

millbay

Welcome Home

MILL BAY HOMES LIMITED

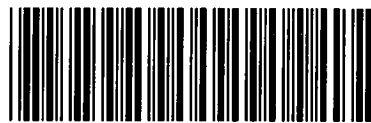
Registered number 10912643

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2019

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MILL BAY HOMES LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2019

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MILL BAY HOMES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

Company Registration Number: 10912643 (incorporated 11 August 2017)

Board of Directors:

Mr. M. Westerman, MinstF, FIDM, ISP (Chair)
Mr. J. Leighton FRICS (appointed October 2018)
Mr. R. Butler, PG Dip, FRICS (resigned April 2018)
Mr. N. Hampshire, BSc (Hons), MBA, MRICS
Mr. N. Sinnett, BSc, MRICS, AsPS
Mr. A. Williams, FCCA

Registered Office: Meyler House, St. Thomas Green, Haverfordwest, Pembrokeshire.
SA61 1QP

External Auditors: Bevan Buckland LLP
Chartered Accountants & Statutory Auditors
Langdon House
Langdon Road
Swansea SA1 8QY

Internal Auditors: RSM
Regus House
Malthouse Avenue
Cardiff Gate Business Park
Cardiff CF23 8RU

Legal Advisors:	Hugh James Two Central Square Cardiff CF10 1FS	Darwin Grey Helmont House Churchill Way Cardiff CF10 2HE
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Bankers: Barclays Bank PLC
Windsor Court
3 Windsor Place
Cardiff CF10 3AX

MILL BAY HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILL BAY HOMES LIMITED

Opinion

We have audited the financial statements of Mill Bay Homes Limited ("the Company") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Changes in Equity, the Statement of Financial Position 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 Section 1A "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 31st March 2019 and of its profit and loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2016

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

MILL BAY HOMES LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MILL BAY HOMES

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 Report of the Directors. 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:

- a satisfactory system of control over transactions has not been maintained; or
- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Company; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we need for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of the directors

As explained more fully in the Statement of Responsibilities of the directors (set out on page 2 & 3), 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.

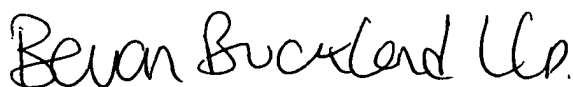
Auditor's responsibilities for the audit of the financial statements

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.

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.



For and on behalf of Bevan Buckland LLP
Chartered Accountants & Statutory Auditors
Langdon House
Langdon Road
Swansea SA1 8QY

Date: 17/07/19

STATEMENT OF FINANCIAL POSITION
at 31 March 2019

		2019	2018
		£	£
Property, Plant & Equipment			
Other fixed assets - depreciated cost	2	2,563	3,249
		<u>2,563</u>	<u>3,249</u>
Current assets			
Inventories	3	5,881,057	5,335,313
Receivables: amounts falling due within one year	4	15,432	1,645,280
Cash		20,074	12,780
		<u>5,916,563</u>	<u>6,993,373</u>
Payables: amounts falling due within one year	5	(2,130,493)	(1,411,621)
Net current assets		<u>3,786,070</u>	<u>5,581,752</u>
Total Assets less current liabilities		<u>3,788,633</u>	<u>5,585,001</u>
Payables: amounts falling due after more than one year	6	(3,783,632)	(5,580,000)
Net assets		<u>5,001</u>	<u>5,001</u>
		=====	=====
Equity			
Called up share capital	7	1	1
Revenue reserve	8	5,000	5,000
		<u>5,001</u>	<u>5,001</u>
		=====	=====

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income and Statement of Changes in Equity has not been delivered.

The financial statements on pages 4 to 9 were approved by the Board of Directors on 17 July 2019 and were signed on its behalf by:


M. M. Westerman, Director

MILL BAY HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - PRINCIPAL ACCOUNTING POLICIES

Mill Bay Homes Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and office address can be found on the Company Information page.

a. Basis of Accounting.

These financial statements have been prepared in accordance with Financial Reporting Standards 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. A summary of the more important policies which have been applied consistently are set out below.

b. Turnover.

Turnover consists of the proceeds of property sales and related income which are recognised at the point of exchange of contract.

c. Property, Plant & Equipment.

Property, plant & equipment are included at cost less depreciation and impairment. Indication of impairment is reviewed annually and an impairment review is undertaken where there is an indication of impairment. Depreciation is provided evenly on the cost of items of fixed assets to write them down to their estimated residual values over their expected useful lives. Office equipment – 10%, Computer equipment – 25%

Expenditure on assets costing less than £250, which do not form part of a larger asset are written off to the Statement of Comprehensive Income in the year in which the expenditure is incurred.

d. Work in Progress.

Work in progress is calculated at the lower of cost or net realisable value of schemes under construction.

e. Inventory.

The value of stock is the lower of cost or net realisable value of completed properties held for sale.

f. Operating Leases.

Costs in respect of operating leases are amortised on a straight-line basis over the lease in accordance with FRS102.

g. Pensions.

The company participates in the industry wide defined contribution pension scheme. The assets of the scheme are invested and managed independently of the finances of the Company. Pension costs are assessed in accordance with the advice of an independent qualified actuary.

h. Loan Facility.

The company has a revolving credit facility with the parent to assist towards the cost of various developments and land acquisitions. The interest rate is set on commercial terms.

i. Value Added Tax.

The company is registered for VAT.

j. Corporation Tax.

The company is liable for Corporation Tax.

k. Receivables.

