

Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 March 2020
for
Badger Building (E.Anglia) Ltd

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for the Year Ended 31 March 2020

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Badger Building (E.Anglia) Ltd
Company Information
for the Year Ended 31 March 2020

DIRECTORS:

Mr S Muirhead
Mr R J Lockhart
Mr H E George
Mr H W George
Mr E C George

SECRETARY:

Mr R J Lockhart

REGISTERED OFFICE:

Stanley House
Stanley Street
Lowestoft
Suffolk
NR32 2DZ

REGISTERED NUMBER:

02407008 (England and Wales)

AUDITORS:

Cunninghams Statutory Auditors
Number Sixty One
Alexandra Road
Lowestoft
Suffolk
NR32 1PL

Group Strategic Report
for the Year Ended 31 March 2020

The directors present their strategic report of the company and the group for the year ended 31 March 2020.

REVIEW OF BUSINESS

The group has once again had a successful and profitable year in line with the directors' expectations.

The group continues to add to its large and diversified land bank which will provide development opportunities for many years to come.

There a number of operational and financial challenges in the housing industry that the group has continued to face. In particular, these have been:-

- The impact of requirements to provide social housing on each site that provide no contribution to margin;
- The lack of skilled labour in the job market;
- Shortages in certain material supplies and the associated cost pressures.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors are fully aware of the various risks and uncertainties that would affect the successful operation of the group's business.

Their approach to strategic risk mitigation is to hold a significant and diversified land bank that will allow the group to choose both the location and the types of properties it develops to best suit the prevailing economic conditions. These can be affected by the condition of the housing market and the availability or affordable mortgage finance to buyers.

Other operating risks include, but are not limited to:-

- The availability of development land and the complexities involved in the processes to achieve planning consent;
- The ability to attract and retain the very best personnel, workforce, subcontractors and professional advisors;
- The adequacy and completeness of systems in place to mitigate the dangers inherent in the construction process;
- The unknown impact of Brexit and its potential effects on both the demand for housing and the supply of materials and labour.

KEY PERFORMANCE INDICATORS

Turnover for the year shows a very healthy increase of 7.4%. Turnover can fluctuate year on year and is reliant on the buoyancy of the housing market and the types of housing constructed in the year and their location.

The gross profit has decreased by 13.8% when compared with the previous year. The margin achieved within the year has been heavily influenced by the number of social housing plots sold. This margin is also influenced by the location of developments as well as the mix of houses built.

The group completed on 79 plots this year. This is an increase of 5 plots from the prior year.

ON BEHALF OF THE BOARD:

Mr R J Lockhart - Director

20 November 2020

Report of the Directors
for the Year Ended 31 March 2020

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

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

Mr S Muirhead
Mr R J Lockhart

Other changes in directors holding office are as follows:

Mr H E George - appointed 31 March 2020
Mr H W George - appointed 31 March 2020
Mr E C George - appointed 31 March 2020

Mr S D George ceased to be a director after 31 March 2020 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Report of the Directors
for the Year Ended 31 March 2020

AUDITORS

The auditors, Cunninghams Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr R J Lockhart - Director

20 November 2020

Report of the Independent Auditors to the Members of
Badger Building (E.Anglia) Ltd

Opinion

We have audited the financial statements of Badger Building (E.Anglia) Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 group's and of the parent company affairs as at 31 March 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Report of the Independent Auditors to the Members of
Badger Building (E.Anglia) Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on page three, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

Benjamin Lynes (Senior Statutory Auditor)
for and on behalf of Cunninghams Statutory Auditors
Number Sixty One
Alexandra Road
Lowestoft
Suffolk
NR32 1PL

26 November 2020

Consolidated Income Statement
for the Year Ended 31 March 2020

	Notes	31.3.20 £	31.3.19 £
TURNOVER	3	16,767,308	15,607,536
Cost of sales		<u>12,493,656</u>	<u>9,474,127</u>
GROSS PROFIT		4,273,652	6,133,409
Administrative expenses		<u>1,640,203</u>	<u>1,578,719</u>
		2,633,449	4,554,690
Other operating income		<u>130,522</u>	<u>58,119</u>
OPERATING PROFIT	5	2,763,971	4,612,809
Interest receivable and similar income		<u>41,116</u>	<u>23,666</u>
		2,805,087	4,636,475
Interest payable and similar expenses	6	<u>300</u>	<u>781</u>
PROFIT BEFORE TAXATION		2,804,787	4,635,694
Tax on profit	7	<u>570,867</u>	<u>887,157</u>
PROFIT FOR THE FINANCIAL YEAR		<u>2,233,920</u>	<u>3,748,537</u>
Profit attributable to:			
Owners of the parent		<u>2,233,920</u>	<u>3,748,537</u>

