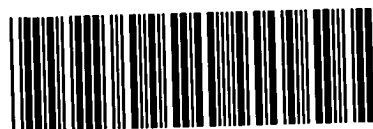


REGISTERED NUMBER: 03118389 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 April 2023
for
Jones Homes (Southern) Limited

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for the Year Ended 30 April 2023

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Jones Homes (Southern) Limited

Company Information
for the Year Ended 30 April 2023

DIRECTORS:

P E Jones OBE
M E Jones
A E Jones
Ms S J Stanhope
T S C Brown
J D Tite

SECRETARY:

V Maharaj

REGISTERED OFFICE:

Emerson House
Heyes Lane
Alderley Edge
Cheshire
SK9 7LF

REGISTERED NUMBER:

03118389 (England and Wales)

AUDITOR:

BDO LLP, Statutory Auditor
3 Hardman Street
Spinningfields
Manchester - UK
M3 3AT

Strategic Report
for the Year Ended 30 April 2023

The directors present their strategic report for the year ended 30 April 2023.

BUSINESS MODEL

The principal activities of the company comprise acquiring and developing land, planning, designing and constructing residential property developments and selling the homes it builds under the 'Jones Homes' brand.

The company is a wholly owned subsidiary of Jones Homes (North West) Limited, itself a wholly owned subsidiary of Emerson Developments (Holdings) Limited, the ultimate parent company of the Emerson Group. The Emerson Group is a family owned and run property investment and development business which manages and controls all group companies on a unified basis, trading under the Orbit Developments, Emerson Management Services and Jones Homes' brands.

STRATEGY, OBJECTIVES AND PRINCIPAL RISKS

The strategic objectives of the company, in support of those of the group as a whole, are to drive sustainable profitability and shareholder return:

- through targeted land buying, effective planning and design and construction excellence to deliver outstanding homes and
- by pursuing other strategic land and investment opportunities, taking advantage of the company's strong balance sheet and access to financial resources.

The primary operating risks for the company centre around the macro level factors of the markets in which it operates, in particular the level of housing demand, mortgage availability and land supply. The directors undertake annual, monthly and weekly reviews of key performance indicators, including, but not limited to, reservations, sales rates, visitor levels, customer feedback, cash-flow projections and land usage. This ensures forward looking management action is taken to achieve the company's operational objectives and effectively mitigate identified risks.

The company needs to purchase sufficient good quality, consented land at attractive prices in order to provide profitable growth. Potential land acquisitions are subject to formal appraisal with those approved required to achieve the Group's strategic criteria for growth. Senior management also regularly review on a site-by-site basis land already owned, committed, and identified.

The directors also consider one of the key financial risks to be the ability of the company to manage its working capital, service liabilities and refinance borrowing facilities at their maturity date. The company benefits from committed facilities of different durations that are designed to ensure that it has sufficient available funds to service its operational needs. The directors also regularly review compliance with borrowing covenants and have maintained a track record of meeting all such requirements throughout its history. The directors expect to continue to meet all covenants for the foreseeable future.

The continued challenges faced from the Covid-19 pandemic have ensured additional health and safety procedure continue to be enforced in regional offices, on site and in sales centres, whilst management continue to set a greater focus on forecasting and the timing of housing completions to enable the positive management of cash and liquidity.

REVIEW OF THE YEAR

During the Autumn of 2022 the company began to experience a slowdown in visitor numbers and rates of sale on the back of the turmoil caused by the short lived Liz Truss administration and her mini budget. This continued into the second half of the financial year with low consumer confidence and higher mortgage costs compounding already stretched household finances. Against this backdrop, the company financially completed on 52 (2022: 52) properties during the year at an average price of £434,731 (2022: £517,273). Turnover for the year was £22,651,678 against prior year turnover of £26,898,219 reflecting a higher proportion of affordable housing sales in the year.

Profit before taxation was £2,998,202 (2022: £4,840,364) with profit after taxation of £2,414,355 (2022: £3,928,142).

The region concluded the year with continued contribution from the site at Folders Grove, Burgess Hill, Lenham and a good level of sales from our new site at Walnut Grange, Hoo.

