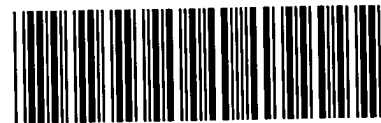


Company Registration No. 07619223 (England and Wales)

BEAUMONT MORGAN DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 27 MARCH 2020

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BEAUMONT MORGAN DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	Mr K Moore Mr D McLellan Mr G Morgan
Company number	07619223
Registered office	2a Maclaren House Lancastrian Office Centre Talbot Road Stretford Manchester England M32 0FP
Auditor	Bennett Verby Limited 7 St Petersgate Stockport Cheshire SK1 1EB

BEAUMONT MORGAN DEVELOPMENTS LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 25

BEAUMONT MORGAN DEVELOPMENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 27 MARCH 2020

The directors present the strategic report for the year ended 27 March 2020.

Fair review of the business

Operational

The company continues to focus on high density residential development across the North West, predominantly in Manchester, utilising its prior expertise in this market demographic. The company is continuing to de-risk and diversify its revenue streams through a balance of external and internal clients and varying scale of the jobs it is currently operational on.

During the year, the company has continued to benefit and build upon its lean operational base, further developing its internal processes and controls procedures with a view to standardising process throughout the business.

Financial

The company's turnover has increased substantially in the year from £40.2m to £47.2m, representing growth of 17.2%.

Gross margin has reduced slightly to 4.06% (2019: 4.25%). Slight delays and price fluctuations following Brexit and Covid-19 have impacted final forecast margins with movements being recognised in the period to March 2020.

Secured order book remains strong with circa £150m of work in the pipeline, taking the business into 2023. The company is actively tendering for new work and is in late stage negotiations on numerous schemes.

Principal risks and uncertainties

The company operates in a challenging economic climate but differs from most principal contractors in that it works almost exclusively with the Fortis Group, a connected group of companies. As a result, it is not overtly exposed to market price constraints or bad debt risk from external clients and is insulated from adverse changes in macro-economical conditions.

Covid-19

The Covid-19 pandemic has presented an unprecedented set of circumstances under which to operate.

Despite the challenges posed by the Covid-19 pandemic and resulting lock down, the company has remained operational throughout to date. All sites have remained open, adhering to strict HSE requirements with office and commercial staff working from home electronically where appropriate.

The company utilised the furlough scheme as a precautionary measure at the start of April 2020, all furloughed employees have since returned to work, most of which were within one month. The company experienced minimal subcontractor delays at the onset of lockdown in March 2020 and the business and supply chain adapted quickly to the circumstances and requirements.

Cashflow is monitored and managed to a finite detail on a daily basis, even prior to Covid-19. All but essential expenditure has been put on hold during Covid-19 to help mitigate any unseen issues with the overall cashflow and is being continually monitored.

Brexit

The company has actively monitored the process of the UK's severance from the EU, liaising regularly with key internal and external stakeholders. The impact of Brexit on the construction industry still proves to be highly uncertain, the company is continuing to develop its management strategy to deal with any evolving risks.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

Principal risks and uncertainties

Liquidity

The company manages and forecasts its cashflow daily in order to ensure there is always sufficient funding operationally and to make sure surplus cash is utilised with maximum effect.

Supply Chain

We thoroughly vet all subcontractors and suppliers to mitigate the risk of supply chain failure, such as companies falling into administration. The typical consequences of such failures are programme overruns and incurring additional cost.

Health and Safety

The health and safety risks within the construction industry are vast in number and with potentially considerable severity. We have a dedicated health and safety resource who proactively manage and monitor our operations. We execute an internal health and safety framework designed to requirements of standard ISO 45001.

Key performance indicators

The company's key financial performance indicators are turnover, gross margin, net profitability before taxation, forward secured order book and operating cash flow. The safety of our employees is paramount and all construction sites are constantly assessed for Health and Safety performance. The company's directors therefore believe that further key performance indicators are not necessary or appropriate for an understanding of the performance and development of the business as sufficient details are noted below and contained within these financial statements.