The notes form part of these financial statements

Badger Building (E.Anglia) Ltd (Registered number: 02407008)

Consolidated Other Comprehensive Income
for the Year Ended 31 March 2020

	31.3.20 £	31.3.19 £
Notes		
PROFIT FOR THE YEAR	2,233,920	3,748,537
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME	2,233,920	3,748,537
FOR THE YEAR		
Total comprehensive income attributable to: Owners of the parent	2,233,920	3,748,537

The notes form part of these financial statements

Badger Building (E.Anglia) Ltd (Registered number: 02407008)

Consolidated Balance Sheet
31 March 2020

	Notes	31.3.20 £	£	31.3.19 £	£
FIXED ASSETS					
Intangible assets	9		-		10,559
Tangible assets	10		791,357		682,441
Investments	11		100		100
			<u>791,457</u>		<u>693,100</u>
CURRENT ASSETS					
Stocks	12	30,569,814		31,535,357	
Debtors	13	405,822		423,369	
Cash at bank and in hand		<u>7,159,456</u>		<u>4,919,551</u>	
		38,135,092		36,878,277	
CREDITORS					
Amounts falling due within one year	14	<u>4,484,289</u>		<u>5,549,162</u>	
NET CURRENT ASSETS			<u>33,650,803</u>		<u>31,329,115</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			34,442,260		32,022,215
CREDITORS					
Amounts falling due after more than one year	15		(171,966)		-
PROVISIONS FOR LIABILITIES	18		<u>(54,379)</u>		<u>(40,220)</u>
NET ASSETS			<u>34,215,915</u>		<u>31,981,995</u>
CAPITAL AND RESERVES					
Called up share capital	19		6,075		6,075
Share premium	20		2,735,843		2,735,843
Capital redemption reserve	20		168		168
Retained earnings	20		<u>31,473,829</u>		<u>29,239,909</u>
SHAREHOLDERS' FUNDS			<u>34,215,915</u>		<u>31,981,995</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20 November 2020 and were signed on its behalf by:

Mr R J Lockhart - Director

Mr S Muirhead - Director

The notes form part of these financial statements

Badger Building (E.Anglia) Ltd (Registered number: 02407008)

Company Balance Sheet
31 March 2020

	Notes	31.3.20 £	£	31.3.19 £	£
FIXED ASSETS					
Intangible assets	9		-		10,559
Tangible assets	10		246,075		310,900
Investments	11		200		200
			<u>246,275</u>		<u>321,659</u>
CURRENT ASSETS					
Stocks	12	30,569,814		31,535,357	
Debtors	13	1,131,886		809,600	
Cash at bank and in hand		<u>6,851,146</u>		<u>4,917,895</u>	
		38,552,846		37,262,852	
CREDITORS					
Amounts falling due within one year	14	<u>4,450,601</u>		<u>5,547,478</u>	
NET CURRENT ASSETS			<u>34,102,245</u>		<u>31,715,374</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			34,348,520		32,037,033
CREDITORS					
Amounts falling due after more than one year	15		(171,966)		-
PROVISIONS FOR LIABILITIES	18		<u>(54,379)</u>		<u>(40,220)</u>
NET ASSETS			<u>34,122,175</u>		<u>31,996,813</u>
CAPITAL AND RESERVES					
Called up share capital	19		6,075		6,075
Share premium	20		2,735,843		2,735,843
Capital redemption reserve	20		168		168
Retained earnings	20		<u>31,380,089</u>		<u>29,254,727</u>
SHAREHOLDERS' FUNDS			<u>34,122,175</u>		<u>31,996,813</u>
Company's profit for the financial year			<u>2,125,362</u>		<u>3,763,355</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20 November 2020 and were signed on its behalf by:

