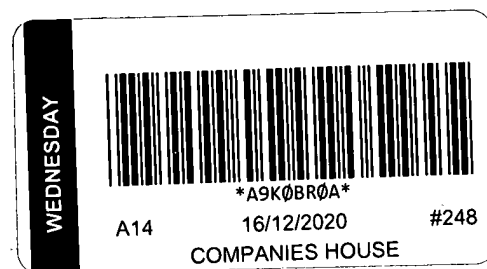


**BRIDGEMERE LAND PLC**

**Annual Report and Financial Statements**

**For the year ended 31 March 2020**



## **BRIDGEMERE LAND PLC**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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## **BRIDGEMERE LAND PLC**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

S P Morgan

A M Lewis

J R C Masters

P Marsden – Resigned 1<sup>st</sup> October 2019

#### **COMPANY SECRETARY**

A M Lewis

#### **REGISTERED OFFICE**

Bridgemere House

Chester Road

Preston Brook

Cheshire

WA7 3BD

#### **BANKERS**

Barclays Bank Plc

North West Larger Business Team

1<sup>st</sup> Floor

Hardman Street

Manchester

M3 3HF

#### **AUDITOR**

Deloitte LLP

Statutory Auditor

2 Hardman Street

Manchester

M3 3HF

**STRATEGIC REPORT**

The directors present their strategic report on the affairs of the Company, together with the directors' report, financial statements and independent auditor's report, for the year ended 31 March 2020.

**PRINCIPAL ACTIVITIES**

The principal activity of the Company continued to be that of property consultants and land remediation.

**REVIEW OF THE BUSINESS AND KEY PERFORMANCE INDICATORS**

The directors consider the key performance indicators to be loss before tax totalling £808,940 (2019: profit of £1,076,920) and net assets totalling £80,271,800 (2019: £81,083,086). Profits have decreased in the year following a fall in revenue from £4,425,469 to £1,125,000 due to a decrease in land asset sales during the year.

The loss for the year and the position at the year-end are set out on pages 9 and 10 respectively. The retained loss for the year of £811,286 (2019: profit of £1,076,356) was transferred from reserves (2019: transferred to reserves). The directors are satisfied with the results for the year.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company operates in a highly competitive market. However, the directors consider that its key strength relates to the extensive skills and experience of the Harrow Estates plc management team, who work with Bridgemere Land plc to remediate the contaminated land assets, together with the support of the overall Bridgemere Investments Limited group infrastructure.

The key risk that the Company faces relates to market risk. This risk is mitigated via the experience and approach to land management of the management team, albeit this risk can never be fully mitigated due to the cyclical nature of the market. The global COVID-19 Pandemic has not had, nor is expected to have, any material impact on the company's operations during the current year.

**FUTURE DEVELOPMENTS**

The Harrow Estates plc management team continues to manage remediation and removal of contamination on existing sites in line with the contractual arrangements. It is not anticipated that there will be any further land acquisitions directly into the Company although this activity and property consultancy services will continue to be provided for the foreseeable future. The disposal of the final phase of a site already partially sold has completed during the current year, meaning that the majority of the company's previously retained development land has now been sold with only two remaining development sites yet to be developed once planning and remediation issues have been dealt with. The company's sole tenanted building was disposed of during the year with the benefit of a long-term lease.

Following the triggering of Article 50 of the Treaty of Lisbon, the directors have considered the impact of the United Kingdom's intention to leave the European Union, and do not expect there to be a significant impact on the Company.

Approved by the Board of Directors  
and signed on behalf of the Board



A M Lewis

Company Secretary

 2020

Bridgemere House  
Chester Road  
Preston Brook  
Cheshire  
WA7 3BD

## **DIRECTORS' REPORT**

The directors present the annual report on the affairs of the Company, together with the audited financial statements for the year ended 31 March 2020. Future developments are included within the strategic report on page 2.

### **GOING CONCERN**

After making enquiries and considering the COVID-19 impact on forecasts in assessing the going concern assumption, the directors have relied upon a financial commitment from the Company's ultimate parent (see note 1) and the directors have made appropriate enquiries to confirm that the Company's ultimate parent has adequate resources to continue in operational existence for at least 12 months from the date of the approval of the financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1.

### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

#### ***Cash flow risk***

Interest bearing assets and liabilities are held at a fixed rate to ensure certainty of cash flows.

#### ***Credit risk***

The Company's principal financial assets are bank balances and cash and trade receivables.

The Company's credit risk is primarily attributable to its trade receivables. The Company has one major customer, this is a listed entity with strong financial results. The relationship is monitored by management to ensure that credit terms are adhered to.

#### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a mixture of long-term and short-term debt finance which is mainly funded by other Group entities.

### **DIVIDENDS**

The directors do not recommend payment of a dividend (2019: £nil).

### **DIRECTORS**

The directors of the Company who held office during the financial year and thereafter, are noted on page 1.

### **DIRECTOR'S INDEMNITIES**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

The Company made no charitable or political contributions during the financial year (2019: £nil).

**DIRECTORS' REPORT (continued)**

**AUDITOR**

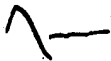
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP has expressed its willingness to continue in office as auditor, and a resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board:



A M Lewis

Company Secretary

21/12/2020

Bridgemere House  
Chester Road  
Preston Brook  
Cheshire  
WA7 3BD

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 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; and
- 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIDGEMERE LAND PLC**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements of Bridgemere Land plc ('the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### **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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the strategic report and directors 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 respect of these matters.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIDGEMERE LAND PLC (continued)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

### **Report on other legal and regulatory requirements**

#### **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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

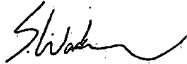
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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

We have nothing to report in respect of these matters.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIDGEMERE LAND PLC (continued)**

### **Use of our 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.



Saul Wadsworth FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Manchester, United Kingdom  
3 December 2020

**BRIDGEMERE LAND PLC****PROFIT AND LOSS ACCOUNT**  
**For the year ended 31 March 2020**

	Note	2020 £	2019 £
<b>TURNOVER</b>			
Cost of sales	3	1,125,000 (999,717)	4,425,469 (2,306,540)
<b>GROSS PROFIT</b>		125,283	2,118,929
Administrative expenses		(1,013,668)	(1,112,842)
Other operating income	5	79,445	70,833
<b>OPERATING (LOSS) / PROFIT</b>		(808,940)	1,076,920
<b>(LOSS) / PROFIT BEFORE TAXATION</b>	6	(808,940)	1,076,920
Tax on (loss) / profit	7	(2,346)	(564)
<b>(LOSS) / PROFIT FOR THE FINANCIAL YEAR</b>		<u>(811,286)</u>	<u>1,076,356</u>

The above results relate to continuing operations.

There are no comprehensive income or expenses arising in the current or prior year other than those stated in the profit and loss account. Accordingly, a separate statement of comprehensive income has not been presented.

# BRIDGEMERE LAND PLC

## BALANCE SHEET As at 31 March 2020

	Note	2020 £	2019 £
<b>CURRENT ASSETS</b>			
Stocks	8	5,150,048	2,593,816
Debtors	9	73,624,357	67,566,745
Cash at bank and in hand		1,525,509	10,943,499
		<u>80,299,915</u>	<u>81,104,060</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>(28,115)</u>	<u>(20,974)</u>
<b>NET CURRENT ASSETS BEING NET ASSETS</b>		<u>80,271,800</u>	<u>81,083,086</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	12	65,012,501	65,012,501
Profit and loss account	12	15,259,299	16,070,585
<b>SHAREHOLDER'S FUNDS</b>		<u>80,271,800</u>	<u>81,083,086</u>

The financial statements of Bridgemere Land plc, registered number 04298202, were approved by the Board of Directors and authorised for issue on 2/12/2020.

Signed on behalf of the Board of Directors:

  
A M Lewis  
Director

# BRIDGEMERE LAND PLC

## STATEMENT OF CHANGES IN EQUITY As at 31 March 2020

	Called-up share capital £	Profit and loss account £	Total £
At 1 April 2018	65,012,501	14,994,229	80,006,730
Profit for the financial year and total comprehensive income	-	1,076,356	1,076,356
At 31 March 2019	65,012,501	16,070,585	81,083,086
Loss for the financial year and total comprehensive expense	-	(811,286)	(811,286)
At 31 March 2020	65,012,501	15,259,299	80,271,800

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 March 2020**

**1. ACCOUNTING POLICIES**

The principal accounting policies adopted are summarised below. They have all been applied consistently throughout the current and preceding years.

