

FERNHAM HOMES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2018

**REGISTRAR'S COPY
OF ACCOUNTS**



Cavendish
Chartered Certified Accountants
68 Grafton Way
London
W1T 5DS

Ref: 5074

FERNHAM HOMES LIMITED

COMPANY INFORMATION

Directors	I.D. Fern D.E. Masters M.C. Canham
Secretary	P Rosbrook
Company number	03778310
Registered office	68 Grafton Way London W1T 5DS
Auditor	Cavendish Chartered Certified Accountants Statutory Auditor 68 Grafton Way London W1T 5DS
Business address	Canham Business Centre 426 Vale Road Tonbridge Kent TN9 1SW

FERNHAM HOMES LIMITED

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FERNHAM HOMES LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 JULY 2018

The directors present their annual report and financial statements for the period ended 31 July 2018.

Principal activities

The principal activity of the company continued to be that of house building.

Business Review

The business has delivered an excellent result with turnover increasing from £4.6m to £16.9m on an extended period of 17 months. Completions are up from 7 to 51 with average selling prices falling from £657k to £330k. The business has delivered a strong gross margin of 23.6%.

The business has seven sites in construction ranging from 7 units to 41 units with an average of 28 units. These sites will continue to support further growth in 2019 and 2020 along with a strong land bank that will contribute units from 2021.

Further strengthening of the management team has been made to underpin the continued expansion of the business.

Brexit uncertainty has undoubtedly impacted on the housing market with fewer purchasers looking to move. Despite this the company continues to trade well and maintain profit margins.

Principal risks and uncertainties

Income from housing sales is the principal risk for the business. The housing market has softened and prices have remained flat but despite this the company has maintained good profit margins and adequate cash balances.

The company is also exposed to financial risks including interest rate and liquidity risk.

Interest rate risk

The company is exposed to short term interest rate risk on specific site development loans. The company has agreed short term development loans of up to 18 months to mitigate this risk.

Liquidity risk

Working capital is actively managed to ensure house sale income is matched to construction costs and new site acquisitions.

Financial Key Performance Indicators

Turnover

Turnover is the amount paid by purchasers for house completions. Comparison is made to previous years and expressed as a percentage growth.

The current results show an increase of 268% supporting the shareholders' continuing investment in the business.

Gross Margin

Gross profit margin is calculated using turnover less cost of sales divided by turnover and expressed as a percentage.

The gross margin enables management to monitor the profitability of developments against prior years and against land acquisition budgets.

FERNHAM HOMES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2018

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

I.D. Fern
D.E. Masters
M.C. Canham

Auditor

Cavendish were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

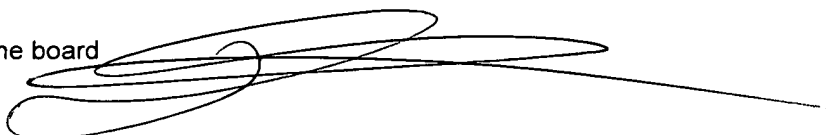
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

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

On behalf of the board



D.E. Masters
Director
25 April 2019

FERNHAM HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FERNHAM HOMES LIMITED

Opinion

We have audited the financial statements of Fernham Homes Limited (the 'company') for the period ended 31 July 2018 which comprise the profit and loss account, the balance sheet 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 July 2018 and of its profit for the period 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 Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The 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.

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 our audit:

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

FERNHAM HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FERNHAM HOMES LIMITED

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



A K Malhotra FCCA ACA (Senior Statutory Auditor)
for and on behalf of Cavendish

26 April 2019

Chartered Certified Accountants
Statutory Auditor

68 Grafton Way
London
W1T 5DS

FERNHAM HOMES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 JULY 2018

	Notes	Period ended 31 July 2018 £	Year ended 28 February 2017 £
Turnover		16,930,596	4,599,223
Cost of sales		(12,930,138)	(3,319,386)
Gross profit		<u>4,000,458</u>	<u>1,279,837</u>
Administrative expenses		(1,264,299)	(371,929)
Operating profit		<u>2,736,159</u>	<u>907,908</u>
Interest payable and similar expenses		(1,509,513)	(230,675)
Profit before taxation		<u>1,226,646</u>	<u>677,233</u>
Tax on profit	3	(176,620)	(90,810)
Profit for the financial period		<u><u>1,050,026</u></u>	<u><u>586,423</u></u>