Mr R J Lockhart - Director

Mr S Muirhead - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2020

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 April 2018	6,075	25,491,372	2,735,843	168	28,233,458
Changes in equity					
Total comprehensive income	-	3,748,537	-	-	3,748,537
Balance at 31 March 2019	6,075	29,239,909	2,735,843	168	31,981,995
Changes in equity					
Total comprehensive income	-	2,233,920	-	-	2,233,920
Balance at 31 March 2020	6,075	31,473,829	2,735,843	168	34,215,915

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 31 March 2020

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 April 2018	6,075	25,491,372	2,735,843	168	28,233,458
Changes in equity					
Total comprehensive income	-	3,763,355	-	-	3,763,355
Balance at 31 March 2019	6,075	29,254,727	2,735,843	168	31,996,813
Changes in equity					
Total comprehensive income	-	2,125,362	-	-	2,125,362
Balance at 31 March 2020	6,075	31,380,089	2,735,843	168	34,122,175

Consolidated Cash Flow Statement
for the Year Ended 31 March 2020

	Notes	31.3.20 £	31.3.19 £
Cash flows from operating activities			
Cash generated from operations	1	3,482,479	(212,268)
Interest paid		(300)	(781)
Tax paid		<u>(896,102)</u>	<u>(283,202)</u>
Net cash from operating activities		<u>2,586,077</u>	<u>(496,251)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(330,918)	(396,906)
Sale of tangible fixed assets		105,261	5,925
Interest received		<u>41,116</u>	<u>23,666</u>
Net cash from investing activities		<u>(184,541)</u>	<u>(367,315)</u>
Cash flows from financing activities			
Amount withdrawn by directors		<u>(130,247)</u>	<u>1,447,959</u>
Net cash from financing activities		<u>(130,247)</u>	<u>1,447,959</u>
Increase in cash and cash equivalents		<u>2,271,289</u>	<u>584,393</u>
Cash and cash equivalents at beginning of year	2	4,888,167	4,303,774
Cash and cash equivalents at end of year	2	<u>7,159,456</u>	<u>4,888,167</u>

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2020

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.3.20	31.3.19
	£	£
Profit before taxation	2,804,787	4,635,694
Depreciation charges	114,343	106,532
Loss on disposal of fixed assets	12,957	4,218
Finance costs	300	781
Finance income	(41,116)	(23,666)
	<u>2,891,271</u>	<u>4,723,559</u>
Decrease/(increase) in stocks	965,543	(2,272,499)
Decrease in trade and other debtors	17,547	160,652
Decrease in trade and other creditors	(391,882)	(2,823,980)
Cash generated from operations	<u><u>3,482,479</u></u>	<u><u>(212,268)</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	7,159,456	4,919,551
Bank overdrafts	<u>-</u>	<u>(31,384)</u>
	<u><u>7,159,456</u></u>	<u><u>4,888,167</u></u>

Year ended 31 March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	4,919,551	4,487,887
Bank overdrafts	<u>(31,384)</u>	<u>(184,113)</u>
	<u><u>4,888,167</u></u>	<u><u>4,303,774</u></u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.4.19	Cash flow	At 31.3.20
	£	£	£
Net cash			
Cash at bank and in hand	4,919,551	2,239,905	7,159,456
Bank overdrafts	<u>(31,384)</u>	<u>31,384</u>	<u>-</u>
	<u><u>4,888,167</u></u>	<u><u>2,271,289</u></u>	<u><u>7,159,456</u></u>
Total	<u><u>4,888,167</u></u>	<u><u>2,271,289</u></u>	<u><u>7,159,456</u></u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2020

1. STATUTORY INFORMATION

Badger Building (E. Anglia) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The functional and presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

The preparation of the financial statements involves, in certain areas, the use of accounting estimates and management judgement. The key areas involving estimates and judgements are as follows:

- the valuation of work in progress, incorporating assessments of future income and costs.
- the appropriate method and rate of depreciation for tangible fixed assets.
- loans under shared equity schemes are valued according to the Nationwide House Price Index.

Revenue recognition

Revenue represents the total sales of legally completed properties, excluding part exchange property sales (which are included within cost of sales). Revenue and profit on sales are recognised upon legal completion.

