

Company Registration No. 11173532 (England and Wales)

**PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 OCTOBER 2019**



## **PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

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**PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	C D White V R White
<b>Secretary</b>	V R White
<b>Company number</b>	11173532
<b>Registered Office</b>	New Vision House New Vision Business Park Glascoed Road St Asaph Denbighshire LL17 0LP
<b>Auditors</b>	RSM UK Audit LLP One City Place Queens Road Chester CH1 3BQ
<b>Bankers</b>	The Royal Bank of Scotland PO Box 1973 1 Exchange Flags Liverpool L69 2PE
<b>Solicitors</b>	Gamlins Solicitors 31 / 37 Russell Road Rhyl Denbighshire LL18 3DB

## **PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 OCTOBER 2019**

The directors present their report and financial statements for the period ended 31 October 2019.

#### **Principal activities**

The principal activity of the company continued to be that of residential development.

#### **Review of the business**

In the company's first full financial year after being incorporated in January 2018, the Directors report turnover of £1,079,950 (2019: £NIL). During 2019, Pure Residential & Commercial (Denbigh) Limited continued developing phase 1 of the development which has 75 dwellings in total. The site comprises of a variety of dwellings aimed at the first time buyer, retired and family sectors located in the idyllic setting on the outskirts of Denbigh and close to the local amenities, schools and hospital. In the year, the company saw their first 5 completions.

#### **Future of the development**

Early in 2020 phase 1 of the development was complete and due to positive sale completions, with only 1 remaining, work continued into phase 2. 24 sales are guaranteed for 2020, with further reservations on another 24 houses which are scheduled to be complete in the first quarter of the financial year ending 2021. The strong interest in all house types is as a result of the parent company's reputation for design and quality within Denbigh and the surrounding areas.

#### **Global Pandemic**

Like the vast majority of companies in the UK the impact of the global pandemic could impact the company. We are closely monitoring the market and our supply chain. Although the impact is minimal at this point, we have seen some delays on sites but work has managed to continue albeit with added safety procedures and guidance. As well as continued support from our funders, the company has managed to attain government support such as the Furlough Scheme.

#### **Directors**

The following has held office during the year:

C D White  
V R White

#### **Auditors**

RSM UK Audit LLP have indicated their willingness to be reappointed and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

**PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 OCTOBER 2019**

**Statement as to disclosure of information to auditors**

The directors who were in office on the date of approval of these financial statements has confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware.

The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

**Statement of director's responsibilities**

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with the Financial Reporting Standards (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 the profit and loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper 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 to 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board and signed on its behalf



**C D White**  
**Director**  
**30th October 2020**

## **PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

#### **Opinion**

We have audited the financial statements of Pure Residential & Commercial (Denbigh) Limited for the period ended 31st October 2019 which comprise of the Statement of comprehensive income, the Statement of financial position, the 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 FRS 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 October 2019 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.

## **PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO PURE RESIDENTIAL & COMMERCIAL (DENBIGH) (continued)**

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors are 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 directors' report.

## **PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO PURE RESIDENTIAL & COMMERCIAL (DENBIGH) (continued)**

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 4, 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: <http://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.

RSM UK Audit LLP

Michael Fairhurst FCA (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
One City Place  
Queens Road  
Chester  
CH1 3BQ

Date: 30th October 2020



**PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 OCTOBER 2019**

		<b>2019</b>	<b>Period</b>
	<b>Notes</b>	<b>£</b>	<b>29 Jan 2018 -</b>
			<b>31 Oct 2018</b>
			<b>£</b>
<b>Turnover</b>		1,079,950	0
Cost of sales		(669,892)	0
<b>Gross profit</b>		<u>410,058</u>	<u>0</u>
Administrative expenses		(36,815)	(126,187)
<b>Operating profit/(loss)</b>	<b>1</b>	<u>373,243</u>	<u>(126,187)</u>
Interest payable and similar charges	<b>3</b>	(159,221)	(28,969)
<b>Profit/(Loss) on ordinary activities before tax</b>		<u>214,022</u>	<u>(155,156)</u>
Tax on profit on ordinary activities	<b>4</b>	0	0
<b>Profit/(Loss) on ordinary activities after tax</b>		<u><u>214,022</u></u>	<u><u>(155,156)</u></u>

PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED

Company Number: 11173532

STATEMENT OF FINANCIAL POSITION  
AS AT 31 OCTOBER 2019

	Notes	2019 £	2018 £
<b>Current assets</b>			
Stocks	5	4,342,929	1,993,827
Debtors	6	440	0
Cash in bank and in hand		506,314	0
		<u>4,849,683</u>	<u>1,993,827</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(246,717)</u>	<u>(1,321,731)</u>
<b>Net current assets</b>		4,602,966	672,096
<b>Total assets less current liabilities</b>		<u>4,602,966</u>	<u>672,096</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(4,544,000)	(827,152)
<b>Net assets/(debt)</b>		<u>58,966</u>	<u>(155,056)</u>
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account		58,866	(155,156)
<b>Net Assets/(debt)</b>		<u>58,966</u>	<u>(155,056)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board on 30th October 2020 and signed on its behalf by

  
C D White  
Director

**PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 OCTOBER 2019**

	Share Capital £	Profit and Loss Account £	Total £
Issue of Share Capital	100	0	100
(Loss) for the year	0	(155,156)	(155,156)
<b>Balance as at 31st October 2018</b>	100	(155,156)	(155,056)
Profit for the year	0	214,022	214,022
<b>Balance as at 31st October 2019</b>	100	58,866	58,966

## **PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 OCTOBER 2019**

#### **Accounting Policies**

##### **General information**

Pure Residential & Commercial (Denbigh) Limited is a private company limited by shares incorporated in England and Wales.

The address the company's registered office and principal place of business is New Vision House, New Vision Business Park, Glascoed Road, St Asaph, Denbighshire, LL17 0LP.

The company's principal activities are included in the directors' report.

##### **Basis of Accounting**

These financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the requirements of the Companies Act 2006, including the provisions of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, and under the historical cost convention, modified to include investment properties and certain financial instruments at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole pound except where otherwise stated.

##### **Going Concern**

The company and its related company Pure Residential & Commercial Limited, meet their working capital requirements with support from the companies bankers. The directors, who are the directors of both companies, are very confident that this support will continue due to the existing strong relationships, past agreements and those currently in place with the company bankers. Regular meetings and communication with the banks have contributed to the strong relationships that exist. The company is also dependent upon the continued support it receives from its related company. This support has been formally confirmed for at least the next 12 months. Given this support and based upon the forecast cash flow projections for the next 12 months, which are continually updated, challenged and revised for continual changes, the directors considers it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the withdrawal of support from the company's bankers or from the related company. The directors have secured funding for the expected life of the projects from the company's bankers and together with their support, this provides peace of mind while also dealing with any impact from the global pandemic.

##### **Reduced Disclosures**

The Company has taken advantage of the exemption from disclosing the following information in its company only accounts, as permitted by the reduced disclosure regime within FRS 102.

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic financial instruments' and Section 12 'Other financial instrument issues'
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

The financial statements of the Company are consolidated in the financial statements of K&C Group (NW) Limited. The consolidated financial statements of K&C Group (NW) Limited are available from its registered office, New Vision House, New Vision Business Park, Glascoed Road, St Asaph, Denbighshire, LL17 0LP.

## **PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 OCTOBER 2019**

#### **Accounting policies (continued)**

##### **Functional and Presentational currencies**

The financial statements are presented in sterling which is also the functional currency of the Company.

##### **Turnover**

Turnover is related entirely to UK activities which consist of house sales.

Turnover for house sales are recognised at legal completion of house sales and represents the achieved sales values.

Turnover is shown net of Value Added Tax.

##### **Stock and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value; cost includes materials, labour and sub-contract work.

The company's land stocks comprise two main categories:

Type 1: land where construction has commenced at the year end and which is generally short to medium term in its development horizon.

Type 2: land where no construction has taken place at the year end.

Net realisable value for land where construction has commenced at the year end (Type 1) is assessed by estimating selling prices and associated costs (including sales and marketing expenses), taking into account current market conditions at the Balance Sheet date.

Land where construction has not commenced at the year end (Type 2) has its net realisable value assessed based on the land's likely use, taking account of current estimated selling prices and associated costs, at that time, assuming an appropriate financial return to reflect current market conditions and the prevailing financial environment at the Balance Sheet date.