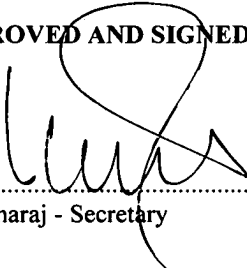
The directors are not aware of any significant events since the balance sheet date affecting the company.

Strategic Report
for the Year Ended 30 April 2023

FUTURE OUTLOOK

Over the last 18 months, the UK economy has experienced a number of significant economic and political events, culminating in a period of sustained inflation, increased borrowing costs and a more fragile economy. September 2022's mini-budget and resulting turmoil in the financial markets proved particularly damaging for the housing market with footfall and reservation rates immediately reacting to the increased uncertainty. Although a degree of stability has since returned, affordability issues persist and activity levels remain subdued. The company continues to actively manage its development program to align with market demand and focus on net margin rather than volume.

APPROVED AND SIGNED ON BEHALF OF THE BOARD BY:



.....
V Maharaj - Secretary

²¹
Date: December 2023

Report of the Directors
for the Year Ended 30 April 2023

The directors present their report with the financial statements of the company for the year ended 30 April 2023.

DIVIDENDS

The total distribution of dividends for the year ended 30 April 2023 was £nil (2022: £1,000,000).

DIRECTORS

The directors who served during the year were as follows:

P.E. Jones OBE (Chairman),
J.R. Claber (Resigned 30 November 2022)
M.E. Jones
A.E. Jones
Ms S.J. Stanhope
T.S.C. Brown
J.D.Tite

FUTURE DEVELOPMENTS

Information on likely future developments has been included in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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, to 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

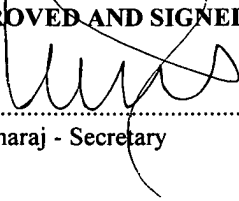
In so far as each of the directors is aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Report of the Directors
for the Year Ended 30 April 2023

AUDITOR

In accordance with section 487 of the Companies Act 2006, BDO LLP, Registered Auditor, is deemed re-appointed as auditor for the succeeding year.

APPROVED AND SIGNED ON BEHALF OF THE BOARD BY :



.....
V Maharaj - Secretary

³¹
Date: December 2023

Independent Auditor's Report to the Members of
Jones Homes (Southern) Limited

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2023 and of its 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.

We have audited the financial statements of Jones Homes (Southern) Limited ("the Company") for the year ended 30 April 2023 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

Other Companies Act 2006 reporting

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

- the information given in the 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 Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of
Jones Homes (Southern) Limited

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 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, 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 Statement of Directors' Responsibilities set out on page four, 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 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.

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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance and legal counsel;
- Obtaining an understanding of the Company's policies and procedures regarding compliance with laws and regulations.

We considered the significant laws and regulations to be (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006, relevant tax legislation, Health and Safety and the Bribery Act 2010.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be fire safety legislation, environmental legislation, health and safety legislation and data protection requirements.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation and;
- Involvement of tax specialists in the audit.

**Independent Auditor's Report to the Members of
Jones Homes (Southern) Limited**

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override and revenue recognition with regard to cut off.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias in particular for the carrying value of the residential land and work in progress; and
- Testing a sample of revenue transactions within a specified cut off window to determine if they have been recorded in the correct period.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

DocuSigned by:
Gary Harding
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Gary Harding (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Manchester - UK
Date: 03 January 2024

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

Income Statement
for the Year Ended 30 April 2023

	Notes	2023 £	2022 £
TURNOVER	3	22,651,678	26,898,219
Cost of sales		(17,048,552)	(19,756,367)
GROSS PROFIT		5,603,126	7,141,852
Administrative expenses		(2,499,410)	(2,176,098)
		3,103,716	4,965,754
Other operating income		39,607	15,137
OPERATING PROFIT	6	3,143,323	4,980,891
Interest receivable	7	419,358	4,783
Interest payable	8	(564,479)	(145,310)
PROFIT BEFORE TAXATION		2,998,202	4,840,364
Tax on profit	9	(583,847)	(912,222)
PROFIT FOR THE FINANCIAL YEAR		2,414,355	3,928,142

The notes form part of these financial statements

Jones Homes (Southern) Limited (Registered number: 03118389)