In conclusion, the Directors are satisfied with the results for the period ended 27 March 2020, and are confident that the business can grow from strength to strength.

Going concern

Prior to the year end, the Covid-19 pandemic has presented an unprecedented set of circumstances under which to operate.

Despite the challenges posed by the Covid-19 pandemic and resulting lock down, the company has remained fully operational throughout to date. All sites have remained open, adhering to strict HSE requirements with office and commercial staff working from home electronically.

The outlook for Covid-19 on the UK economy remains highly uncertain with no specific timeframe to a resolution. As such the company has executed stress testing and scenario analysis to prepare for a multitude of outcomes. The company will continue to proactively monitor Covid-19 in order to best place itself moving forward.

On behalf of the board



Mr G Morgan

Director

24 March 2021

BEAUMONT MORGAN DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 27 MARCH 2020

The directors present their annual report and financial statements for the year ended 27 March 2020.

Principal activities

The principal activity of the company continued to be that of construction and property development.

Results and dividends

The results for the year are set out on page 8.

The directors have chosen to take advantage of the seven day rule and have prepared accounts to 31 March.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr K Moore
Mr D McLellan
Mr G Morgan

Post reporting date events

Subsequent to the year end there has been a global Covid-19 pandemic which has impacted on all areas and sectors including that which the company operates in. The company is continuing to operate, taking measures to ensure the health and safety of its employees and implementing necessary business continuity procedures. The company is monitoring the business risks associated with the pandemic. Some of the mitigating factors include, keeping adequate supplies of personal protective equipment at all business locations and monitoring and responding to Government advice on safe working practices.

Auditor

Bennett Verby Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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). 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;
- 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.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

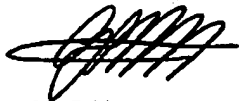
Matters of strategic importance

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of key performance indicators and future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr G Morgan
Director

24 March 2021

BEAUMONT MORGAN DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BEAUMONT MORGAN DEVELOPMENTS LIMITED

Opinion on financial statements

We have audited the financial statements of Beaumont Morgan Developments Limited (the 'company') for the year ended 27 March 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 March 2020 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 qualified opinion

The directors of the company recognised £3.4m in the 2016 financial statements. In our opinion, this income did not meet the criteria of revenue recognition under FRS102 and the other debtor was overstated to the same extent. In the current period the audit evidence available to us to assess the current position of the claims included as other debtors due after more than one year in note 11, was limited. Consequently, we were unable to determine whether any further adjustments or disclosures were necessary.

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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BEAUMONT MORGAN DEVELOPMENTS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.

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 strategic report and 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.

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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BEAUMONT MORGAN DEVELOPMENTS LIMITED

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.



Ian Buckley (Senior Statutory Auditor)
For and on behalf of Bennett Verby Limited
Chartered Certified Accountants
Statutory Auditor
7 St Petersgate
Stockport
Cheshire
SK1 1EB

24 March 2021

BEAUMONT MORGAN DEVELOPMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 27 MARCH 2020

	Notes	2020 £	2019 £
Turnover	3	47,184,220	40,254,990
Cost of sales		(45,269,150)	(38,542,373)
Gross profit		1,915,070	1,712,617
Administrative expenses		(1,843,391)	(1,814,873)
Other operating income		-	26,317
Operating profit/(loss)	4	71,679	(75,939)
Interest receivable and similar income	7	8,540	7,434
Interest payable and similar expenses	8	(12,776)	(3,660)
Profit/(loss) before taxation		67,443	(72,165)
Tax on profit/(loss)	9	19,268	2,864
Profit/(loss) for the financial year		86,711	(69,301)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

