

Bargate Homes Limited

**Annual Report and Financial Statements
For the period ended 31 March 2020**

Registered Number: 05626135

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Strategic Report For the period ended 31 March 2020

Introduction

The directors present their report and the financial statements for the 6 months ended 31 March 2020. The accounting period has been shortened to 6 months to align with the year end of the parent company. The comparative numbers shown in the profit and loss account as well as the accompanying notes to the accounts are for the full year to 30 September 2019.

Financial key performance indicators

The company made a profit for the period on ordinary activities before taxation of £4.1m (2019: £8.0m).

About us

Bargate Homes Limited (05626135) is owned by VIVID Housing Limited as part of VIVID's ambitious housebuilding plans to develop 17,000 more homes in the south over the next 10 years.

The mission of Bargate Homes Limited is to support VIVID in the delivery of quality homes at a competitive price.

Our future plans

Bargate Homes Limited currently has around 2,500 plots secured for new homes giving us access to the extra land we need to maintain the momentum of our housebuilding programme. In addition, the expertise in land management and construction complements the skills of our team meaning that together we can achieve much more than either business can individually, to meet our customers' needs and aspirations.

Building new homes

We're making a contribution to the supply of new homes in Hampshire and Surrey. In 2019-20 we invested £19.9 m in the development of new homes for VIVID (2019: £71.9m).

	2016	2017	2018	2019	6m to 31 Mar 2020
Sales of new homes (£'000)	36,489	40,548	53,760	66,000	33,985
Number of new homes completed	85	128	123	195	88

Strategic Report (continued)
For the period ended 31 March 2020

Our people

We currently employ 69 staff (2019: 70). We're an equal opportunities employer. Our policy is to take positive steps in line with the requirements of Equal Opportunities legislation and the Disability Discrimination Act to ensure that the best candidate for any vacant post is selected. Adverts for staff describe us as an equal opportunities employer and invite applications from all members of the community. Our premises are fully accessible to people with disabilities.

Risk Management and internal control

The Directors are responsible for our system of internal control and for reviewing its effectiveness. Our system of internal control is designed to manage rather than eliminate the risk of failure to achieve our corporate ambitions. It is designed to provide reasonable, but not absolute, assurance over the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information. Further details are provided in the consolidated group accounts.

Key trends and risks affecting our business and how we're managing them

Coronavirus

The Directors and Group Board continue to monitor the outbreak, including UK Government advice, and acknowledge that we face a prolonged period of uncertainty. While the evolving nature of the situation means it is not possible to accurately quantify the financial impact, we're in a very strong financial position to help manage this risk. Steps are being taken, on an ongoing basis, to minimise the impact on our activities and the effect this may have on our customers and stakeholders. Infrastructure is in place to allow staff to work remotely and our key priority is to ensure, as far as possible, that our housing services are still available when needed.

Housing market exposure

Development of new homes carries a cost and market risk. By focusing on a relatively small geographic area that we know well in terms of house prices and demand, and using tried and tested sub-contractors it helps mitigate these risks.

Health and safety

The health and safety of our staff and customers is extremely important. We invest in the training of all staff to ensure that all of our sites are managed to the highest standards to ensure the safety and well being of everyone.

Construction labour market

This is an area impacted by many external factors and the company uses a mixture of employed and sub contracted staff to mitigate the impacts of this. Geographically focussed in Hampshire and ensuring that the pipeline of schemes is planned effectively has enabled a transition of staff from sites.

Strategic Report (continued)
For the period ended 31 March 2020

Going concern

The board reviewed the Company's business plan in March 2020 and were content that these plans were affordable and that the accounts should be prepared on a going concern basis.

However, the impact of the COVID-19 outbreak and its financial effect has meant that the Executive and Board have been reviewing financial plans for the next four years to ensure that the Company can remain a going concern. The Company is modelling a number of scenarios based on current estimates of development activity and property sales and stress testing these. The Board will continue to review plans in conjunction with the VIVID Board to make the necessary changes to continue to work with our customers and stakeholders to deliver services in a friendly, solution-focused way.

The Government's decisions on social distancing have had a significant effect on our financial situation, reducing the volume of sales expected to complete in the coming year.

The length of the COVID-19 outbreak and the measures taken by the Government to contain this are not known and outside of our control but we have put processes in place to manage cashflow on a monthly basis and review financial stability as matters progress.

The Board has a reasonable expectation that the company has adequate resources to continue to trade over the foreseeable future, being 12 months from the date of these financial statements. The directors are confident that trading performance will remain strong. For this reason, the financial statements have been prepared on a going concern basis.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'G Price', with a long horizontal line extending to the right.