FERNHAM HOMES LIMITED

BALANCE SHEET

AS AT 31 JULY 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	4		7,877		1,869
Investment properties	5		60,000		60,000
Investments	6		1		1
			<u>67,878</u>		<u>61,870</u>
Current assets					
Stocks		27,600,258		11,550,030	
Debtors	8	1,206,814		412,148	
Cash at bank and in hand		1,506,384		1,435,139	
		<u>30,313,456</u>		<u>13,397,317</u>	
Creditors: amounts falling due within one year	9	(22,356,573)		(8,644,707)	
Net current assets			<u>7,956,883</u>		<u>4,752,610</u>
Total assets less current liabilities			<u>8,024,761</u>		<u>4,814,480</u>
Creditors: amounts falling due after more than one year	10		(5,846,719)		(3,751,755)
Provisions for liabilities			<u>(298,288)</u>		<u>(232,997)</u>
Net assets			<u>1,879,754</u>		<u>829,728</u>
Capital and reserves					
Called up share capital	11		150		150
Profit and loss reserves			<u>1,879,604</u>		<u>829,578</u>
Total equity			<u>1,879,754</u>		<u>829,728</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 by the board of directors and authorised for issue on 25 April 2019 and are signed on its behalf by:

D.E. Masters
Director

Company Registration No. 03778310

FERNHAM HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2018

1 Accounting policies

Company information

Fernham Homes Limited is a private company limited by shares incorporated in England and Wales. The registered office is 68 Grafton Way, London, W1T 5DS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Reporting period

The company accounting reference date has been changed to 31 July 2018 resulting in an extended accounting period of seventeen months to 31 July 2018. The comparative accounting period is from 1 March 2016 to 28 February 2017. Consequently, the comparative amounts presented in the financial statements including related party notes are not entirely comparable.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Revenue from the sale of properties is recognised when the significant risks and rewards of ownership of the properties have passed to the buyer (usually on completion of contracts), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service charges and other income are recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% straight line
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FERNHAM HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2018

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Fixed asset investments

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

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Stocks

Property stocks and work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises the purchase costs of property, development costs and, where applicable, and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

FERNHAM HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2018

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

FERNHAM HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2018

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the relevant lease.

FERNHAM HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2018

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 7 (2017 - 5).

3 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	176,620	90,810

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

	2018 £	2017 £
Profit before taxation	1,226,646	677,233
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	233,063	135,447
Tax effect of expenses that are not deductible in determining taxable profit	2,163	905
Tax effect of utilisation of tax losses not previously recognised	-	(45,393)
Effect of change in corporation tax rate	562	-
Permanent capital allowances in excess of depreciation	(1,712)	(149)
Other permanent differences	(57,456)	-
Taxation charge for the period	176,620	90,810

FERNHAM HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2018

4 Tangible fixed assets

Plant and machinery etc £

Cost

At 1 March 2017	23,124
Additions	8,190
Disposals	(23,124)
At 31 July 2018	8,190

Depreciation and impairment

At 1 March 2017	21,255
Depreciation charged in the period	313
Eliminated in respect of disposals	(21,255)
At 31 July 2018	313

Carrying amount

At 31 July 2018	7,877
At 28 February 2017	1,869

5 Investment property

2018 £

Fair value

At 1 March 2017 and 31 July 2018	60,000
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Investment property comprises freehold properties. The fair value of the investment property has been arrived at on the basis of a valuation carried out at the directors at 31 July 2018. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2018 £	2017 £
Cost	3	3
Accumulated depreciation	-	-
Carrying amount	3	3

FERNHAM HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2018

6 Fixed asset investments

	2018 £	2017 £
Investments	1	1

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 March 2017 & 31 July 2018	1
Carrying amount	
At 31 July 2018	1
At 28 February 2017	1