##### **Taxation**

The tax expense represents the sum of the current tax expenses and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

## PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 OCTOBER 2019

#### Accounting policies (continued)

#### Financial liabilities

##### *Trade creditors, group and other*

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

##### *Borrowings*

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar expenses.

#### 1 Operating profit

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2019 £	Period ended 31 Oct 2018 £
Audit services - statutory audit of the company	2,850	1,200
Other non-audit services	1,200	1,050
	<u>4,050</u>	<u>2,250</u>

#### 2 Employees

There are no employees or staff costs during the year.

#### 3 Interest payable

	2019 £	Period ended 31 Oct 2018 £
Bank loan	159,221	28,969
	<u>159,221</u>	<u>28,969</u>

**PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 OCTOBER 2019**

**4 Taxation**

	2019 £	Period ended 31 Oct 2018 £
<b>Current tax</b>		
U.K. corporation tax on profits/(loss) of current year	<u>0</u>	<u>0</u>
Deferred Tax (Credit)/Charge	<u>0</u>	<u>0</u>
Tax on profit on ordinary activities	<u>0</u>	<u>0</u>
<b>Factors affecting the tax charge for the year</b>		
Profit/(Loss) on ordinary activities before taxation	<u>214,022</u>	<u>(155,156)</u>
Profit/(Loss) on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19% (2018: 0%)	<u>40,664</u>	<u>(29,480)</u>
Effects of:		
Group relief surrendered	<u>(40,664)</u>	<u>29,480</u>
	<u>(40,664)</u>	<u>29,480</u>
<b>Current tax charge</b>	<u>0</u>	<u>0</u>

**5 Stocks**

	2019 £	Period ended 31 Oct 2018 £
Work in Progress	<u>4,342,929</u>	<u>1,993,827</u>

**6 Debtors**

	2019 £	Period ended 31 Oct 2018 £
Other Taxations and social security	<u>440</u>	<u>0</u>

**7 Creditors: amounts falling due within one year**

	2019 £	Period ended 31 Oct 2018 £
Trade Creditors	5,400	0
Sales Deposits	4,595	0
Amount owed to group undertakings	232,672	1,319,481
Accruals	4,050	2,250
Corporation Tax	0	0
	<u>246,717</u>	<u>1,321,731</u>

**PURE RESIDENTIAL & COMMERCIAL (DENBIGH) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 31 OCTOBER 2019**

<b>8 Creditors: amounts falling due after more than one year</b>	<b>2019 £</b>	<b>Period ended 31 Oct 2018 £</b>
Bank loans	4,544,000	827,152
	<u>4,544,000</u>	<u>827,152</u>
<b>Loan maturity analysis</b>		
Within one year	0	0
In more than one year but not more than two years	0	827,152
In more than two years but not more than five years	4,544,000	0
	<u>4,544,000</u>	<u>827,152</u>

The bank loans comprise land and development loans advanced against specific owned development sites and properties. These loans are secured by a first legal charge over specified assets, recognised in the accounts at £4,342,929 (2018: £1,993,827) which are included in stock.

<b>9 Share capital and reserves</b>	<b>2019 £</b>	<b>Period ended 31 Oct 2018 £</b>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

*Ordinary share rights*

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

**Reserves**

Reserves of the company represent the following:

*Profit and Loss Account*

Cumulative profit and loss net of distributions to owners

**10 Ultimate parent company**

The company's ultimate parent company is K&C Group (NW) Limited, as a company incorporated in England and Wales.

K&C Group (NW) Limited prepares group consolidated accounts, incorporating those of Pure Residential & Commercial (Denbigh) Limited and are available from the holding company's registered office at New Vision House, New Vision Business Park, Glascoed Road, St Asaph, Denbighshire, LL17 0LP.

**11 Post Balance Sheet Event**

On 30 January, the World Health Organisation (WHO) announced Coronavirus as a global health emergency and on 11 March 2020, it announced that Coronavirus was a global pandemic. The UK subsequently entered into a national lock down period followed by more local restrictions which significantly impacted many businesses nationally in terms of their ability to trade effectively. The directors continue to monitor and consider the financial impact of the pandemic on the company.