Statement of Comprehensive
Income
for the Year Ended 30 April 2023

	Notes	2023 £	2022 £
PROFIT FOR THE YEAR		2,414,355	3,928,142
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,414,355</u>	<u>3,928,142</u>

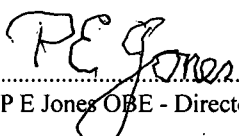
The notes form part of these financial statements

Jones Homes (Southern) Limited (Registered number: 03118389)

Balance Sheet
30 April 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible assets	11	96,366	122,842
CURRENT ASSETS			
Stocks	12	25,299,148	26,126,570
Debtors	13	3,624,193	1,318,616
Cash at bank		47,919,705	17,237,591
		<u>76,843,046</u>	<u>44,682,777</u>
CREDITORS			
Amounts falling due within one year	14	<u>34,293,953</u>	<u>4,754,499</u>
NET CURRENT ASSETS		<u>42,549,093</u>	<u>39,928,278</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>42,645,459</u>	<u>40,051,120</u>
CREDITORS			
Amounts falling due after more than one year	15	(5,000,000)	(5,000,000)
PROVISIONS FOR LIABILITIES	18	<u>(777,065)</u>	<u>(597,081)</u>
NET ASSETS		<u><u>36,868,394</u></u>	<u><u>34,454,039</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	2	2
Retained earnings		<u>36,868,392</u>	<u>34,454,037</u>
SHAREHOLDERS' FUNDS		<u><u>36,868,394</u></u>	<u><u>34,454,039</u></u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 31 December 2023 and were signed on its behalf by:


.....
P E Jones OBE - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the Year Ended 30 April 2023

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 May 2021	2	31,525,895	31,525,897
Changes in equity			
Profit for the year	-	3,928,142	3,928,142
Total comprehensive income	-	3,928,142	3,928,142
Dividends	-	(1,000,000)	(1,000,000)
Balance at 30 April 2022	2	34,454,037	34,454,039
Changes in equity			
Profit for the year	-	2,414,355	2,414,355
Total comprehensive income	-	2,414,355	2,414,355
Balance at 30 April 2023	2	36,868,392	36,868,394

Notes to the Financial Statements
for the Year Ended 30 April 2023

1. GENERAL INFORMATION

Jones Homes (Southern) Limited is a limited liability company incorporated in England and Wales. The Registered Office is set out on page 1 to the financial statements and the nature of the company's operations and its principal activities are set out in the Strategic Report.

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.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report.

The company meets its day to day working capital requirements through available cash resources and committed banking facilities and those of the Group. Based on the company's forecasts and projections, together with available market information and the directors' knowledge and experience of the company's developments and markets, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. During the year and at the year end, the company operated within the parameters set by its banking covenants, to which it was party and expects to renew those facilities which mature in the current financial year as they fall due. In assessing future cash receipts the directors have taken into account the future economic climate and its effects on the timing and collectability of housing completions. After due consideration, they continue to adopt the going concern basis in preparing the annual report and accounts.

Financial Reporting Standard 102 - disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Valuation of WIP and margin recognition

Valuations, which include an estimation of costs to complete and remaining revenues, are carried out at regular intervals throughout the year. These assessments include a degree of inherent uncertainty when estimating the profitability of a site and in assessing any impairment provisions that may be required, where the carrying value is determined to exceed the lower of cost and net realisable value. To the extent that the assumptions used by management in assessing net realisable value prove to be inaccurate, further adjustments to the carrying value may be required.

To determine the amount of gross profit that the Company is able to recognise on completed house sales in the year, the Company needs to allocate site wide costs between all plots. It is also necessary to estimate costs to complete on such site wide costs. In making these assessments certain estimates are made, which may not prove to be accurate.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2023

2. **ACCOUNTING POLICIES - continued**

Turnover

Turnover in respect of the sale of completed homes is recognised at the value of the consideration received or receivable on legal completion of the sale.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of each asset less its residual value on a straight line basis as follows:

Freehold land	0% per annum
Plant and equipment	15% per annum

Ground rents are capitalised at four years' income and are not amortised, as it is considered that they have an indefinite useful life. The Directors have included capitalised ground rents within freehold land in tangible fixed assets.

Stocks

Stock is valued at the lower of cost and net realisable value. Cost of sites in progress represents direct cost including attributable overheads but excluding finance charges.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the tax payable on the taxable income for the year and any adjustment in respect of previous years.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the asset is realised or the liability is settled.

