VESTAL DEVELOPMENTS LIMITED

Annual Report and Financial Statements

Registered number 05509078

For the year ended 31st March 2020

Contents

Strategic Report For The Year Ended 31 March 2020

Introduction

The directors present their report and the financial statements for the year ended 31 March 2020.

Financial key performance indicators

We have made a profit before donation under deed of covenant and tax in the year of £5,548k (2019: £8,161k).

Principal activities and review of business performance

Vestal Developments Limited (the "Company") was established to develop and sell residential property. The company sold its investment in photo-voltaic installations on properties owned by its parent company VIVID Housing Limited ('VIVID') to the VIVID to allow focus on housing development.

We have significantly progressed the Chapel Gate, Stoneham Park sites and completed the Goch Way project, with 3 other sites progressing well. We've sold 352 homes in the year, 179 of which were affordable homes for VIVID.

Building New Homes

We're making a contribution to the supply of new homes in Hampshire and Surrey. In 2019-20 we invested £39m in the development of new homes for VIVID (2019: £12m), whilst completing the sale of 173 private market houses in the year.

	2016	2017	2018	2019	2020
Sales turnover (£'000)	8,836	4,987	22,983	46,828	79,415
Gross Profit %	8.6%	17.9%	19.7%	20.8%	10.2%
Number of private market sales completed	-	8	86	99	173

Our future plans

The company has a pipeline of schemes in progress within Hampshire continuing, land purchased at 1 additional site currently progressing through planning, and further schemes looking to come on line in 2020-21.

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.

Construction price inflation

Cost risk and the impact of construction price inflation is continually assessed. We manage construction costs by entering into fixed price contracts with subcontractors.

Housing market exposure

Historically the market risk was mitigated by only conducting firm contracts with the parent company. Provision of the rented and shared ownership properties are still wholly contracted by the parent. The Vestal board oversees the projects which see the company exposed to the sales risk on market housing. The board received forecast financial returns for each of these schemes when the projects were approved. Cash flow progress, including sales performance are reported to the board at every meeting as part of our liquidity analysis.

Our sales values have been assessed using a RICS red book valuation from an experienced surveyor, and do not forecast any increase from today's values. This is a pessimistic position to take in the market place and differs from the approach used by house builders. These values will be updated every 6 months, with any adverse variations reported to the board. Prior to marketing, a fresh valuation will be commissioned which will ensure we are selling the homes at the appropriate value.

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.

Duncan Brown

Date: 25 June 2020

Directors Report For The Year Ended 31 March 2020

Directors

Directors	Duncan Brown (Chair) Mike Shepherd	All directors have joint contracts with Vestal and the parent company and did not receive any remuneration for their role as board members of Vestal.
Company Secretary	Duncan Brown	
Company Number	**05509078**	**Bankers** Royal Bank of Scotland 3 Hampshire Corporate Park Templars Way, Chandlers Ford Hampshire SO53 3RY
Registered Office	Peninsular House Wharf Road Portsmouth Hampshire PO2 8HB	
Auditors	**External Auditors** **BDO LLP** 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA	**Internal Auditors** PricewaterhouseCoopers LLP 3 Ocean Way, Ocean Village, Southampton, SO14 3TJ
Accountancy & Tax Advisors	**BDO LLP** 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA	

Directors' Report
For the year ended 31 March 2020

Matters covered in the strategic report

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.

Employees

Vestal has no direct employees (2019: Nil).

Directors' Indemnities

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. Our Rules indemnify each of the Directors of the Company and/or its subsidiaries as a supplement to the Directors' and officers' insurance cover. The indemnities were in force during the 2019/20 financial year and remain in force for all current and past Directors of the Company.

Political contributions

The Company made no political donations or political expenditure during the year (2019: Nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

By order of the board

Duncan Brown
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, the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Vestal Developments Limited

Opinion

We have audited the financial statements of Vestal Developments Limited (the 'company') for the year 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 year 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 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 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 year ended 31 March 2020

	Note	**2020** **£000**	2019 £000
Turnover		**79,415**	46,828
Cost of sales		**(72,064)**	(37,074)
Gross profit		**7,351**	9,754
Administrative expenses	2	**(127)**	(224)
Operating profit		**7,224**	9,530
Interest payable and similar charges	3	**(1,676)**	(1,369)
Profit on ordinary activities before taxation		**5,548**	8,161
Tax on profit on ordinary activities	5	**190**	(15)
Profit for the financial year & Total Comprehensive Income		**5,738**	8,146

The accompanying notes on pages 13 to 21 form an integral part of the Financial Statements.