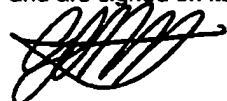
BEAUMONT MORGAN DEVELOPMENTS LIMITED

BALANCE SHEET

AS AT 27 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	10		129,672		140,949
Current assets					
Debtors falling due after more than one year	11	3,421,439		3,832,882	
Debtors falling due within one year	11	15,334,031		13,275,614	
Cash at bank and in hand		765,911		310,779	
		<u>19,521,381</u>		<u>17,419,275</u>	
Creditors: amounts falling due within one year	12	<u>(19,009,593)</u>		<u>(16,966,435)</u>	
Net current assets			<u>511,788</u>		<u>452,840</u>
Total assets less current liabilities			<u>641,460</u>		<u>593,789</u>
Creditors: amounts falling due after more than one year	13		(19,426)		(39,198)
Provisions for liabilities					
Deferred tax liability	15	123,447	<u>(123,447)</u>	142,715	<u>(142,715)</u>
Net assets			<u>498,587</u>		<u>411,876</u>
Capital and reserves					
Called up share capital	17		400		400
Capital redemption reserve			400		400
Profit and loss reserves			<u>497,787</u>		<u>411,076</u>
Total equity			<u>498,587</u>		<u>411,876</u>

The financial statements were approved by the board of directors and authorised for issue on 24 March 2021 and are signed on its behalf by:



Mr G Morgan
Director

Company Registration No. 07619223

BEAUMONT MORGAN DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 27 MARCH 2020

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 28 March 2018	400	400	480,377	481,177
Year ended 27 March 2019:				
Loss and total comprehensive income for the year	-	-	(69,301)	(69,301)
Balance at 27 March 2019	400	400	411,076	411,876
Year ended 27 March 2020:				
Profit and total comprehensive income for the year	-	-	86,711	86,711
Balance at 27 March 2020	400	400	497,787	498,587

BEAUMONT MORGAN DEVELOPMENTS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 27 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	23		272,243		(1,197,011)
Interest paid			(12,776)		(3,660)
Income taxes (paid)/refunded			(77,910)		309,356
Net cash inflow/(outflow) from operating activities			181,557		(891,315)
Investing activities					
Purchase of tangible fixed assets		(11,691)		(4,963)	
Receipts arising from loans made		298,973		(177,491)	
Interest received		8,540		7,434	
Net cash generated from/(used in) investing activities			295,822		(175,020)
Financing activities					
Payment of finance leases obligations		(22,247)		(31,054)	
Net cash used in financing activities			(22,247)		(31,054)
Net increase/(decrease) in cash and cash equivalents			455,132		(1,097,389)
Cash and cash equivalents at beginning of year			310,779		1,408,168
Cash and cash equivalents at end of year			765,911		310,779

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 27 MARCH 2020

1 Accounting policies

Company information

Beaumont Morgan Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2a Maclaren House, Lancastrian Office Centre, Talbot Road, Stretford, Manchester, England, M32 0FP.

1.1 Accounting convention

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.

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 £.

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

The directors have chosen to take advantage of the seven day rule and have prepared accounts to 31 March.

1.2 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.

Information regarding how the company is reacting to the Covid-19 pandemic is set out in the strategic report.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Turnover arising on short term maintenance is recognised on completion of works.

Long term contracts are assessed on a contract by contract basis and reflected by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The stage of completion is ascertained and certified by quantity surveyors employed by the company.

The amount by which turnover exceeds payments on account is classified as 'gross amounts owed by contract customers' and included in debtors to the extent that payments received on account exceed relevant turnover and long term contract balances, the excess is included as a creditor. The amount of long term contracts, at cost net of amounts transferred to cost of sales, less provision for foreseeable losses and payments on account not matched with turnover, is included within stocks.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

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 profit or loss.

1.5 Impairment of fixed assets

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.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its 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.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

1 Accounting policies

(Continued)

Basic financial assets

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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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.

Derecognition of financial assets

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.

Classification of financial liabilities

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.

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BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

1 Accounting policies

(Continued)

Basic financial 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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.8 Equity instruments

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

1.9 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 reporting end date.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Contract recognition

The company's turnover recognition policies are central to the way the company values the work it has carried out in each financial year. The policies require forecasts to be made of the outcomes of long term construction and service contracts, which require assessments and judgements to be made by quantity surveyors to assess changes in work scopes and contracts.