Gerard Price
Date: 25 June 2020

Directors' Report
For the period ended 31 March 2020

Directors Duncan Brown
 Gerard Price
 Michael Stancombe
 Jeremy Trezise

Company Duncan Brown
Secretary

Company Number 05626135
Registered Office Peninsular House
 Wharf Road
 Portsmouth
 Hampshire
 PO2 8HB

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Royal Bank of Scotland Plc
3rd Floor
3 Temple Back east
Temple Quay
Bristol
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Auditors External Auditors
 BDO Southampton
 Arcadia House
 Maritime Walk
 Southampton
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Internal Auditors
PricewaterhouseCoopers LLP
3 Ocean Way
Savannah House
Southampton
SO14 3TJ

Accountancy & BDO Southampton
Tax Advisors Arcadia House
 Maritime Walk
 Southampton
 SO14 3TL

Directors' Report (continued)
For the period ended 31 March 2020

Matters covered in the strategic report

As permitted in paragraph 1A of schedule 7 to large and medium-sized Companies and Groups (accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report. These matters relate to the principal activity and review of the business, future developments and principal risks and uncertainties.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITOR

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Gerard Price', with a horizontal line extending to the right.

Gerard Price

Date: 25 June 2020

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

Independent auditor's report to the members of Bargate Homes Limited

Opinion

We have audited the financial statements of Bargate Homes Limited (the 'company') for the period ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of 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 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 including the Strategic Report and the Directors' Report 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period 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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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: 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.

BDO LLP

Philip Cliftlands (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, United Kingdom

Date 7 July 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Statement of Comprehensive Income
For the period ended 31 March 2020**

		2020	2019
	Notes	£'000	£'000
Sales		33,985	66,000
Cost of sales		(27,464)	(53,000)
Gross Profit		6,521	13,000
Administrative expenses		(1,766)	(3,580)
Other operating income		20	21
Operating profit	3	4,775	9,441
Investment income	6	1	1
Interest payable and similar expenses	7	(660)	(1,438)
Profit on ordinary activities before taxation		4,115	8,004
Tax on profit on ordinary activities	8	(782)	(1,526)
Profit and Total Comprehensive profit for the financial year		3,333	6,478

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

**Statement of Financial Position
For the period ended 31 March 2020**

	Notes	2020	2019
		£'000	£'000
Fixed Assets			
Tangible assets	9	56	50
Current Assets			
Stocks	11	43,308	50,904
Debtors	12	1,661	3,169
Cash at bank	13	11,950	2,813
		56,919	56,886
Creditors: amounts falling due within one year	14	(25,187)	(28,481)
Net current assets		31,732	28,405
Total assets less current liabilities		31,788	28,455
Creditors: amounts falling due after more than one year	15	(9,500)	(9,500)
Net assets		22,288	18,955
Capital and Reserves:			
Called up share capital	18	2	2
Share premium account	19	209	209
Profit and loss reserves		22,077	18,744
Total equity		22,288	18,955

The financial statements were approved by the board of directors and authorised for issue on 25 June 2020 and are signed on its behalf by:



Jeremy Trezise
Director

The accompanying notes on pages 14 to 25 form an integral part of the Financial Statements.

Statement of Changes in Equity

For the period ended 31 March 2020

	2020	2019
	£000	£000
Balance brought forward from previous year	18,955	12,477
Profit and total comprehensive income for the current period	3,333	6,478
Purchase of own shares	-	-
Balance at 31 March 2020	22,288	18,955

Notes to the Accounts

1. Accounting policies

1.1 Basis of preparation of accounts

Bargate Homes Limited (the “Company”) is a private company limited by shares and incorporated and domiciled in England. The registered office is Peninsular House, Wharf Road, Portsmouth, Hants, PO2 8HB.

These financial statements were prepared in accordance with Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) as issued in 2015. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The financial statements have been prepared under the historical cost convention.

The Company’s ultimate parent, VIVID Housing Limited, includes the Company in its consolidated financial statements.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- The financial instruments disclosure exemptions per FRS 102 section 1.12(c).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.2 Going concern

The company’s business activities, its current financial position and factors likely to affect its future development are set out within the Strategic Report. The impact of the COVID-19 outbreak and its financial effect has meant that the Directors and Group Board have been reviewing financial plans for the next four years to ensure that the company can remain a going concern. This shows that we are able to service the debt facilities and do not breach the lenders covenants. The Directors will continue to review plans, using stress testing and mitigation planning, to make the necessary changes to continue to work with our customers and stakeholders to deliver services in a friendly, solution-focused way.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, a period of at least 12 months from the date of signing the accounts. The parent company has confirmed that it will provide financial support as required to ensure the company can meet its financial commitments. The Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the Accounts (continued)

1 Accounting policies (continued)

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments.

