

Registered Number 4984486

**CROUDACE PARTNERSHIPS LIMITED**

**REPORT AND ACCOUNTS FOR THE YEAR ENDED**

**31 DECEMBER 2016**

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**CROUDACE PARTNERSHIPS LIMITED**

**REPORT AND ACCOUNTS 2016**

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## **CROUDACE PARTNERSHIPS LIMITED**

### **OFFICERS AND ADVISERS**

#### **DIRECTORS**

R.K. Denness, B.Sc., M.C.I.O.B., F.R.I.C.S.

A.R. Carey, B.Sc., F.C.A., M.C.M.I.

R.J. Holmans

S.P. Harris

S.M. Thomas, B.Sc., A.C.A.

#### **SECRETARY AND REGISTERED OFFICE**

C.J. Bailey, B.A., Solicitor  
Croudace House, Tupwood Lane, Caterham, Surrey, CR3 6XQ

#### **BANKERS**

The Royal Bank of Scotland plc  
HSBC Bank plc  
Barclays Bank PLC

#### **AUDITOR**

RSM UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB

**DIRECTORS' REPORT**

The directors present their report and the audited accounts for the year ended 31 December 2016.

**Directors**

The members of the Board who have served during the year were:

R.K. Denness  
A.R. Carey  
R.J. Holmans  
S.P. Harris  
S.M. Thomas

**Statement of directors' responsibilities**

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 those financial statements, the directors are required to:*

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent; and
- c. 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.

**Disclosure of information to auditor**

The directors confirm that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware. They 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.

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## **CROUDACE PARTNERSHIPS LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **Principal activities and business review**

The Company's principal activities are residential development for Registered Providers and Registered Social landlords and for private sale.

In light of the poor margins on mainstream operations, taken together with the difficulty in securing new workload from negotiated contracts or turn-key land opportunities, the decision was made at the end of 2014 to close Croudace Partnerships' activities for the foreseeable future.

#### **Risk management**

The Company is principally funded by equity and normal business cash flows but it also has access to funding from its parent company, Croudace Homes Group Limited.

#### **Auditor**

RSM UK Audit LLP has expressed its willingness to continue as auditor.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

#### **ON BEHALF OF THE BOARD**



S.M. Thomas  
Finance Director

Croudace House  
Tupwood Lane  
Caterham  
Surrey  
CR3 6XQ

31 March 2017

**CROUDACE PARTNERSHIPS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £'000	2015 £'000
<b>Turnover</b>	1	-	659
Cost of sales		<u>14</u>	<u>(326)</u>
<b>Gross profit</b>		14	333
Administrative expenses		<u>-</u>	<u>-</u>
<b>Operating profit</b>		14	333
Interest receivable and similar income	2	<u>78</u>	<u>77</u>
<b>Profit on ordinary activities before taxation</b>	3	92	410
Taxation	5	<u>10</u>	<u>(83)</u>
<b>Profit and total comprehensive income for the financial year</b>		<u>£ 102</u>	<u>£ 327</u>

**CROUDACE PARTNERSHIPS LIMITED**

**STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2016**

**Registered Number 4984486**

	Notes	2016 £'000	2015 £'000
<b>Current assets</b>			
Debtors	6	2,739	2,847
Cash at bank and in hand		<u>561</u>	<u>506</u>
		3,300	3,353
<b>Current liabilities</b>			
Creditors: Amounts falling due within one year	7	<u>(129)</u>	<u>(284)</u>
<b>Net assets</b>		<u>£ 3,171</u>	<u>£ 3,069</u>
<b>Capital and reserves</b>			
Called-up share capital	8	750	750
Profit and loss account		<u>2,421</u>	<u>2,319</u>
<b>Total equity</b>		<u>£ 3,171</u>	<u>£ 3,069</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31 March 2017 and signed on its behalf by:



R.K. Denness  
Chief Executive

**CROUDACE PARTNERSHIPS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Share capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
Balance at 1 January 2015	750	1,992	2,742
Profit and total comprehensive income for the financial year ended 31 December 2015	-	327	327
<b>Balance at 31 December 2015</b>	£ 750	£ 2,319	£ 3,069
Profit and total comprehensive income for the financial year ended 31 December 2016	-	102	102
<b>Balance at 31 December 2016</b>	£ 750	£ 2,421	£ 3,171



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## CROUDACE PARTNERSHIPS LIMITED

### ACCOUNTING POLICIES

#### General information

Croudace Partnerships Limited is a limited company domiciled and incorporated in England.

The Company's principal activities are residential development for Registered Providers and Registered Social landlords and for private sale.

The address of the Company's registered office and principal place of business is Croudace House, Tupwood Lane, Caterham, Surrey, CR3 6XQ.

#### **1. Basis of accounting**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

#### **Reduced disclosures**

The financial statements of the Company are consolidated in the financial statements of Croudace Homes Group Limited, the immediate and ultimate parent company. As a result and in accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- A statement of cash flows has not been presented
- Key management personnel compensation has not been disclosed; and
- Details of Financial Instruments have not been presented

The consolidated financial statements of Croudace Homes Group Limited are available from the Company's registered office.

