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**PURPLE BRICKS COMPANY LIMITED**

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**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**HAINES WATTS LEEDS LLP  
CHARTERED ACCOUNTANTS**

**PURPLE BRICKS COMPANY LIMITED**  
**REGISTERED NUMBER: 05596130**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	<b>Note</b>	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
<b>Fixed assets</b>			
Tangible assets	5	2,559	229
Investment property	6	6,134,922	6,131,170
		<u>6,137,481</u>	<u>6,131,399</u>
<b>Current assets</b>			
Stocks	7	-	232,970
Debtors: amounts falling due within one year	8	582,897	59,305
Cash at bank and in hand		16,134	347,158
		<u>599,031</u>	<u>639,433</u>
Creditors: amounts falling due within one year	9	(5,729,313)	(5,542,868)
<b>Net current liabilities</b>		<u>(5,130,282)</u>	<u>(4,903,435)</u>
<b>Total assets less current liabilities</b>		<u>1,007,199</u>	<u>1,227,964</u>
<b>Net assets</b>		<u>1,007,199</u>	<u>1,227,964</u>
<b>Capital and reserves</b>			
Called up share capital	10	100	100
Profit and loss account		1,007,099	1,227,864
		<u>1,007,199</u>	<u>1,227,964</u>

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**PURPLE BRICKS COMPANY LIMITED**  
**REGISTERED NUMBER: 05596130**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2017**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 income and retained earnings 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 15 March 2018.

**P Rushfirth**

Director

The notes on pages 3 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**1. General information**

Purple Bricks Company Limited is a limited company registered in England and Wales under company number 05596130 at 7 Airport West, Lancaster Way, Yeadon, Leeds, West Yorkshire, LS19 7ZA.

**2. Statement of compliance**

The financial statements of Purple Bricks Company Limited have been prepared in compliance with United Kingdom Accounting Standards, including Section 1A of Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

**3. Accounting policies**

**3.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention other than the treatment of investment properties as set out below.

**3.2 Turnover**

Turnover represents amounts receivable for sale of property and rents less value added tax.

**3.3 Tangible fixed assets**

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	20%	straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

**3.4 Investment property**

Investment properties are included in the balance sheet at their open market value in accordance with section 1A of FRS 102 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary to give a true and fair view of the financial position of the company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**3. Accounting policies (continued)**

**3.5 Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**3.6 Debtors**

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

**3.7 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.

**3.8 Financial instruments**

The Company only enters into basic financial instrument 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.

**3.9 Creditors**

Short term creditors are measured at the transaction price.

**3.10 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**3.11 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

**3.12 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**3. Accounting policies (continued)**

**3.13 Tax policy**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

**3.14 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 profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 balance sheet.

**4. Employees**

The average monthly number of employees, including directors, during the year was 5 (2016 - 5).

PURPLE BRICKS COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

5. Tangible fixed assets

	Office equipment £
<b>Cost or valuation</b>	
At 1 January 2017	286
Additions	2,984
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At 31 December 2017	3,270
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<b>Depreciation</b>	
At 1 January 2017	57
Charge for the year on owned assets	654
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At 31 December 2017	711
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<b>Net book value</b>	
At 31 December 2017	<u>2,559</u>
<i>At 31 December 2016</i>	<u>229</u>

6. Investment property

	Freehold investment property £	Long term leasehold investment property £	Total £
<b>Valuation</b>			
At 1 January 2017	3,173,765	2,957,405	6,131,170
Additions at cost	3,752	-	3,752
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2017</b>	<u>3,177,517</u>	<u>2,957,405</u>	<u>6,134,922</u>

The 2017 valuations were made by the directors, on an open market value basis.

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PURPLE BRICKS COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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7. Stocks

	2017 £	2016 £
Finished goods and goods for resale	-	232,970
	<u>-</u>	<u>232,970</u>

8. Debtors

	2017 £	2016 £
Trade debtors	2,174	13,261
Prepayments and accrued income	76,523	33,796
Other debtors	504,200	12,248
	<u>582,897</u>	<u>59,305</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	48,313	57,852
Corporation tax	6,100	13,858
Other taxation and social security	778	11,927
Directors loan accounts	2,048,225	5,396,121
Accruals	27,770	27,770
Other creditors	3,598,127	35,340
	<u>5,729,313</u>	<u>5,542,868</u>

10. Share capital

	2017 £	2016 £
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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**11. Related party transactions**

Included within creditors at the year end is an amount of £2,048,225 (2016: £5,396,122) due to the directors. The balance was unsecured and interest free.

Dividends of £258,000 (2016: £Nil) were payable to the shareholders in the year.

Loans of £3,279,287 (2016: £Nil) were due to the shareholder companies at the year end.

No further transactions with related parties were undertaken such as are required to be disclosed under Section 1A of FRS 102.

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