Company Registration No. 03778310 (England and Wales)

FERNHAM HOMES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2024

REGISTRAR'S COPY OF ACCOUNTS

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COMPANIES HOUSE

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 S Ellis C Loughead
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	Brook House 43 Swan Street West Malling Kent ME19 6HF

FERNHAM HOMES LIMITED

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FERNHAM HOMES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2024

The directors present the strategic report for the year ended 31 July 2024.

Market commentary

The build up to the general election and subsequent change in government resulted in a volatile political and economic landscape throughout the financial year. Interest rates remained high during the year, with the cost of borrowing impacting both mortgage rates for our customers as well as the interest we are paying on our external financing. Post year end we have gained some clarity as the new government confirmed their ambition to increase housing delivery. We await to see the practical implications of this, and indeed if any further fire safety levies and additional regulation may offset any benefit. Nonetheless with a series of cuts in the Bank of England base rate post year end sentiment has improved and we saw more First Time Buyers back in the market.

Revenues achieved have remained in line with expectation and generally at or above forecast levels.

Overall, it has been a challenging year for the wider industry, with a series of headwinds, but we are pleased with the significant progress we have made in the year to growing our business despite the numerous challenges we face. Within the wider Fernham group, we have expanded the team, fully pivoted into direct delivery, moved into new offices in West Malling and grown the land pipeline, whilst maintaining excellent levels of customer satisfaction. FHL's activity continues to reduce as development sites are transferred to, and developed within, the parent company.

Financial headlines

Revenue for the year is £9.0m, an increase of £6.3m (238%), from the delivery of 13 private homes compared to 7 in the previous year.

While a significant part of the Fernham's trading is now being carried out in subsidiary or parent companies, the overhead remains accounted for in this entity. As a result, an operating loss of £1.7m (FY22/23: £1.7m) was recorded for the year

FHL received a dividend of £6.0m in the year from Fernham Homes Kent Limited taking the profit for the year to £4.0m compared to a loss of £1.7m in the previous period.

FHL has a strong cash position at the year end with a cash balance of £2.4m. During the year we have secured finance against our development at Ticehurst which has enabled delivery of this site, with £0.9m of the loan outstanding at year end.

Principal risks and uncertainties

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 238%

Gross Margin

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

We manage our gross margin risk through a robust appraisal process for each of our developments, monitoring cost and maximising profitability throughout the life of the project. Gross margin for the current year is 13.6%, consistent with the previous period.

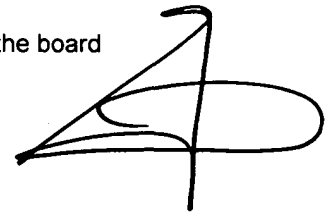
Interest Rate Risk

The business is exposed to short term interest rate risk on specific site development loans. We currently hold development finance against one of our sites and expect to utilise further external funding to facilitate our business plan objectives. We model our business plans with prudent assumptions with sales rates based on current outputs and with no allowance for reduction in interest rates across the 5-year plan.

Liquidity Risk

Working capital is proactively managed by our senior management team to ensure house sale income is matched to construction costs and new site acquisitions.

On behalf of the board



S Ellis
Director

21 May 2025

FERNHAM HOMES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2024

The directors present their annual report and financial statements for the year ended 31 July 2024.

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

Results and dividends
The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £11,500,000. The directors do not recommend payment of a further dividend.

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

I D Fern
D E Masters
M C Canham
S Ellis
C Loughead

Auditor
The auditor, Cavendish, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2024

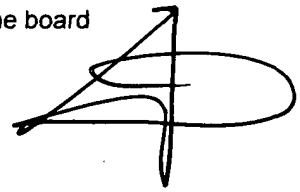
Statement of disclosure to auditor

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.

Medium-sized companies exemption

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

On behalf of the board



S Ellis
Director

21 May 2025

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 year ended 31 July 2024 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2024 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.

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

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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- our understanding of the legal and regulatory framework that the company operates in, focusing on the provisions of those laws and regulations that had a direct effect of the determination of the material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation;
- the company's own assessment of the risks that irregularities might occur either as result of fraud or error;
- the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- our own assessment of the susceptibility of the company's financial statements to material misstatement, including how fraud might occur;
- the results of our enquiries of management about the legal and regulatory framework applicable to the company and how the company is complying with that framework;
- the company's policies and procedures on fraud risks, including knowledge of any actual, suspected or alleged fraud; and
- discussions among the audit engagement team regarding how and when fraud and non-compliance with laws and regulations might occur in the financial statements and any potential indicators of fraud and non-compliance with laws and regulations.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management concerning actual and potential litigation and claims;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- In assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.