Statement of Financial Position

As at 31 March 2020

	Note	**2020**		2019	
		£000	**£000**	£000	£000
Fixed assets					
Tangible assets	6		**-**		1,967
			-		1,967
Current assets					
Stocks	7	**101,933**		73,595	
Debtors	8	**7,760**		1,474	
Cash at bank and in hand	9	**478**		248	
		110,171		75,317	
Creditors: amounts falling due within one year	10	**(57,542)**		(50,713)	
Net current asset			**52,629**		24,604
Total assets less current liabilities			**52,629**		26,571
Creditors: Amounts due after one year	11		**(38,752)**		(23,285)
Loans	12		**(4,971)**		-
Deferred tax liability	13		**-**		(177)
Net assets			**8,906**		3,109
Capital and reserves					
Called up share capital	14		**-**		-
Profit and loss account			**8,906**		3,109
Shareholders' funds			**8,906**		3,109

These financial statements were approved by the board of directors on 25 June 2020 and were signed on its behalf by:

Duncan Brown
Chair

Statement of Changes in Equity

For the year ended 31 March 2020

	2020	2019
	£000	£000
Balance brought forward from previous year	3,109	3,034
Profit and total comprehensive income for the current period	5,738	8,146
Donation to parent entity under deed of covenant	59	(8,071)
Balance at 31st March	**8,906**	**3,109**

Notes to the Accounts

1 Accounting policies

Vestal Developments 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"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, 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.
- 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.

The directors consider that there are no significant judgements in the application of these accounting policies that have significant effect on the financial statements nor estimates with a significant risk of material adjustment in the next year.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

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. 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)

1.3 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 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether there are any indicators that tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. No depreciation is charged in the year of disposal.

The estimated useful lives are as follows:

- plant and equipment, (Photovoltaic panels) 25 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.5 Construction contract debtors

Construction contract debtors represent the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date less a provision for foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction contract debtors are presented as part of debtors in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as accruals and deferred income in the balance sheet.

Notes to the Accounts (continued)

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Long term contract balances represent costs incurred on specific contracts, net of amounts transferred to cost of sales in respect of work recorded as turnover, less foreseeable losses and payments on account not matched with turnover and are included within stocks and work in progress.

1.7 Employee benefits

Vestal Developments Limited has no direct employees. Members of the development team have joint VIVID and Vestal contracts, but all their remuneration is paid by the parent company and disclosed as appropriate in those accounts. There are no recharges on specific staff costs from the parent company.

1.8 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.9 Turnover

Turnover from the photovoltaic panels is accounted for on the basis of income earned in the period.

Turnover and attributable profit relating to long term development contracts, where the purchaser can specify major structural elements of the design before and during construction, is recognised based on the stage completion of the contract at the year end.

Individual properties developed for open market sale, where the purchaser does not obtain control or the significant risks and rewards of the work in progress, turnover and attributable profit are recognised on delivery of the real estate to the purchaser.

1.10 Interest receivable and Interest payable

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

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Notes to the Accounts (continued)

1.11 Taxation (continued)

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2. Expenses and auditor's remuneration

Auditor's remuneration:

	2020	2019
	£000	£000
Amounts receivable by the company's auditor and its associates in respect of:		
Audit fees	8	8
Non-Audit related fees	3	2

3. Interest payable and similar charges

	2020	2019
	£000	£000
Interest payable and similar charges payable to group undertakings	**1,676**	**1,369**

Notes to the Accounts (continued)

4. Employee note

Vestal Developments Limited has no direct employees (2019: Nil).

5. Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2020		2019	
	£000	**£000**	£000	£000
Current tax on income for the period		**-**		-
Tax djustments in relation to prior periods		**(13)**		-
Deferred tax (see note 13)				
Origination and reversal of timing differences	**(177)**		15	
Total deferred tax		**(177)**		15
Total tax		**(190)**		15
Recognised in Profit and loss account		**(190)**		15

Reconciliation of effective tax rate

	2020	2019
	£000	£000
Profit for the year	**5,738**	8,146
Total tax expense/(credit)	**(190)**	15
Profit excluding taxation	**5,548**	8,161
Tax using the UK corporation tax rate of 19% (2019: 19%)	**1,054**	1,550
Reduction in tax rate on deferred tax balances	**20**	(2)
Tax adjustment in relation to prior years	**(13)**	
Group relief claimed	**(27)**	-
Gift aid contribution to parent charity	**(1,224)**	(1,533)
Total tax expense included in profit or loss	**(190)**	15

Notes to the Accounts (continued)

6. Tangible fixed assets

	Photovoltaic panels £000
Cost	
Balance at 1st April 2019	2,806
Disposals in the year	(2,806)
Balance at 31st March 2020	-
Depreciation and impairment	
Balance at 1st April 2019	839
Depreciation charge for the year	-
Disposal for the year	(839)
Balance at 31st March 2020	-
Net book value	
At 31st March 2020	**-**
At 31st March 2019	1,967

7. Stocks

	2020 £000	2019 £000
Work in progress	**101,933**	73,595

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £72,064 (2019: £37,704k*)*.

Notes to the Accounts (continued)

8. Debtors

	2020	2019
	£000	£000
Trade debtors	-	-
Amounts owed by group undertakings	2,691	-
VAT receivable	2,493	222
CT receivable	-	1,169
Prepayments and accrued income	90	83
Debtor due within 1 year	**5,274**	**1,474**
Debtor due over 1 year	2,486	-
Total Debtors	**7,760**	**1,474**

9. Cash and cash equivalents

	2020	2019
	£000	£000
Cash at bank and in hand	**478**	248

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 Cash Flow Statement and related notes.

10. Creditors: amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors and accruals	-	9
Amounts owed to group undertakings	54,000	36,067
Amounts owed by gift aid	-	8,071
Corporation Tax	-	-
Other creditors	3,542	6,565
	57,542	**50,712**

The loan from the parent company is repayable within one year and is shown as a current liability. The interest rate on the loan is at LIBOR plus a commercial margin.

Notes to the Accounts (continued)

11. Creditors: amounts falling due after one year

	2020 £000	2019 £000
Deferred income *	38,752	23,285
	38,752	**23,285**

* Vestal has entered into a binding purchase agreement with its parent VIVID Housing Ltd for land acquired as part of an overall development strategy at a site known as Stoneham Lane, Eastleigh. Vestal has up to 10 years to complete the purchase.

12. Loans

	2020 £000	2019 £000
Loan finance	4,971	-

Heritable Development Finance Limited provided development loan finance to Vestal. The full facility is £8,300k of which £4,971k is drawn at the year end. The loan is secured against the development scheme known as Beech Tree Close and is repayable in December 2021.

Changes in net debt	**At April 2019 £'000**	**Cashflows £'000**	**Other Non-cashflows £'000**	**At 31st March 2020 £'000**
Cash at bank and in hand	248	230	-	478
Debt due within one year	-	-	-	-
Debt due after one year	-	(4,971)	-	(4,971)
Net debt after issue costs	248	(4,741)	-	(4,741)

Notes to the Accounts (continued)

13. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2020	2019	**2020**	2019
	£000	£000	**£000**	£000
Accelerated capital allowances	**-**	**-**	**-**	**(177)**
Tax liabilities	**-**	**-**	**-**	**(177)**
Net of tax assets	**-**	**-**	**-**	**-**
Net tax (liabilities)	**-**	**-**	**-**	**(177)**

14. Capital and reserves

Share capital

Allotted called up and fully paid	**2020**	2019
	£	£
1 ordinary shares of £1 each	**1**	1

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.

15. Ultimate parent company

The Company is a subsidiary undertaking of VIVID Housing, a registered provider of social housing, which has the power to appoint board members to the company.

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.

16. Related Parties

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 key management personnel of the company are the Directors and details are disclosed in the Directors Report.

As noted in long term creditors, the Company has entered into a binding purchase agreement with its parent to acquire land at a site known as Stoneham Lane, Eastleigh for a fixed price of £18m. Vestal is required under contract to complete this purchase within 5 years.