Sale of bare land are recognised upon legal completion.

Licence plates

The company have acquired a number of licence plate entitlements. The directors consider that the residual value of the entitlements cannot be reliably estimated and so are depreciating the asset at a rate of 25% per annum on the straight line basis.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on reducing balance and 15% on cost
Fixtures and fittings	- 20% on reducing balance
Motor vehicles	- 20% on reducing balance
Office equipment	- 25% on cost

Depreciation of housing properties

The group separately identifies the major components which comprise its housing properties, and charges depreciation, as so to write down the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

The group depreciates the major components of its housing properties at the following annual rates:

Structure (including roofs)	- 2% on a straight line basis
Windows and doors	- 4% on a straight line basis
Internal fixtures and fittings	- 5% on a straight line basis

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020

2. ACCOUNTING POLICIES - continued

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Stocks and work in progress are stated at the lower of cost and net realisable value. Work in progress comprises direct materials, labour costs, sub-contractor costs, site overheads and associated professional charges.

Development land is included where contracts to purchase land have been completed prior to the year end.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in an independently administered fund.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020

2. ACCOUNTING POLICIES - continued

Shared equity scheme

The group offers shared equity home ownership schemes, either on its own account or through HomeBuy Direct, under which qualifying home buyers can defer payment of part of the agreed sales price up to a maximum of 25% under the group's own scheme or 30% under the HomeBuy Direct scheme, of which half is attributable to the group.

The deferral period ends with the earlier of 10 years, remortgage or resale of the property. On occurrence of one of these events, the group will receive a repayment based on its contributed equity percentage and the applicable market value of the property as determined by an arms length disposal or by a member of the Royal Institute of Chartered Surveyors. Early or part repayment is allowable under the schemes and amounts are secured by way of a second charge over the property.

The shared equity loans receivable are a hybrid financial instrument consisting of an initial principle component and an embedded derivative whose value varies in accordance with movements in the specific property price to which the loan relates. The loans are non-interest bearing.

At each reporting date the valuation of the loans are adjusted to reflect changes in market conditions (fair value) through the Statement of Comprehensive Income.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

Turnover and profit before taxation are attributable to one continuing activity, housebuilding. All turnover arose within the United Kingdom.

4. EMPLOYEES AND DIRECTORS

	31.3.20	31.3.19
	£	£
Wages and salaries	1,709,635	1,671,810
Social security costs	191,885	210,582
Other pension costs	123,500	40,018
	<u>2,025,020</u>	<u>1,922,410</u>

The average number of employees during the year was as follows:

	31.3.20	31.3.19
Office and management	17	17
Construction	<u>25</u>	<u>27</u>
	<u>42</u>	<u>44</u>

	31.3.20	31.3.19
	£	£
Directors' remuneration	<u>360,946</u>	<u>296,903</u>

The number of directors to whom retirement benefits were accruing was as follows:

	<u>2</u>	<u>2</u>
Money purchase schemes		

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020

4. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	31.3.20	31.3.19
	£	£
Emoluments etc	<u>171,256</u>	<u>132,465</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.20	31.3.19
	£	£
Plant hire and consumables	347,403	223,933
Depreciation - owned assets	104,626	95,973
Loss on disposal of fixed assets	12,957	4,218
Patents and licences amortisation	9,717	10,559
Auditors' remuneration	14,500	11,000
Auditors' remuneration for non audit work	<u>2,340</u>	<u>14,700</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.20	31.3.19
	£	£
VAT interest	<u>300</u>	<u>781</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.3.20	31.3.19
	£	£
Current tax:		
UK corporation tax	556,708	898,865
Deferred tax	<u>14,159</u>	<u>(11,708)</u>
Tax on profit	<u>570,867</u>	<u>887,157</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.20 £	31.3.19 £
Profit before tax	<u>2,804,787</u>	<u>4,635,694</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2019 - 19 %)	532,910	880,782
Effects of:		
Expenses not deductible for tax purposes	1,592	2,863
Depreciation in excess of capital allowances	8,291	16,039
Adjustments to tax charge in respect of previous periods	(2,727)	-
Pension contributions paid	(2,031)	(2,850)
Deferred taxation	14,159	(11,708)
Pension contributions not paid	15,135	2,031
Asset disposals taxable as chargeable gains	<u>3,538</u>	<u>-</u>
Total tax charge	<u>570,867</u>	<u>887,157</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