A K Malhotra FCCA FCA
Senior Statutory Auditor
For and on behalf of Cavendish

22 May 2025

Chartered Certified Accountants
Statutory Auditor

68 Grafton Way
London
W1T 5DS

FERNHAM HOMES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024 £	2023 £
Turnover	**3**	8,958,245	2,654,088
Cost of sales		(7,742,537)	(2,333,414)
Gross profit		1,215,708	320,674
Administrative expenses		(2,937,589)	(2,052,209)
Operating loss	**4**	(1,721,881)	(1,731,535)
Interest receivable and similar income	**8**	6,002,634	9,541
Interest payable and similar expenses	**7**	(253,931)	(5,995)
Profit/(loss) before taxation		4,026,822	(1,727,989)
Tax on profit/(loss)	**9**	-	-
Profit/(loss) for the financial year		4,026,822	(1,727,989)

FERNHAM HOMES LIMITED

BALANCE SHEET

AS AT 31 JULY 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Tangible assets	**11**		102,232		44,295
Investment property	**12**		60,000		60,000
Investments	**13**		2		2
			162,234		104,297
Current assets					
Stocks	**15**	4,018,938		16,896,615	
Debtors	**16**	7,385,045		3,662,029	
Cash at bank and in hand		2,407,335		1,669,688	
		13,811,318		22,228,332	
Creditors: amounts falling due within one year	**17**	(6,228,143)		(10,948,098)	
Net current assets			7,583,175		11,280,234
Total assets less current liabilities			7,745,409		11,384,531
Creditors: amounts falling due after more than one year	**18**		(3,834,056)		-
Provisions for liabilities					
Provisions	**20**	249,500		249,500	
			(249,500)		(249,500)
Net assets			3,661,853		11,135,031
Capital and reserves					
Called up share capital	**22**		150		150
Profit and loss reserves			3,661,703		11,134,881
Total equity			3,661,853		11,135,031

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 21 May 2025 and are signed on its behalf by:

S Ellis
Director

Company registration number 03778310 (England and Wales)

FERNHAM HOMES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2024

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 August 2022		150	12,862,870	12,863,020
Year ended 31 July 2023:				
Loss and total comprehensive income		-	(1,727,989)	(1,727,989)
Balance at 31 July 2023		150	11,134,881	11,135,031
Year ended 31 July 2024:				
Profit and total comprehensive income		-	4,026,822	4,026,822
Dividends	**10**	-	(11,500,000)	(11,500,000)
Balance at 31 July 2024		150	3,661,703	3,661,853

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.

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 investment properties at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Fernham Homes Limited is a wholly owned subsidiary of Fernham Homes Group Limited and the results of Fernham Homes Limited are included in the consolidated financial statements of Fernham Homes Group Limited which will be available from the registered office, 68 Grafton Way, London W1T 5DS.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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.

1 Accounting policies **(Continued)**

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
Fixtures and fittings	25% straight lilne
Computer equipment	25% straight line
Office equipment	25% straight line

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 property

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. Changes in fair value are recognised in profit or loss.

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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

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 purchase costs of property, development costs and, where applicable, 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 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 Accounting policies **(Continued)**

1.8 Cash and cash equivalents

Cash and cash equivalents 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.

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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

1 Accounting policies **(Continued)**

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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 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.

1.12 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.

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

The total turnover for the year has been derived from its principal activity wholly undertaken in the United Kingdom

	2024	2023
	£	£
Turnover analysed by class of business		
Property sales	8,958,245	2,646,313
Other income	-	7,775
	8,958,245	2,654,088
Dividends received	6,000,000	-

4 Operating loss

	2024	2023
Operating loss for the year is stated after charging:	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	20,000	20,000
Depreciation of owned tangible fixed assets	39,829	18,297
Operating lease charges	44,918	11,776

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024	2023
	Number	Number
Administration	30	15

5 Employees (Continued)

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	1,983,410	1,259,284
Social security costs	235,371	160,620
Pension costs	32,330	38,224
	2,251,111	1,458,128

6 Directors' remuneration

	2024	2023
	£	£
Remuneration for qualifying services	392,470	640,235
Company pension contributions to defined contribution schemes	11,865	23,510
	404,335	663,745

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2024	2023
	£	£
Remuneration for qualifying services	205,725	398,377
Company pension contributions to defined contribution schemes	-	17,875

7 Interest payable and similar expenses

	2024	2023
	£	£
Interest on bank overdrafts and loans	209,281	-
	209,281	-
Loan arrangement fees and bank charges	44,650	5,897
Other interest	-	98
	253,931	5,995