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

l. Payables.

Short term trade payables are measured at transaction price.

m. Functional and Presentational Currency.

The company's functional and presentational currency is pounds sterling.

MILL BAY HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - PRINCIPAL ACCOUNTING POLICIES (continued)

n. Going Concern.

The company continues to adopt the going concern basis in preparing its financial statements.

o. Gift Aid

The Company covenants all of its earnings to the Parent.

p. Accounting Estimates – Cost of Sales

When a property sale is recognised a transfer from inventories / work in progress is made to the cost of sales based on the anticipated gross profit margin for the total site development. The anticipated gross profit margin is reviewed periodically and updated for actual costs to date and revised forecasts.

MILL BAY HOMES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019**

1 Staff numbers and cost

The average number of persons (including Senior Executives) employed during the year was:

	2019	2018
Office staff	5.58	7.00
	-----	-----
	5.58	7.00
	=====	=====

The average number of full time equivalent persons (including Senior Executives) employed during the year was:

	2019	2018
Office staff	5.43	5.32
	-----	-----
	5.43	5.32
	=====	=====

2 Property, Plant & Equipment - Other Fixed Assets

	Office Equipment £	Computer Equipment £	Total £
Cost			
At 1 April 2018	5,749	14,253	20,002
Additions	-	431	431
Disposals	-	-	-
	-----	-----	-----
At 31 March 2019	5,749	14,684	20,433
	=====	=====	=====
Depreciation			
At 1 April 2018	(4,355)	(12,398)	(16,753)
Charged for the year	(401)	(716)	(1,117)
Disposals	-	-	-
	-----	-----	-----
At 31 March 2019	(4,756)	(13,114)	(17,870)
	=====	=====	=====
Net book value			
At 31 March 2019	993	1,570	2,563
	=====	=====	=====
At 1 April 2018	1,394	1,855	3,249
	=====	=====	=====

3 Inventories

	2019 £	2018 £
Completed properties held for sale	-	1,075,154
Schemes under construction	5,881,057	4,260,159
	-----	-----
	5,881,057	5,335,313
	=====	=====

4 Receivables

	2019 £	2018 £
Prepayments and accrued income	6,426	1,637,490
VAT Receivable	9,006	7,790
	-----	-----
	15,432	1,645,280
	=====	=====

5 Payables: Amounts falling due within one year

	2019 £	2018 £
Accruals and deferred income	325,231	68,790
Amounts owed in respect of housing development	374,277	166,612
Inter-Company creditor - parent company	1,381,514	1,102,034
Other payables	44,829	70,952
Annual Leave year end accrual	4,642	3,233
	-----	-----
	2,130,493	1,411,621
	=====	=====

MILL BAY HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2019

6 Payables: Amounts falling due after one year	2019 £	2018 £
Accruals - capital retentions	83,632	-
Secured Debt - Loan from parent company	3,700,000	5,580,000
- secured by a floating charge over any freehold, leasehold common hold property	<u>3,783,632</u>	<u>5,580,000</u>
	=====	=====

7 Called up share capital - non equity	2019 £	2018 £
Allotted issued and fully paid :		
At the beginning of the year	1	11
Issued	-	-
Cancelled	-	(10)
	<u>1</u>	<u>1</u>
At the end of the year	=====	=====

The parent holds one share of £1. The share is non-transferable and non-redeemable and carries no right to receive either income or capital payments.

8 Reserves	At 1 April 2018 £	Profit for the year £	Gift Aid payment £	At 31 March 2019 £
Revenue Reserve	5,000	1,304,882	(1,304,882)	5,000
	<u>5,000</u>	<u>1,304,882</u>	<u>(1,304,882)</u>	<u>5,000</u>
Total	=====	=====	=====	=====

Analysed as:	
Revenue Reserve	5,000
	<u>5,000</u>
	=====

9 Development Commitments	2019 £	2018 £
Development expenditure that has been contracted for but has not been provided for in the financial statements and which will be funded by loans from the parent company	<u>4,756,053</u>	<u>8,229,531</u>
	=====	=====
Development expenditure that has been authorised by the Board of Directors but has not yet been contracted for:	<u>3,146,474</u>	<u>9,821,674</u>
	=====	=====

10 Contingent Liabilities
In accordance with FRS102 there are no contingent liabilities at the balance sheet date.

11 Legislative Provisions
As at 31st March 2019 the company is a company limited by shares and is registered under the Companies Act 2006.

12 Group Structure
The company is a wholly controlled subsidiary company of ateb Group Limited.

MILL BAY HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2019

13 Related Parties and Directors

Board members were reimbursed a total of £671 for attending meetings.

Mill Bay Homes Limited has a total outstanding inter company creditor balance due to the parent of £5,081,514 (2018: £6,682,034).

This is made up of a loan balance of £3,700,000, Gift Aid payment of £1,304,882 and management recharges of £76,632. During the year Mill Bay Homes received £4,175,000 and repaid £6,055,000 in loans from the parent. The loan is a revolving credit facility.

During the year Mill Bay Homes were charged the following by the parent: Office rent £14,010, Management charges £38,9 and Project management charge £5,000.

14 Pensions Obligations

The Company participates in the Social Housing Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 500 non-associated employers. The scheme is a defined contribution scheme in the UK.

15 Legal Status

As at 31st March 2019 the company is a company limited by shares and is registered under the Companies Act 2006 having converted from a 'registered society' registered under Co-operative and Community Benefit Society Act 2014 in 2017.