

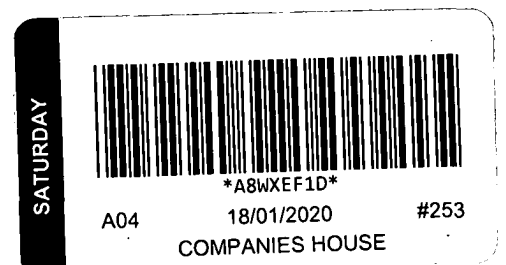
Castlegate Homes (Developments) Limited

Directors' Report and Financial Statements

Year Ended

30 June 2019

Company Number 04817690



Castlegate Homes (Developments) Limited

Company Information

Directors	J Parle S P Barnwell A Brodie W T Kendrick M Forde
Company secretary	S P Barnwell
Registered number	04817690
Registered office	The Finlan Centre Hale Road Widnes Cheshire WA8 8PU
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT
Bankers	National Westminster Bank plc 146 Widnes Road Widnes Cheshire WA8 6BB
Solicitors	Hill Dickinson 1 St Pauls Square Liverpool L3 9SJ

Castlegate Homes (Developments) Limited

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Castlegate Homes (Developments) Limited

Directors' Report For the Year Ended 30 June 2019

The Directors present their report and the audited financial statements for the year ended 30 June 2019.

Principal activity

The principal activity of the Company is that of a housing developer. On 26 June 2018, the Company received a transfer of the entire trade, assets and liabilities of its subsidiary company, Castlegate Homes (Construction) Limited, at the net book value of the assets. The transfer of trade and assets did not result in a gain or loss and the subsidiary company is now dormant following this transaction.

Results

The profit for the year, after taxation, amounted to £441,228 (2018 - loss £319,941). On 30 June 2019, £2,585,365 of amounts owed to group undertakings were waived and are no longer payable. This has been presented as a capital contribution in the Statement of Changes in Equity.

The directors do not recommend the payment of a dividend (2018 - £Nil).

Directors

The Directors who served during the year were:

J Parle
S P Barnwell
A Brodie
W T Kendrick
M Forde

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 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 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.

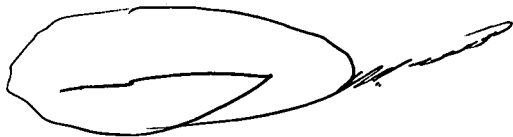
Auditor

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

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 14 January 2020 and signed on its behalf.



S P Barnwell
Secretary

Castlegate Homes (Developments) Limited

Directors' Responsibilities Statement For the Year Ended 30 June 2019

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 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 judgments and accounting estimates that are reasonable and prudent; 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, to 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.

Castlegate Homes (Developments) Limited

Independent Auditor's Report to the Members of Castlegate Homes (Developments) Limited For the Year Ended 30 June 2019

Opinion

We have audited the financial statements of Castlegate Homes (Developments) Limited ("the Company") for the year ended 30 June 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 Financial Reporting Standard 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 30 June 2019 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.

Castlegate Homes (Developments) Limited

Independent Auditor's Report to the Members of Castlegate Homes (Developments) Limited For the Year Ended 30 June 2019 (continued)

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 the 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions from the requirement to prepare a Strategic Report.

Castlegate Homes (Developments) Limited

Independent Auditor's Report to the Members of Castlegate Homes (Developments) Limited For the Year Ended 30 June 2019 (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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Gary Harding (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Manchester
United Kingdom

17 January 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Castlegate Homes (Developments) Limited

Statement of Comprehensive Income For the Year Ended 30 June 2019

	2019 £	2018 £
Turnover	2,447,108	112,766
Cost of sales	(2,242,182)	(23,339)
Gross profit	204,926	89,427
Administrative expenses	(31,320)	(363,237)
Other operating income	9,096	489
Operating profit/(loss)	182,702	(273,321)
Interest receivable and similar income	3,912	594
Profit/(loss) before tax	186,614	(272,727)
Tax on profit/(loss)	254,614	(47,214)
Profit/(loss) for the year	441,228	(319,941)

There was no other comprehensive income for 2019 (2018 - £Nil).

The notes on pages 9 to 13 form part of these financial statements.

Castlegate Homes (Developments) Limited

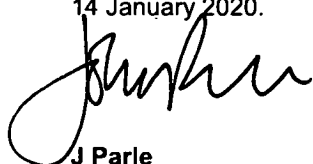
Registered number:04817690

Statement of Financial Position As at 30 June 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Investments	5		-		-
Current assets					
Stocks	6	3,869,411		5,063,756	
Debtors: amounts falling due within one year	7	273,490		2,728	
Cash at bank and in hand		9,026		574,627	
		<u>4,151,927</u>		<u>5,641,111</u>	
Creditors: amounts falling due within one year	8	(174,266)		(361,012)	
Net current assets			<u>3,977,661</u>		<u>5,280,099</u>
Total assets less current liabilities			<u>3,977,661</u>		<u>5,280,099</u>
Creditors: amounts falling due after more than one year	9		(3,872,756)		(8,201,787)
Net assets/(liabilities)			<u><u>104,905</u></u>		<u><u>(2,921,688)</u></u>
Capital and reserves					
Called up share capital			100		100
Profit and loss account			104,805		(2,921,788)
			<u><u>104,905</u></u>		<u><u>(2,921,688)</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 on 14 January 2020.



J Parle
Director

The notes on pages 9 to 13 form part of these financial statements.