8 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Interest on bank deposits	1,762	813
Other interest income	872	8,728
Total interest revenue	2,634	9,541
Income from fixed asset investments		
Income from shares in group undertakings	6,000,000	-
Total income	6,002,634	9,541

9 Taxation

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	£	£
Profit/(loss) before taxation	4,026,822	(1,727,989)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 25.00% (2023: 21.01%)	1,006,706	(363,050)
Tax effect of expenses that are not deductible in determining taxable profit	31,094	21,999
Group relief	487,065	361,976
Permanent capital allowances in excess of depreciation	(24,865)	(8,088)
Other permanent differences	-	(12,837)
Dividend income	(1,500,000)	-
Taxation charge for the year	-	-

10 Dividends

	2024	2023
	£	£
Final paid	11,500,000	-

11 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Computer equipment	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2023	28,850	17,971	61,044	5,260	113,125
Additions	6,540	2,315	30,467	58,444	97,766
At 31 July 2024	35,390	20,286	91,511	63,704	210,891
Depreciation and impairment					
At 1 August 2023	28,850	2,663	34,760	2,557	68,830
Depreciation charged in the year	1,635	4,650	17,966	15,578	39,829
At 31 July 2024	30,485	7,313	52,726	18,135	108,659
Carrying amount					
At 31 July 2024	4,905	12,973	38,785	45,569	102,232
At 31 July 2023	-	15,308	26,284	2,703	44,295

12 Investment property

	2024
	£
Fair value	
At 1 August 2023 and 31 July 2024	60,000

Investment property comprises freehold properties. The fair value of the investment property has been arrived at on the basis of a valuation carried out by directors at 31 July 2024.The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

13 Fixed asset investments

	Notes	2024	2023
		£	£
Investments in subsidiaries	14	2	2

14 Subsidiaries

Details of the company's subsidiaries at 31 July 2024 are as follows:

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

15 Stocks

	2024	2023
	£	£
Work in progress	4,018,938	16,896,615

16 Debtors

	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	218,408	90,854
Corporation tax recoverable	115,048	115,048
Amounts owed by group undertakings	5,683,252	1,609,825
Other debtors	1,311,494	1,842,418
Prepayments and accrued income	56,843	3,884
	7,385,045	3,662,029

17 Creditors: amounts falling due within one year

	Notes	2024	2023
		£	£
Bank loans	19	920,114	-
Trade creditors		546,496	428,566
Amounts owed to group undertakings		590,911	4,935,904
Taxation and social security		263,987	59,172
Other creditors		3,700,455	3,694,114
Accruals and deferred income		206,180	1,830,342
		6,228,143	10,948,098

18 Creditors: amounts falling due after more than one year

	Notes	2024	2023
		£	£
Bank loans and overdrafts	19	3,834,056	-

19 Loans and overdrafts

	2024	2023
	£	£
Bank loans	4,754,170	-
Payable within one year	920,114	-
Payable after one year	3,834,056	-

19 Loans and overdrafts **(Continued)**

The bank loans are secured by first legal charges over certain property stocks owned by the company and its subsidiary undertakings. In addition, certain of the company's directors have provided a personal joint and several guarantee to secure bank borrowings totalling £920,114. Bank loans are payable on the earlier of the maturity date and the date of sale of the relevant property. Interest paid on secured loans is based on Libor or base rate plus a margin.

20 Provisions for liabilities

	2024	2023
	£	£
Other provisions	249,500	249,500

	Other provisions
	£
At 1 August 2023 and 31 July 2024	249,500

21 Retirement benefit schemes

Defined contribution schemes	2024 £	2023 £
Charge to profit or loss in respect of defined contribution schemes	32,330	38,224

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

22 Share capital

Ordinary share capital	2024 Number	2023 Number	2024 £	2023 £
Issued and fully paid				
Ordinary shares of £1 each	150	150	150	150

23 Operating lease commitments

Lessee

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

	2024	2023
	£	£
Within one year	31,620	12,221
Between two and five years	44,173	16,295
	75,793	28,516

24 Related party transactions

Transactions with related parties

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

	Development costs	
	2024	**2023**
	£	**£**
Other related parties	1,590,248	6,197,521

Amounts due to related parties	**2024** **£**	**2023** **£**
Key management personnel	(22,359)	(27,556)
Other related parties	3,721,055	3,721,055

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	**2024** **£**	**2023** **£**
Entities with control, joint control or significant influence over the company	-	508,414
Other related parties	1,211,398	1,645,706

25 Ultimate controlling party

The immediate parent company is Fernham Homes Operations Limited.

The ultimate parent company is Fernham Homes Group Limited.

The following are the parents of the largest and smallest groups in which this company's results are consolidated:

Largest group	Fernham Homes Group Limited
Smallest group	Fernham Homes Group Limited