**General information and basis of accounting**

Bridgemere Land plc is a private company limited by shares incorporated in England and Wales under the Companies Act and limited by shares. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Bridgemere Land plc is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

Bridgemere Land plc meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Bridgemere Land plc is consolidated in the financial statements of its parent, Bridgemere UK plc, which may be obtained from the address given on page 1. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

**Going concern**

The Company meets its day-to-day working capital requirements through intercompany funding. The current economic conditions create uncertainty however has not impacted in relation to the company's limited ongoing operations. After making enquiries and considering the future finance requirements to fund the realisation of the remaining developments and COVID-19 impact on forecasts in assessing the going concern assumption the directors have relied upon a letter of support from Bridgemere Investments Limited (see note 13). The directors have made appropriate enquiries to confirm that Bridgemere Investments Limited has adequate resources to provide the financial commitments contained in the letter of support and to continue in operational existence for at least 12 months from the date of the approval of the financial statements. Accordingly, the Company continues to adopt the going concern basis in preparing the financial statements. See discussion of the impact of the COVID-19 pandemic in the Strategic report.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report and the director's report.

**Stocks**

Stocks include contaminated land assets held in the course of remediation and are stated at the lower of cost and net realisable value. Cost includes purchase of land and other appropriate direct costs. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Provision is made where the net realisable value falls below the cost where appropriate.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2020**

**1. ACCOUNTING POLICIES (continued)**  
**Taxation (continued)**

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

*(i) Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2020**

**1. ACCOUNTING POLICIES (continued)**

**Financial instruments (continued)**

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**(ii) Equity instruments**

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

**Revenue recognition**

Sales of remediated land assets are accounted for on a legal completion basis. Turnover excludes sales related taxes.

Rental income is included within other income as this relates to rental income receivable on land sites held as stock for the sole intention of resale. Rental income is recognised on a straight line basis over the lease term.

Other income is recognised when the rights and rewards have transferred to the Company and in the period that this relates.



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2020**

**2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

*Critical judgements in applying the Company's accounting policies*

The directors do not deem there to be any critical judgements in applying the Company's accounting policies.

*Key sources of estimation uncertainty*

*Valuation and impairment of stock*

Management relies on the directors to review the land sites held in stock to ensure that they are recognised in the financial statements at the lower of cost and net realisable value. This is a specialised area of expertise and judgements are made based on the current market conditions, market activity and the level of land remediation completed for each site. At the balance sheet date impairment of £nil has been incurred (2019: £nil).

**3. TURNOVER**

Turnover represents amounts derived from the provision of goods and services which fall within the Company's activities after deduction of trade discounts and value added tax. The turnover and pre-tax profit, all of which arises in the United Kingdom, is attributable to the Company's principal activities.

An analysis of the Company's turnover by class of business is set out below.

	2020	2019
	£	£
Turnover		
Sale of property	1,125,000	-
Land remediation	-	4,425,469

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The Company has no employees other than directors (2019: nil). The directors did not receive any remuneration from this Company.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2020**

**5. OTHER OPERATING INCOME**

	2020 £	2019 £
Rental income	79,445	70,833

Rental income has been received on a land site held in stock. The land site is held for resale and is under remediation.

**6. (LOSS) / PROFIT BEFORE TAXATION**

	2020 £	2019 £
<b>(Loss) / Profit before taxation is stated after charging:</b>		
Auditor's remuneration		
- audit of the Company's statutory financial statements	10,000	10,000
- taxation compliance services	10,000	10,000
Cost of stock recognised as an expense	999,717	2,306,540

**7. TAX ON (LOSS) / PROFIT**

The tax charge comprises:

	2020 £	2019 £
<b>Current tax</b>		
UK corporation tax	-	-
Adjustment in respect of prior years	(1,977)	114
<b>Total current tax</b>	(1,977)	114
<b>Deferred taxation (note 11)</b>		
Origination and reversal of timing differences	412	503
Effect of changes in tax rate	(43)	(53)
	369	450
<b>Total tax (credit) / charge for year</b>	(2,346)	564

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2020**

**7. TAX ON (LOSS) / PROFIT (continued)**

The difference between the total tax charge shown above and the amount calculated by applying Standard rate of UK corporation tax to the (loss) / profit before tax is as follows:

	2020 £	2019 £
(Loss) / Profit before tax	(808,941)	1,076,920
Tax on (loss) / profit at standard UK corporation tax rate of 19% (2019: 19%)	(153,699)	204,615
Effects of:		
Group relief	154,111	(206,539)
Tax rate changes	(43)	(52)
Adjustment in respect of prior years:	1,977	2,540
<b>Total tax (credit) / charge for year</b>	<b>(2,346)</b>	<b>564</b>

The standard rate of tax applied to reported profit is 19% (2019: 19%). The applicable tax rate changed to 19% from 1 April 2017. Following the Government's announcement in March 2020 that the corporation tax rate would remain at 19% from 1 April 2020, rather than reduce to 17%, the Company has now recognised all deferred tax assets and liabilities at 19%. To the extent that the deferred tax reverses before 1 April 2021 then the impact on the net deferred tax asset will be reduced.

**8. STOCKS**

	2020 £	2019 £
Land and property held for remediation	5,150,048	2,593,816

There is no material difference between the balance sheet value of stock and their replacement cost.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2020**

**9. DEBTORS**

	2020	2019
	£	£
Trade debtors	6,217	25,876
Amounts due from group undertakings	73,402,888	67,367,259
Corporation tax	203,687	161,665
Deferred tax (note 11)	1,680	2,048
Unpaid share capital	9,375	9,375
Prepayments and accrued income	510	522
	<u>73,624,357</u>	<u>67,566,745</u>

All debtors are due within one year.

Amounts due from group undertakings and other group undertakings are repayable on demand and do not attract any interest (2019: same).

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade creditors	10,174	-
Other taxes and social security	7,941	-
Accruals and deferred income	10,000	20,974
	<u>28,115</u>	<u>20,974</u>

Amounts due to group undertakings and other group undertakings are repayable on demand and do not attract any interest (2019: same).

**11. DEFERRED TAX ASSET**

	£
At 1 April 2019	2,048
Charged to profit and loss account (note 7)	(368)
At 31 March 2020	<u>1,680</u>

	2020	2019
	£	£
Deferred tax comprises:		
Fixed asset timing differences	<u>1,680</u>	<u>2,048</u>

The deferred tax asset has been recognised because the directors consider that sufficient taxable profits will be generated in the foreseeable future. Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

During the year to 31 March 2021, the reversal of deferred tax assets is expected to increase the corporation tax charge for the year by £400 and is recoverable within one year with £1,280 being recoverable after one year.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**For the year ended 31 March 2020**

**12. CALLED-UP SHARE CAPITAL**

	2020 £	2019 £
Called-up, allotted and fully paid 65,000,001 ordinary shares of £1	65,000,001	65,000,001
Called-up, allotted and 25% paid 49,999 ordinary shares of £1 each	12,500	12,500
	<u>65,012,501</u>	<u>65,012,501</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid.

**13. IMMEDIATE AND ULTIMATE CONTROLLING PARTY**

The ultimate holding Company is Bridgemere Investments Limited, a company incorporated in Guernsey. The Company is an immediate subsidiary of Bridgemere (Guernsey) Limited, a company registered in Guernsey, which is a subsidiary undertaking of Bridgemere UK plc, a company incorporated in England and Wales. Bridgemere UK plc is the largest and smallest group for which group financial statements are prepared. (Registered address: Bridgemere House, Chester Road, Preston Brook, Cheshire, WA7 3BD). Copies of the financial statements can be obtained from the registered office.

Bridgemere Investments Limited is controlled by the trustees of the Trinity Trust.

**14. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the disclosure exemptions available in FRS 102 Section 33 in relation to balances and transactions between other wholly-owned entities within the group headed by Bridgemere UK plc.