Castlegate Homes (Developments) Limited

Statement of Changes in Equity For the Year Ended 30 June 2019

	Called up share capital	Profit and loss account	Total deficit
	£	£	£
At 1 July 2018	100	(2,921,788)	(2,921,688)
Comprehensive income for the year			
Profit for the year	-	441,228	441,228
Total comprehensive income for the year	-	441,228	441,228
Contributions by and distributions to owners			
Capital contribution (intercompany liability waived)	-	2,585,365	2,585,365
Total transactions with owners	-	2,585,365	2,585,365
At 30 June 2019	100	104,805	104,905

Statement of Changes in Equity For the Year Ended 30 June 2018

	Called up share capital	Profit and loss account	Total deficit
	£	£	£
At 1 July 2017	100	(2,601,847)	(2,601,747)
Comprehensive income for the year			
Loss for the year	-	(319,941)	(319,941)
Total comprehensive income for the year	-	(319,941)	(319,941)
At 30 June 2018	100	(2,921,788)	(2,921,688)

The notes on pages 9 to 13 form part of these financial statements.

Castlegate Homes (Developments) Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

1. General information

Castlegate Homes (Developments) Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page. The nature of the Company's operations and its principal activities are outlined in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The functional and presentational currency of these financial statements is Sterling. All amounts in these financial statements have been rounded to the nearest £1.

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

The following principal accounting policies have been applied:

2.2 Group financial statements

The Company has not prepared group financial statements as it is exempt from the requirement to do so under section 400 of the Companies Act 2006 as it is itself a wholly owned subsidiary of Morbaine Properties Limited, a company incorporated in the United Kingdom, and is included in the consolidated financial statements of its ultimate parent company. These financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. These financial statements present information about the individual company and not about the group as a whole.

2.3 Going concern

The directors have prepared the financial statements on a going concern basis. Assurances have been received in writing from the parent company, Morbaine Properties Limited, confirming that it will continue to support the Company and will not require repayment of amounts owed such that it would impact on the ability of the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements.

2.4 Revenue

Revenue 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.

Revenue from property sales is recognised on legal completion.

Property rental income is recognised on an accruals basis.

2.5 Interest income

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

Castlegate Homes (Developments) Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

2. Accounting policies (continued)

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Stock includes labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 Cash and cash equivalents

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

2.10 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The Company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

2.11 Creditors

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

2.12 Provisions for liabilities

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

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

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

Castlegate Homes (Developments) Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

2. Accounting policies (continued)

2.13 Current and deferred taxation

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.

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.

Deferred income 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

The key area of estimation uncertainty in preparing the financial statements is in relation to assessing potential impairment of stock.

The directors have made the following judgements:

Net realisable value of property held for sale is assessed by the directors using their knowledge of the sites, the local property market and available market data.

Costs to complete of work in progress are assessed by management based on discussions and correspondence with developers.

4. Employees

The average monthly number of employees, excluding directors, during the year was Nil (2018 - Nil).

Castlegate Homes (Developments) Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

5. Fixed asset investments

Subsidiary undertakings

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding	Principal activity
Castlegate Homes (Construction) Limited	Ordinary	100%	Dormant

On 26 June 2018 the company acquired the entire trade, assets and liabilities of subsidiary Castlegate Homes (Construction) Limited as part of a group reconstruction exercise. The assets and liabilities were acquired at their book value resulting in no gain or loss. Following this transaction Castlegate Homes (Construction) Limited ceased trading and became dormant having previously operated as a building contractor.

The registered office of Castlegate Homes (Construction) Limited is the Finlan Centre, Hale Road, Widnes, Cheshire, WA8 8PU.

6. Stocks

	2019 £	2018 £
Work in progress (properties under construction)	-	2,944,436
Completed property held for sale	3,869,411	2,119,320
	<u>3,869,411</u>	<u>5,063,756</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

7. Debtors

	2019 £	2018 £
Trade debtors	-	1,896
Amounts owed by group undertakings	202	-
Other debtors	91	229
Prepayments and accrued income	1,971	603
Deferred taxation	271,226	-
	<u>273,490</u>	<u>2,728</u>

Amounts owed by group undertakings are interest free and repayable on demand.

Castlegate Homes (Developments) Limited

Notes to the Financial Statements For the Year Ended 30 June 2019

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	40,892	90,085
Amounts owed to group undertakings	11,103	56,936
Corporation tax	16,616	4
Other taxation and social security	-	2,463
Other creditors	1,000	81
Accruals and deferred income	104,655	211,443
	<u>174,266</u>	<u>361,012</u>

Amounts owed to group undertakings are interest free and repayable on demand.

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

	2019 £	2018 £
Amounts owed to group undertakings	<u>3,872,756</u>	<u>8,201,787</u>

10. Related party transactions

The Company has taken advantage of the exemption conferred by section 1AC.35 of FRS 102 not to disclose transactions with other wholly owned subsidiaries within the group as consolidated accounts, including the subsidiary undertakings, are publicly available.

11. Ultimate parent undertaking and controlling party

The immediate parent company is Castlegate Homes (UK) Limited. The registered office of Castlegate Homes (UK) Limited is The Finlan Centre, Hale Road, Widnes, Cheshire, WA8 8PU.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Morbaine Properties Limited. Consolidated accounts are available from Companies House, Crown Way, Cardiff, CF14 3UZ. The registered office of Morbaine Properties Limited is The Finlan Centre, Hale Road, Widnes, Cheshire, WA8 8PU.

In the opinion of the directors the Finlan family are the ultimate controlling party of the business.