9. INTANGIBLE FIXED ASSETS

Group

	Patents and licences £
COST	
At 1 April 2019	42,236
Disposals	<u>(10,105)</u>
At 31 March 2020	<u>32,131</u>
AMORTISATION	
At 1 April 2019	31,677
Amortisation for year	9,717
Eliminated on disposal	<u>(9,263)</u>
At 31 March 2020	<u>32,131</u>
NET BOOK VALUE	
At 31 March 2020	<u>-</u>
At 31 March 2019	<u>10,559</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020

9. **INTANGIBLE FIXED ASSETS - continued**

Company

	Patents and licences £
COST	
At 1 April 2019	42,236
Disposals	(10,105)
At 31 March 2020	<u>32,131</u>
AMORTISATION	
At 1 April 2019	31,677
Amortisation for year	9,717
Eliminated on disposal	(9,263)
At 31 March 2020	<u>32,131</u>
NET BOOK VALUE	
At 31 March 2020	<u>-</u>
At 31 March 2019	<u>10,559</u>

10. **TANGIBLE FIXED ASSETS**

Group

	Housing properties £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 April 2019	372,006	532,914	1,276
Additions	177,754	12,450	-
Disposals	-	-	-
At 31 March 2020	<u>549,760</u>	<u>545,364</u>	<u>1,276</u>
DEPRECIATION			
At 1 April 2019	465	379,838	1,220
Charge for year	4,013	54,544	12
Eliminated on disposal	-	-	-
At 31 March 2020	<u>4,478</u>	<u>434,382</u>	<u>1,232</u>
NET BOOK VALUE			
At 31 March 2020	<u>545,282</u>	<u>110,982</u>	<u>44</u>
At 31 March 2019	<u>371,541</u>	<u>153,076</u>	<u>56</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020

10. TANGIBLE FIXED ASSETS - continued

Group

	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 April 2019	265,076	18,332	1,189,604
Additions	127,650	13,064	330,918
Disposals	(196,887)	(3,715)	(200,602)
At 31 March 2020	<u>195,839</u>	<u>27,681</u>	<u>1,319,920</u>
DEPRECIATION			
At 1 April 2019	114,469	11,171	507,163
Charge for year	42,352	3,705	104,626
Eliminated on disposal	(80,210)	(3,016)	(83,226)
At 31 March 2020	<u>76,611</u>	<u>11,860</u>	<u>528,563</u>
NET BOOK VALUE			
At 31 March 2020	<u>119,228</u>	<u>15,821</u>	<u>791,357</u>
At 31 March 2019	<u>150,607</u>	<u>7,161</u>	<u>682,441</u>

Company

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
COST					
At 1 April 2019	532,914	1,276	265,076	18,332	817,598
Additions	12,450	-	127,650	13,064	153,164
Disposals	-	-	(196,887)	(3,715)	(200,602)
At 31 March 2020	<u>545,364</u>	<u>1,276</u>	<u>195,839</u>	<u>27,681</u>	<u>770,160</u>
DEPRECIATION					
At 1 April 2019	379,838	1,220	114,469	11,171	506,698
Charge for year	54,544	12	42,352	3,705	100,613
Eliminated on disposal	-	-	(80,210)	(3,016)	(83,226)
At 31 March 2020	<u>434,382</u>	<u>1,232</u>	<u>76,611</u>	<u>11,860</u>	<u>524,085</u>
NET BOOK VALUE					
At 31 March 2020	<u>110,982</u>	<u>44</u>	<u>119,228</u>	<u>15,821</u>	<u>246,075</u>
At 31 March 2019	<u>153,076</u>	<u>56</u>	<u>150,607</u>	<u>7,161</u>	<u>310,900</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020

11. FIXED ASSET INVESTMENTS

Group

Shares in
group
undertakings
£

COST

At 1 April 2019
and 31 March 2020

100

NET BOOK VALUE

At 31 March 2020
At 31 March 2019

100

100

Company

Shares in
group
undertakings
£

COST

At 1 April 2019
and 31 March 2020

200

NET BOOK VALUE

At 31 March 2020
At 31 March 2019

200

200

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Blundeston Developments Ltd

Registered office: Stanley House, Stanley Street, Lowestoft, Suffolk, NR32 2DZ.