#### **2. Turnover and contract profit**

Turnover is the fair value of the consideration receivable in the normal course of business from housing sales.

Turnover is recognised on financial completion of the sale of individual units and on non-refundable deposits received where contracts have been exchanged.

ACCOUNTING POLICIES (Continued)

**3. Stocks**

Housing work in progress is stated at the lower of direct cost and net realisable value. Direct costs include direct materials, labour costs, site overheads, associated professional charges and other attributable overheads. Net realisable value is assessed by estimating selling prices and cost, including sales and marketing expenses, taking into account current market conditions.

**4. Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

ACCOUNTING POLICIES (Continued)

5. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

***Financial assets***

*Trade debtors*

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the statement of comprehensive income for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the statement of comprehensive income.

***Financial liabilities***

Financial instruments are classified as liabilities and equity instruments 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.

*Equity instruments*

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

*Trade creditors*

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

# CROUDACE PARTNERSHIPS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Turnover

All turnover relates to continuing activities arising from the Company's principal activities which were undertaken in Great Britain.

### 2. Interest receivable and similar charges

	2016 £'000	2015 £'000
Group Undertakings	77	77
Other Interest received	<u>1</u>	<u>-</u>
	<u>£ 78</u>	<u>£ 77</u>

### 3. Profit on ordinary activities before taxation

	2016 £'000	2015 £'000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
a) Stock:		
- amounts expensed to cost of sales	<u>£ -</u>	<u>£ 369</u>

No fees were paid to the auditors in respect of non-audit services.

b) Audit fees of £1,500 (2015 - £3,000) were borne by Croudace Homes Limited. Croudace Homes Limited is also a wholly owned subsidiary of Croudace Homes Group Limited.

### 4. Employees

All Staff are employed by Croudace Homes Limited. Croudace Homes Limited is also a wholly owned subsidiary of Croudace Homes Group Limited.

### 5. Taxation

	2016 £'000	2015 £'000
The tax charge for the year comprises:		
Current tax:		
UK corporation tax	18	83
Over provision in respect of prior year	<u>(28)</u>	<u>-</u>
	<u>£ (10)</u>	<u>£ 83</u>
Factors affecting the tax charge:		
Profit on ordinary activities before taxation	<u>92</u>	<u>410</u>
Tax at 20% (2015 - 20.25%)	18	83
Over provision in respect of prior year	<u>(28)</u>	<u>-</u>
Total tax charge for the year	<u>£ (10)</u>	<u>£ 83</u>

**CROUDACE PARTNERSHIPS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

<b>6. Debtors</b>	2016 £'000	2015 £'000
Due within one year:		
Trade debtors	89	153
Amounts owed by group undertakings	2,632	2,670
Corporation Tax	18	-
Other debtors	-	24
	<u>£ 2,739</u>	<u>£ 2,847</u>

<b>7. Creditors</b>	2016 £'000	2015 £'000
<b>Amounts falling due within one year</b>		
Trade creditors	128	211
Corporation tax	-	48
Accruals	1	25
	<u>£ 129</u>	<u>£ 284</u>

<b>8. Share capital &amp; reserves</b>	2016 £'000	2015 £'000
<b>Share capital</b>		
Issued and fully paid:		
750,000 ordinary shares of £1 each	<u>£ 750</u>	<u>£ 750</u>

**Reserves**

Reserves of the Company represent the following:

*Profit and loss account*

Cumulative profit and loss net of distributions to owners.

NOTES TO THE FINANCIAL STATEMENTS (continued)

**9. Guarantees and other financial commitments**

**Contingent liabilities**

The Company has guaranteed the repayment of bank loans and overdrafts of its parent and other group companies, which at 31 December 2016 amounted to £50,000,000 (2015 - £65,000,000). The Company's development land and work in progress are subject to first legal mortgages and its other assets to fixed and floating charges in favour of the banks. The Company has entered into various performance bonds in the normal course of its business and has guaranteed bonds undertaken by other group companies. At 31 December 2016 the maximum potential liability was approximately £8,171,000 (2015 - £6,444,000).

**10. Related party transactions**

The Company is not required to report details of transactions with other wholly owned group companies because it is a wholly owned subsidiary of Croudace Homes Group Limited.

**11. Ultimate parent company**

The Company's immediate and ultimate parent company is Croudace Homes Group Limited. Copies of the group accounts are available from the registered office.

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## CROUDACE PARTNERSHIPS LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CROUDACE PARTNERSHIPS LIMITED

#### **Opinion on financial statements**

We have audited the financial statements on pages 6 to 14. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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, based on the work undertaken in the course of our audit, 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 any material misstatements in the Directors' report.

We have nothing to report in respect of the following matters where 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 take advantage of the small companies exemption from the requirement to prepare a Strategic Report and in preparing the Directors' Report.

#### **Respective responsibilities of directors and auditor**

As more fully explained in the Directors' Responsibilities Statement on page 4, 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). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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**CROUDACE PARTNERSHIPS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
CROUDACE PARTNERSHIPS LIMITED (Continued)**

**Respective responsibilities of directors and auditor (Continued)**

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.

*RSM UK Audit LLP*

RICHARD COATES (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

31 March 2017