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

1.4 Turnover

Turnover relates to the sale of houses (recognised on the financial completion of the sale of the house) and of land (recognised on the unconditional exchange of contracts). The recognition of certain Housing Association turnover is dependent on the stage of completion based on the external valuation.

1.5 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:

Fixtures, fittings & equipment	- 25% and 33% straight line
Motor Vehicles	- 25% straight line

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.

Notes to the Accounts (continued)

1 Accounting policies (continued)

1.6 Fixed asset investments

Interests in jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Entities in which the company has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 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).

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 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.

1.8 Stocks

Stocks of land and work in progress are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the work in progress to its present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash at bank and in hand

Cash at bank and in hand 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.

Notes to the Accounts (continued)

1 Accounting policies (continued)

1.10 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 income statement because it excludes items of income or expense that are taxable or deductible that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability to current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 neither the tax profit nor the accounting profit.

1.11 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.

1.12 Retirement benefits

The company operated a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. The assets of the scheme are held separately from the company.

1.13 Interest receivable and Interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Notes to the Accounts (continued)

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 underlining 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.

The main accounting estimates are:

- Accrued costs – involving a degree of estimation uncertainty in respect of the final account settlement
- Assessment of costs to complete, which involves estimating final contract value and impacts profits recognised in allocating costs to completions before and after the year end
- Sales value and unsold stock – involving an assessment of the recoverability of stock

3. Operating profit

	2020	2019
	£'000	£'000
Profit/loss on ordinary activities before taxation is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	10	19
Depreciation of owned tangible fixed assets	8	19
Loss on disposal of tangible fixed assets	-	-
Cost of stocks recognised as expense	26,878	51,884
	<hr/>	<hr/>

Notes to the Accounts (continued)

4. Employees

The aggregate remuneration paid to the employees (including directors) comprised:

	2020	2019
	£'000	£'000
Salaries	1,676	3,471
Social Security costs	227	351
Pension costs	62	118
	<u>1,965</u>	<u>3,940</u>

The average monthly number of persons (including directors) employed by the company during the year was: 69 (2019: 68).

5. Directors' Remuneration

	2020	2019
	£'000	£'000
Remuneration for qualifying services	150	683
Company pension contributions to defined pension schemes	0	17
	<u>150</u>	<u>700</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to nil (2019: 5).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2020	2019
	£'000	£'000
Remuneration for qualifying services	<u>86</u>	<u>219</u>

Notes to the Accounts (continued)

6. Investment income

	2020	2019
	£'000	£'000
Interest income:		
Other interest income	1	1
	<u>1</u>	<u>1</u>

7. Interest payable and similar expenses

	2020	2019
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	336	699
Other interest on financial liabilities	324	737
	<u>660</u>	<u>1,436</u>
Other finance costs:		
Other interest	0	2
	<u>660</u>	<u>1,438</u>

8. Taxation

	2020	2019
	£'000	£'000
Current tax		
UK Corporation tax on profits for the current period	782	1,526
Total current tax	<u>782</u>	<u>1,526</u>

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

Notes to the Accounts (continued)

8. Taxation (continued)

	2020	2019
	£'000	£'000
Profit before taxation	4,114	8,004
Expected tax charge based on the standard rate of corporation tax in the UK of 19% (2019: 19%)	782	1,521
Tax effect of expenses that are not deductible in determining taxable profit	-	1
Permanent capital allowances in excess of depreciation	-	5
Reversal of timing differences	-	(6)
Land remediation relief	-	(1)
Movement in general provision	-	7
Taxation charge for the year	782	1,527

9. Fixed Assets

	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000
Cost			
Balance at 1 October 2019	74	62	136
Additions in the year	-	14	14
Disposals in the year	-	(7)	(7)
Balance at 31 March 2020	74	69	143
Depreciation			
Balance at 1 October 2019	64	22	86
Charge for the year	2	6	8
Disposal for the year	-	(7)	(7)
Balance at 31 March 2020	66	21	87
Net Book Value			
At 31 March 2020	8	48	56
At 30 September 2019	10	40	50

Notes to the Accounts (continued)

10. Joint ventures

Details of the company's joint ventures at 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct and Indirect
BB Property Ventures Limited	England & Wales	Not currently trading	Ordinary	50

The cost of the investment is £500 (2019: £500). The carrying amount of the investment is £500 (2019: £500).