There are estimates made by key management personnel to determine the amount of costs to complete each project. These estimated costs are based in quantity surveyor reports and detailed ongoing projected costs.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Retentions

Retentions on work done are carried on the balance sheet as creditors. There is an uncertainty on the amounts carried and payable.

3 Turnover and other revenue

	2020 £	2019 £
Turnover analysed by class of business		
Property development	47,184,220	40,254,990
	<u> </u>	<u> </u>
	2020 £	2019 £
Other significant revenue		
Interest income	8,540	7,434
	<u> </u>	<u> </u>

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 27 MARCH 2020

4 Operating profit/(loss)

	2020	2019
	£	£
Operating profit/(loss) for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	21,850	35,000
Depreciation of owned tangible fixed assets	8,969	11,518
Depreciation of tangible fixed assets held under finance leases	13,999	9,041
(Profit)/loss on disposal of tangible fixed assets	-	16,607
Operating lease charges	35,206	85,166

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Production	41	42
Administration	20	18
Total	61	60

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	2,624,538	2,539,950
Social security costs	298,250	270,607
Pension costs	97,334	72,119
	3,020,122	2,882,676

6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	133,333	6,445

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

7 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	181	-
Other interest income	8,359	7,434
	<u>8,540</u>	<u>7,434</u>
Total income	<u>8,540</u>	<u>7,434</u>
 Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	181	-
	<u>181</u>	<u>-</u>

8 Interest payable and similar expenses

	2020 £	2019 £
Other finance costs:		
Interest on finance leases and hire purchase contracts	3,777	4,149
Other interest	8,999	(489)
	<u>12,776</u>	<u>3,660</u>

9 Taxation

	2020 £	2019 £
Current tax		
Adjustments in respect of prior periods	-	(383)
	<u>-</u>	<u>(383)</u>
Deferred tax		
Origination and reversal of timing differences	207,521	(9,279)
Adjustment in respect of prior periods	-	6,798
Tax losses carried forward	(226,789)	-
	<u>(19,268)</u>	<u>(2,481)</u>
Total deferred tax	<u>(19,268)</u>	<u>(2,481)</u>
 Total tax credit	<u>(19,268)</u>	<u>(2,864)</u>

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

9 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £	2019 £
Profit/(loss) before taxation	67,443	(72,165)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 019%)	12,814	(13,711)
Tax effect of expenses that are not deductible in determining taxable profit	327	3,341
Tax effect of utilisation of tax losses not previously recognised	(12,245)	-
Adjustments in respect of prior years	-	6,415
Effect of change in corporation tax rate	67,160	1,091
Permanent capital allowances in excess of depreciation	(896)	-
Other non-reversing timing differences	(86,428)	-
Taxation credit for the year	(19,268)	(2,864)

10 Tangible fixed assets

	Plant and equipment £	Motor vehicles £	Total £
Cost			
At 28 March 2019	177,551	21,501	199,052
Additions	11,691	-	11,691
At 27 March 2020	189,242	21,501	210,743
Depreciation and impairment			
At 28 March 2019	46,326	11,777	58,103
Depreciation charged in the year	20,537	2,431	22,968
At 27 March 2020	66,863	14,208	81,071
Carrying amount			
At 27 March 2020	122,379	7,293	129,672
At 27 March 2019	131,225	9,724	140,949

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

10 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2019 £
Plant and equipment	67,868	79,845
Motor vehicles	6,065	8,087
	<u>73,933</u>	<u>87,932</u>

11 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	6,788,100	10,314,095
Gross amounts owed by contract customers	5,843,763	412,214
Other debtors	2,519,316	2,538,979
Prepayments and accrued income	182,852	10,326
	<u>15,334,031</u>	<u>13,275,614</u>

	2020 £	2019 £
Amounts falling due after more than one year:		
Other debtors	<u>3,421,439</u>	<u>3,832,882</u>
Total debtors	<u>18,755,470</u>	<u>17,108,496</u>

