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	4,613	257
Amounts owed to Group undertakings	11,122,169	11,537,111
Corporation tax	-	15,030
Accruals and deferred income	91,515	85,407
	<u>11,218,297</u>	<u>11,637,805</u>

8. Deferred taxation

	2021 £
At beginning of year	98,051
Charged to profit or loss	62,647
At end of year	<u>160,698</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Capital gains	162,006	98,051
Fixed asset timing differences	(1,308)	-
	<u>160,698</u>	<u>98,051</u>

Celebration Homes Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

9. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,630,000 ordinary shares of £1 each	<u>1,630,000</u>	<u>1,630,000</u>

10. Reserves

The Company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Revaluation reserve

This reserve represents the accumulated unrealised gains in respect of investment properties.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

11. Operating lease commitments

The Company has rolling annual lessor income commitments of approximately £539,817 (2020 - £535,000).

12. Related party transactions

During the year the Company entered into transactions and had outstanding debtor balances net of provisions with the following Companies which meet the definition of related parties under FRS 102 by virtue of being under common control of C J & P J Byrne or their trusts.

At the Balance Sheet the Company is due £911,056 (2020 - £911,056) from Byrne Estates (Chatham) Limited, a Company related by common control. The balance has been fully provided for in previous years.

Celebration Homes Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

13. Controlling party

The Company's immediate parent company is Systemhaven Limited.

The Company's ultimate parent company is Ardmore Group Limited.

The largest and smallest group in which the results of the Company are consolidated was that headed by Ardmore Group Limited, incorporated in England and Wales. The consolidated accounts of this Company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Ultimate control of the Group rests with C J Byrne and P J Byrne.

14. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2021 was unqualified.

The audit report was signed on 24 December 2021 by Geraint Jones (Senior Statutory Auditor) on behalf of BDO LLP.