11. Stocks

	2020	2019
	£'000	£'000
Work in progress	43,308	50,904

12. Debtors

2020	2019
£'000	£'000

Amounts falling due within one year:

Trade debtors	1,203	2,085
Amounts owed by group undertakings	457	165
Other debtors	-	919
	1,661	3,169

Amounts falling due after more than one year:

Amounts due from related parties	-	-
Total debtors	1,661	3,169

Notes to the Accounts (continued)

	2020	2019
	£'000	£'000
13. Cash and cash equivalents		
Cash at bank and in hand	<u>11,950</u>	<u>2,813</u>

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of Cash Flow Statement and related notes.

14. Creditors: amounts falling due within one year		2020	2019
	Note	£'000	£'000
Bank loans and overdrafts	6	14,500	12,000
Payments received on account		551	448
Trade creditors		4,301	7,842
Amounts due to joint ventures		12	18
Corporation tax		782	726
Other taxation and social security		222	129
Other creditors		396	40
Accruals and deferred income		4,423	7,278
		<u>25,187</u>	<u>24,481</u>

15. Creditors: amounts falling due after more than one year		2020	2019
	Note	£'000	£'000
Other borrowings	16	9,500	9,500
Other creditors		-	-
		<u>9,500</u>	<u>9,500</u>

Notes to the Accounts (continued)

	2020	2019
	£'000	£'000
16. Loans and overdrafts		
Bank loans	14,500	12,000
Other loans	9,500	9,500
	<u>21,500</u>	<u>21,500</u>
Payable within one year	14,500	12,000
Payable after one year	<u>9,500</u>	<u>9,500</u>

Bank loans are secured by fixed and floating charges held over the company assets. The loan attracts interest at 3.5% above LIBOR.

Loan notes of £9.5 million included in the above are secured over the assets of the company. The loan notes receive interest at 6% above base rate. They are held by related parties as disclosed in the note 22. All loan notes are due for redemption in May 2021.

17. Capital commitments – operating leases

	2020	2019
	£	£
Due within one year	101,151	101,209
Due within 2 to 5 years	404,881	404,881
Due after 5 years	388,531	439,187
	<u>894,563</u>	<u>945,277</u>

18. Retirement benefit schemes

	2020	2019
	£'000	£'000
Defined contribution schemes:		
Charge to profit or loss in respect of defined contribution schemes	<u>62</u>	<u>118</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.

Notes to the Accounts (continued)

19. Share capital

	2020 £	2019 £
Ordinary share capital issued and fully paid		
Ordinary shares of £1 each	1,639	1,639
Ordinary A shares of £1 each	-	-
Ordinary B shares of £1 each	-	-
	<u>1,639</u>	<u>1,639</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Dividends

At the balance sheet date no dividends have been proposed by the directors.

20. Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

21. Directors' transactions

During the year the company sold houses and land to certain directors of the company totalling £nil (2019: £220,000). The company also entered into contracts with certain directors to build houses totalling £nil (2019: £840,000).

22. Controlling party

The company is a subsidiary undertaking of VIVID Build Limited (07930319).

At 31 March 2020, the ultimate controlling party was VIVID Housing Limited. The group accounts are prepared by VIVID Housing and a copy of the accounts can be obtained at the registered office, Peninsular House, Wharf Road, Portsmouth, Hampshire, PO2 8HB.

Notes to the Accounts (continued)

23. Related party transactions

The Company has taken advantage of the exemption contained in FRS102 1.12(e) section 33.1a from reporting related party transactions with intergroup entities.

The directors are considered to be the only key management personnel. The remuneration of the directors is given in the note 5.

At the year end, the company owed loan notes totalling £9,500,000 as disclosed in Note 16, to the following related parties: £1,450,000 (2019: £1,450,000) to Mr G Price. Mr Price earned interest on money lent to the company of £49,394 (2019: £99,380). Interest of £24,232 (2019: £24,879) remained payable at the year end.

22. Related party transactions (continued)

- £750,000 (2019: £750,000) to Mrs S Price. Mrs Price earned interest on money lent to the company of £25,549 (2019: £51,404). Interest of £12,534 (2019: £12,868) remained payable at the year end.
- £7,300,000 (2019: £7,300,000) to Prowting Investments PLC, a former shareholder. Prowting Investments PLC earned interest on money lent to the company of £248,676 (2019: £586,347). Interest of £121,995 (2019: £125,250) remained payable at the year end.

During the period the company paid rent to The Bargate Pension Scheme totalling £40,000 (2019: £73,458).

At the balance sheet date the company owed £11,930 (2019: £17,930) to BB Property Ventures Limited.