

**VERTO HOMES LTD
UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022**

VERTO HOMES LTD
UNAUDITED ACCOUNTS
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VERTO HOMES LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2022

Directors	Richard Pearce Thomas Carr
Company Number	07479926 (England and Wales)
Registered Office	Building A, Green Court Truro Business Park, Threemilestone Truro Cornwall TR4 9LF England

VERTO HOMES LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Notes	2022 £	2021 £
Fixed assets			
Intangible assets	4	122,054	-
Tangible assets	5	240,347	152,472
Investments	6	14,801,922	14,801,722
		<u>15,164,323</u>	<u>14,954,194</u>
Current assets			
Debtors	7	13,896,122	14,617,688
Cash at bank and in hand		1,485,170	2,408,189
		<u>15,381,292</u>	<u>17,025,877</u>
Creditors: amounts falling due within one year	8	(4,183,259)	(5,733,735)
Net current assets		<u>11,198,033</u>	<u>11,292,142</u>
Total assets less current liabilities		26,362,356	26,246,336
Creditors: amounts falling due after more than one year	9	(13,028,785)	(13,508,009)
Net assets		<u>13,333,571</u>	<u>12,738,327</u>
Capital and reserves			
Called up share capital		172	172
Share premium		1,349,372	1,349,372
Profit and loss account		11,984,027	11,388,783
Shareholders' funds		<u>13,333,571</u>	<u>12,738,327</u>

For the year ending 30 June 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered 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 profit and loss account has not been delivered to the Registrar of Companies.

The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2023 and were signed on its behalf by

Richard Pearce
Director

Company Registration No. 07479926

VERTO HOMES LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

1 Statutory information

Verto Homes Ltd is a private company, limited by shares, registered in England and Wales, registration number 07479926. The registered office is Building A, Green Court, Truro Business Park, Threemilestone, Truro, Cornwall, TR4 9LF, England.

2 Compliance with accounting standards

The accounts have been prepared in accordance with the provisions of FRS 102 Section 1A Small Entities. There were no material departures from that standard.

3 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of preparation

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 as applicable to companies subject to the small companies' regime. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies. The principal accounting policies adopted are set out below.

The financial statements are prepared in sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

VERTO HOMES LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

the Company has transferred the significant risks and rewards of ownership to the buyer;

the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

the amount of turnover can be measured reliably;

it is probable that the Company will receive the consideration due under the transaction; and

the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

the amount of turnover can be measured reliably;

it is probable that the Company will receive the consideration due under the contract;

the stage of completion of the contract at the end of the reporting period can be measured reliably; and

the costs incurred and the costs to complete the contract can be measured reliably.

Turnover from management fees for the provision of services and recharge of costs is recognised as the services are performed and when the costs to be recharged are incurred, respectively. Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Leased assets

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company.

Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred.

Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

VERTO HOMES LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income. Grants of a revenue nature are recognised in the profit or loss in the same period as the related expenditure.

Interest income

Interest income is recognised in profit or loss using the effective interest method.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Pension costs

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 profit or loss 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.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

VERTO HOMES LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

Tangible fixed assets and depreciation

Tangible fixed assets are measured at 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. The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the bases listed below. 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. The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit and loss account.

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Plant & machinery	20% straight line
Motor vehicles	20% straight line
Fixtures & fittings	20% straight line
Computer equipment	20% straight line

Investment property

Investment property is carried at fair value determined regularly by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

Intangible fixed assets

Intangible fixed assets (including website costs) are included at cost less accumulated amortisation. Amortisation is provided for over a five year period on a straight line basis, and is charged to the profit or loss.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

VERTO HOMES LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

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.

Financial instruments

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Financial assets are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

VERTO HOMES LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Employees

The average monthly number of employees, including directors, of the Company during the period was 6 (2021 - 8). The total average monthly number of employees, including directors, of the Company and its subsidiaries combined during the period was 29 (2021 - 24).

4 Intangible fixed assets

	Other £
Cost	
At 1 July 2021	-
Additions	154,649
At 30 June 2022	154,649
Amortisation	
At 1 July 2021	-
Charge for the year	32,595
At 30 June 2022	32,595
Net book value	
At 30 June 2022	122,054

5 Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Computer equipment £	Total £
Cost or valuation	At cost	At cost	At cost	At cost	
At 1 July 2021	75,647	110,122	20,436	32,745	238,950
Additions	56,377	100,963	1,041	12,666	171,047
Disposals	-	(46,105)	-	-	(46,105)
At 30 June 2022	132,024	164,980	21,477	45,411	363,892
Depreciation					
At 1 July 2021	17,956	32,904	16,487	19,131	86,478
Charge for the year	18,601	29,132	3,340	6,486	57,559
On disposals	-	(20,492)	-	-	(20,492)
At 30 June 2022	36,557	41,544	19,827	25,617	123,545
Net book value					
At 30 June 2022	95,467	123,436	1,650	19,794	240,347
At 30 June 2021	57,691	77,218	3,949	13,614	152,472

VERTO HOMES LTD
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

6 Investments

**Other
investments
£**

Valuation at 1 July 2021	14,801,722
Additions	200
Valuation at 30 June 2022	14,801,922

7 Debtors

**2022
£** **2021
£**

Amounts falling due after more than one year

Amounts due from group undertakings etc.	13,280,247	13,878,539
Accrued income and prepayments	183,833	390,214
Other debtors	432,042	348,935
	13,896,122	14,617,688

8 Creditors: amounts falling due within one year

**2022
£** **2021
£**

Obligations under finance leases and hire purchase contracts	173,775	61,345
Trade creditors	395,605	204,959
Taxes and social security	551,836	601,424
Other creditors	3,056,741	4,330,881
Accruals	5,302	535,126
	4,183,259	5,733,735

9 Creditors: amounts falling due after more than one year

**2022
£** **2021
£**

Obligations under finance leases and hire purchase contracts	-	45,789
Other creditors	13,028,785	13,462,220
	13,028,785	13,508,009

Amounts owed in respect of hire purchase contracts are secured on the asset to which they relate. As at the Balance Sheet date, such amounts were £173,775 (2021 - £107,134).

Amounts owed in respect of the Secured Corporate Debt Facility are secured by a fixed and floating charge over the assets of the Company. As at the Balance Sheet date, such amounts were £13,028,785 (2021 - £13,462,220).

10 Average number of employees

During the year the average number of employees was 6 (2021: 8).