Pension costs

Pension costs in respect of the Group's defined contribution pension scheme are charged to the profit and loss account in the period for which contributions are payable.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2023

2. **ACCOUNTING POLICIES - continued**

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Financial instruments

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable to the bank (including interest). After initial recognition they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in interest payable in the income statement.

Other basic financial instruments including trade debtors, trade creditors and amounts due to and from related parties, with no stated interest rate and receivable or payable within one year, are recorded at transaction price. Such assets and liabilities are subsequently carried at amortised cost using the effective interest rate method. Any losses arising from impairment are recognised in the income statement.

Lease transactions

The costs of operating leases are charged against profits as they accrue. Assets acquired under finance leases and hire purchase contracts are capitalised and the corresponding liability shown in creditors.

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

3. **TURNOVER**

Turnover comprises invoiced sales for the year, including land sales. All sales are made in the United Kingdom.

4. **EMPLOYEES AND DIRECTORS**

	2023 £	2022 £
Staff costs during the year were:		
Wages and salaries	1,655,785	1,479,836
Social security costs	194,144	172,651
Other pension costs	62,982	57,520
	<u>1,912,911</u>	<u>1,710,007</u>
	No.	No.
The average monthly number of persons employed by the company during the year was	<u>26</u>	<u>26</u>
Pension costs outstanding as at the year end were Nil (2022: £Nil).		

Notes to the Financial Statements - continued
for the Year Ended 30 April 2023

5. **DIRECTORS' EMOLUMENTS**

	2023 £	2022 £
Aggregate of emoluments and other benefits	534,565	489,462
Pension contributions	28,997	25,270
	<u>563,562</u>	<u>514,732</u>

The number of Directors to whom benefits are accruing under money purchase pension schemes is 3 (2022:3). The highest paid Director received emoluments and benefits of £216,908 (2022: £191,364) and pension contributions of £8,310 (2022: £6,170).

6. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2023 £	2022 £
Depreciation - owned assets	46,793	66,023
Inventory expensed	15,905,056	18,400,676
Rental income	(36,294)	(14,593)
	<u>15,915,555</u>	<u>18,452,106</u>

Auditor's remuneration is borne by the ultimate parent company.

7. **INTEREST RECEIVABLE**

	2023 £	2022 £
Bank interest receivable	414,639	-
Other interest receivable	4,719	4,783
	<u>419,358</u>	<u>4,783</u>

8. **INTEREST PAYABLE**

	2023 £	2022 £
Bank interest payable	239,934	145,310
Group interest payable	324,545	-
	<u>564,479</u>	<u>145,310</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2023

9. **TAXATION**

Analysis of the tax charge

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

	2023 £	2022 £
Current tax:		
Corporation tax - current year	<u>586,557</u>	<u>915,790</u>
Deferred tax:		
Deferred tax - current year	(2,710)	2,388
Deferred tax - prior year	<u>-</u>	<u>(5,956)</u>
Total deferred tax	<u>(2,710)</u>	<u>(3,568)</u>
Tax on profit	<u><u>583,847</u></u>	<u><u>912,222</u></u>

UK corporation tax has been charged at 19.49% (2022 - 19%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK. The difference is explained below:

	2023 £	2022 £
Profit before tax	<u>2,998,202</u>	<u>4,840,364</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.493% (2022 - 19%)	584,440	919,669
Effects of:		
Income not taxable for tax purposes	-	(2,064)
Adjustments to tax charge in respect of previous periods	-	(5,956)
Impact in change in UK tax rate	<u>(593)</u>	<u>573</u>
Total tax charge	<u><u>583,847</u></u>	<u><u>912,222</u></u>

The Finance Act 2021 received Royal Assent on 10 June 2021 and provided that the rate of United Kingdom Corporation Tax would increase from 19% to 25% on 1 April 2023. United Kingdom deferred tax balances at 30 April 2022 were therefore re-measured at 25%. This rate has been applied at 30 April 2023.