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Asett Homes Ltd

Registered office: Stanley House, Stanley Street, Lowestoft, Suffolk, NR32 2DZ.

Nature of business: Social housing provider

Class of shares:	%
Ordinary	holding 100.00

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**12. STOCKS**

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Land	15,752,168	15,945,098	15,752,168	15,945,098
Work in progress	14,817,646	15,590,259	14,817,646	15,590,259
	<u>30,569,814</u>	<u>31,535,357</u>	<u>30,569,814</u>	<u>31,535,357</u>

During the year, total stocks recognised as an expense amounted to £11,637,313 (2019 - £8,588,985).

13. DEBTORS

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	10,076	2,732	10,076	2,732
Amounts owed by group undertakings	-	-	726,064	386,231
Other debtors	137,981	191,653	137,981	191,653
Prepayments and accrued income	52,303	27,093	52,303	27,093
	<u>200,360</u>	<u>221,478</u>	<u>926,424</u>	<u>607,709</u>
Amounts falling due after more than one year:				
Shared equity scheme	93,137	91,840	93,137	91,840
Other debtors	112,325	110,051	112,325	110,051
	<u>205,462</u>	<u>201,891</u>	<u>205,462</u>	<u>201,891</u>
Aggregate amounts	<u>405,822</u>	<u>423,369</u>	<u>1,131,886</u>	<u>809,600</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Bank loans and overdrafts (see note 16)	-	31,384	-	31,384
Trade creditors	819,006	1,333,183	818,691	1,332,999
Amounts owed to group undertakings	100	100	100	100
Taxation	559,471	898,865	529,338	898,865
Social security and other taxes	87,402	101,816	87,402	101,816
Other creditors	556,940	571,302	556,940	571,302
Directors' current accounts	2,412,313	2,542,560	2,412,313	2,542,560
Accrued expenses	49,057	69,952	45,817	68,452
	<u>4,484,289</u>	<u>5,549,162</u>	<u>4,450,601</u>	<u>5,547,478</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020

15. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Trade creditors	<u>171,966</u>	<u>-</u>	<u>171,966</u>	<u>-</u>

16. **LOANS**

An analysis of the maturity of loans is given below:

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	<u>-</u>	<u>31,384</u>	<u>-</u>	<u>31,384</u>

17. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Bank overdraft	<u>-</u>	<u>31,384</u>	<u>-</u>	<u>31,384</u>

The bank overdraft is secured by a charge on the assets of the company and a limited guarantee from Mr S D George, a director.

18. **PROVISIONS FOR LIABILITIES**

	Group		Company	
	31.3.20	31.3.19	31.3.20	31.3.19
	£	£	£	£
Deferred tax	<u>54,379</u>	<u>40,220</u>	<u>54,379</u>	<u>40,220</u>

Group

	Deferred tax
	£
Balance at 1 April 2019	40,220
Accelerated capital allowances	(976)
Short term timing differences	<u>15,135</u>
Balance at 31 March 2020	<u>54,379</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2020**18. PROVISIONS FOR LIABILITIES - continued****Company**

	Deferred tax £
Balance at 1 April 2019	40,220
Accelerated capital allowances	(976)
Short term timing difference	15,135
Balance at 31 March 2020	<u>54,379</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	31.3.20 £	31.3.19 £
6,075	Ordinary		<u>6,075</u>	<u>6,075</u>

20. RESERVES**Group**

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 April 2019	29,239,909	2,735,843	168	31,975,920
Profit for the year	2,233,920			2,233,920
At 31 March 2020	<u>31,473,829</u>	<u>2,735,843</u>	<u>168</u>	<u>34,209,840</u>

Company

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 April 2019	29,254,727	2,735,843	168	31,990,738
Profit for the year	2,125,362			2,125,362
At 31 March 2020	<u>31,380,089</u>	<u>2,735,843</u>	<u>168</u>	<u>34,116,100</u>

21. RELATED PARTY DISCLOSURES

During the year, a total of key management personnel compensation of £ 450,128 (2019 - £ 310,662) was paid.

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