7 Subsidiaries

Details of the company's subsidiaries at 31 July 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Fernham Homes (Kent) Limited	68 Grafton Way London W1T 5DS	Dormant	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Fernham Homes (Kent) Limited	(60)	(181)

8 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	529,668	320,538
Amounts owed by group undertakings	-	121
Other debtors	677,146	91,489
	1,206,814	412,148

FERNHAM HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 JULY 2018

9 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	7,730,297	866,566
Trade creditors	1,334,664	1,289,442
Corporation tax	176,620	90,810
Other taxation and social security	8,719	5,838
Other creditors	13,106,273	6,392,051
	<u>22,356,573</u>	<u>8,644,707</u>

Included in other creditors are amounts totalling £1,990,654 (28 February 2017: £nil) which are secured by a second legal charge over certain of the company's property stocks.

10 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Bank loans and overdrafts	<u>5,846,719</u>	<u>3,751,755</u>

Bank loans are secured by way of first legal charges over the company's property stocks and guarantees given by the three directors and A B Canham & Son.

11 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
150 Ordinary shares of £1 each	<u>150</u>	<u>150</u>
	<u>150</u>	<u>150</u>

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018 £	2017 £
	<u>75,343</u>	<u>9,087</u>

FERNHAM HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 JULY 2018

13 Related party transactions

Transactions with related parties

During the period the company entered into the following transactions with related parties:

	Development costs		Interest paid	
	2018	2017	2018	2017
	£	£	£	£
Other related parties	14,991,775	3,744,288	74,651	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	2018	2017
	£	£
Amounts due to related parties		
Key management personnel	2,837,822	2,690,759
Other related parties	8,009,572	4,392,438
	<u> </u>	<u> </u>

The following amounts were outstanding at the reporting end date:

	2018	2017
	£	£
Amounts due from related parties		
Other related parties	439,469	-
	<u> </u>	<u> </u>

FERNHAM HOMES LIMITED
MANAGEMENT INFORMATION
FOR THE PERIOD ENDED 31 JULY 2018

FERNHAM HOMES LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 JULY 2018

	Period ended 31 July 2018		Year ended 28 February 2017	
	£	£	£	£
Turnover				
Sales		16,873,488		4,559,531
Service charges		34,628		33,760
Other income		22,480		5,932
		<u>16,930,596</u>		<u>4,599,223</u>
Cost of sales				
Opening stock and work in progress	11,550,030		3,379,403	
Development costs	28,980,366		11,490,013	
Closing stock and work in progress	(27,600,258)		(11,550,030)	
		<u>(12,930,138)</u>		<u>(3,319,386)</u>
Gross profit		4,000,458		1,279,837
Administrative expenses		<u>(1,264,299)</u>		<u>(371,929)</u>
Operating profit		2,736,159		907,908
Interest payable and similar expenses				
Bank interest on loans and overdrafts	705,794		181,086	
Interest payable - not financial liabilities	803,071		49,589	
Interest on overdue taxation - not financial liabilities	648		-	
		<u>(1,509,513)</u>		<u>(230,675)</u>
Profit before taxation		<u>1,226,646</u>		<u>677,233</u>

FERNHAM HOMES LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE PERIOD ENDED 31 JULY 2018

	Period ended 31 July 2018 £	Year ended 28 February 2017 £
Administrative expenses		
Wages and salaries	509,847	232,412
Social security costs	58,880	23,838
Staff pension costs defined contribution	3,114	681
Rent	37,290	24,000
Property repairs and maintenance	1,129	10,753
Premises insurance	15,487	1,942
Computer running costs	3,068	3,568
Hire of equipment	19,420	5,452
Motor running expenses	11,725	5,295
Travelling expenses	1,913	1,086
Car Hire	21,511	11,952
Postage, courier and delivery charges	5,809	3,658
Legal and professional fees	148,825	2,295
Accountancy	3,540	9,460
Audit fees	11,000	-
Bank charges	357,464	2,696
Advertising	25,132	18,383
Telecommunications	11,637	7,098
Entertaining	9,205	3,902
Sundry expenses	6,121	2,835
Depreciation	313	623
Loss on disposal of tangible assets	1,869	-
	<u>1,264,299</u>	<u>371,929</u>