10. **DIVIDENDS**

	2023 £	2022 £
Final	<u>-</u>	<u>1,000,000</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2023

11. **TANGIBLE FIXED ASSETS**

	Freehold land £	Plant and machinery £	Totals £
COST			
At 1 May 2022	31,680	807,768	839,448
Additions	-	20,317	20,317
At 30 April 2023	31,680	828,085	859,765
DEPRECIATION			
At 1 May 2022	-	716,606	716,606
Charge for year	-	46,793	46,793
At 30 April 2023	-	763,399	763,399
NET BOOK VALUE			
At 30 April 2023	31,680	64,686	96,366
At 30 April 2022	31,680	91,162	122,842

Freehold land includes ground rents and is not depreciated.

12. **STOCKS**

	2023 £	2022 £
Land stocks	10,419,224	12,979,380
Work-in-progress	14,696,474	13,056,949
Other stocks	183,450	90,241
	25,299,148	26,126,570

13. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Trade debtors	141,774	201,159
Amounts owed by group undertakings	2,896,231	588,454
Other debtors	175,578	33,000
VAT	164,109	282,605
Deferred tax asset	25,139	22,429
Prepayments and accrued income	221,362	190,969
	3,624,193	1,318,616

Notes to the Financial Statements - continued
for the Year Ended 30 April 2023

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

The balance owed by group companies is unsecured, interest free and repayable on demand.

Trade debtors represent amounts due under the HomeBuy Direct scheme, Jones HomeBuy scheme and FirstBuy scheme, are secured on the properties concerned, and will be realised over a period in excess of one year.

The recoverability of the deferred tax asset is dependent on future taxable profits, and as such may in part, be realised in a period exceeding one year.

Provision for Deferred Tax comprises the following Assets (Note 18):

	2023 £	2022 £
Capital Allowances	25,139	22,429

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	161,599	364,744
Amounts owed to group undertakings	30,788,222	1,598,526
Corporation tax payable	586,557	915,790
Social security and other taxes	59,565	53,087
Other creditors	1,898,980	1,151,163
Accruals and deferred income	799,030	671,189
	34,293,953	4,754,499

The balance owed to group companies is unsecured and repayable on demand. Of the balance, £25,000,000 accrued interest at an effective rate for the year of 2.84%. The balance is interest free.

Bank loans and overdrafts are secured on certain assets of the company.

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

	2023 £	2022 £
Bank loans (see note 16)	5,000,000	5,000,000

16. BANK LOANS AND OVERDRAFTS

An analysis of the maturity of bank loans and overdrafts is given below:

	2023 £	2022 £
Amounts falling due between two and five years:		
Bank loans 2-5 years in full	5,000,000	5,000,000

Bank loans and overdrafts are secured on certain assets of the company and interest is incurred on long term loans at the SONIA rate plus a margin of 2.25%.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2023

17. **LEASING AGREEMENTS**

Future minimum lease rentals receivable under non-cancellable operating leases are as follows:

	2023 £	2022 £
Less than 1 year	23,175	23,175
Between 2 & 5 years	92,700	92,700
More than 5 years	2,256,061	2,279,236
Total	<u>2,371,936</u>	<u>2,395,111</u>

18. **PROVISIONS FOR LIABILITIES**

	2023 £	2022 £
Other provisions		
Site completion costs	<u>777,065</u>	<u>597,081</u>
	Deferred tax	Site completion costs
	£	£
Balance at 1 May 2022	(22,429)	597,081
Utilised during year	-	(950,953)
(Credit)/charge for the year	<u>(2,710)</u>	<u>1,130,939</u>
Balance at 30 April 2023	<u>(25,139)</u>	<u>777,067</u>

Provisions have been recognised in respect of site completion costs. It is expected that most of this expenditure will be incurred during the next two years, and all will be incurred within the next four years. The deferred tax asset is explained in more detail in note 13.

19. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
2	Ordinary	£1	<u>2</u>	<u>2</u>

20. **ULTIMATE PARENT COMPANY**

The company's parent company and controlling party is Jones Homes (North West) Limited, a company incorporated in England and Wales.

The company's ultimate parent company and ultimate controlling party is Emerson Developments (Holdings) Limited, a company incorporated in England and Wales.

The results of the company are included in the consolidated accounts of Emerson Developments (Holdings) Limited. A copy of these accounts may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2023

21. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 Section 33 'The Financial reporting Standard applicable in the UK and the Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.