12 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Obligations under finance leases	14	21,192	23,667
Payments received on account		6,736,077	6,626,440
Trade creditors		10,795,509	8,442,424
Corporation tax		-	77,910
Other taxation and social security		264,083	140,749
Other creditors		972,926	1,398,528
Accruals and deferred income		219,806	256,717
		<u>19,009,593</u>	<u>16,966,435</u>

Net obligations under finance leases are secured by fixed charges on the assets to which the agreements relate.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

13 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	14	19,426	39,198

Net obligations under finance leases are secured by fixed charges on the assets to which the agreements relate.

14 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Within one year	24,598	26,024
In two to five years	22,548	40,996
	47,146	67,020
Less: future finance charges	(6,528)	(4,155)
	40,618	62,865

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	10,894	6,606
Tax losses	(741,129)	(514,340)
Short term timing differences	853,682	650,449
	123,447	142,715

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

15	Deferred taxation	(Continued)
		2020 £
	Movements in the year:	
	Liability at 28 March 2019	142,715
	Credit to profit or loss	(19,268)
	Liability at 27 March 2020	<u>123,447</u>

16	Retirement benefit schemes	2020 £	2019 £
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	<u>97,334</u>	<u>72,119</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Pension contributions outstanding and included in creditors at 27 March 2020 are £20,141 (2019 £15,626).

17	Share capital	2020 Number	2019 Number	2020 £	2019 £
	Ordinary share capital Issued and fully paid				
	320 Ordinary C shares of £1 each	320	320	320	320
	80 Ordinary D shares of £1 each	80	80	80	80
		<u>400</u>	<u>400</u>	<u>400</u>	<u>400</u>

The company has two classes of ordinary shares which rank pari passu in all respects. Each class of share carries no right to fixed income and each carry the right to one vote at general meetings of the company.

18 Reserves

Capital redemption reserve

The capital redemption reserve has arisen following the purchase of own shares in the period to 31 March 2015.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	3,372	26,920
Between two and five years	83,361	67,300
	<u>86,733</u>	<u>94,220</u>

20 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2020 £	2019 £	2020 £	2019 £
Other related parties	<u>28,852,563</u>	<u>26,862,421</u>	<u>4,449,294</u>	<u>260,009</u>

	2020 £	2019 £
Amounts due to related parties		
Other related parties	<u>454,907</u>	<u>243,869</u>

Amounts due from related parties

At the year end the company was owed £6,918,043 (2019 £6,241,430) by related parties.

21 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Advances	2.50	298,972	4,889	8,359	(312,220)	-
		<u>298,972</u>	<u>4,889</u>	<u>8,359</u>	<u>(312,220)</u>	<u>-</u>

BEAUMONT MORGAN DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 27 MARCH 2020

22 Ultimate controlling party

The company is controlled by Direct Property Investments Limited, DMC Estates Limited and M Estates Limited, all companies registered in England and Wales. No one company has complete control and it would require two or more companies acting in concert to exercise control. Therefore there is no one party who is the ultimate controlling party.

23 Cash generated from/(absorbed by) operations

	2020 £	2019 £
Profit/(loss) for the year after tax	86,711	(69,301)
Adjustments for:		
Taxation credited	(19,268)	(2,864)
Finance costs	12,776	3,660
Investment income	(8,540)	(7,434)
(Gain)/loss on disposal of tangible fixed assets	-	16,607
Depreciation and impairment of tangible fixed assets	22,968	20,559
Movements in working capital:		
Increase in debtors	(1,945,947)	(517,405)
Increase/(decrease) in creditors	2,123,543	(640,833)
Cash generated from/(absorbed by) operations	272,243	(1,197,011)

24 Analysis of changes in net funds

	28 March 2019 £	Cash flows £	27 March 2020 £
Cash at bank and in hand	310,779	455,132	765,911
Obligations under finance leases	(62,865)	22,247	(40,618)
	247,914	477,379	725,293