

Gallions Approach Limited

Annual report and financial statements for the year ended 31 December 2014

Company number: 4113708

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Gallions Approach Limited

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Gallions Approach Limited

Directors and advisors

Directors

Colin Lewis

Giles Sharp

Company secretary

Joanne Massey

Registered office

30 High Street

Westerham

Kent

United Kingdom

TN16 1RG

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Atria One

144 Morrison Street

Edinburgh

EH3 8EX

Gallions Approach Limited

Directors' report for the year ended 31 December 2014

The directors present their annual report together with the audited financial statements for the Company for the year ended 31 December 2014. In this report, the 'Group' means Avant Homes Holdings Limited and its subsidiary undertakings and the 'Company' means Gallions Approach Limited.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Principal activities

The principal activity of the Company is that of property development.

Review of the business and future developments

The profit and loss account is set out on page 6 and shows profit on ordinary activities before taxation for the year of £343,000 (2013: £74,000).

The directors do not recommend the payment of a final dividend (2013: £nil). Accordingly, the retained profit for the financial year of £343,000 (2013: £74,000) has been transferred to reserves.

Principal risks and uncertainties

The Company is a member of the Group and its risks are disclosed in the consolidated financial statements of Avant Homes Holdings Limited. Operational and financial risks are managed on a Group basis.

Financial instruments and risk management

Working capital requirements are principally satisfied from cash generated by the Company and through funding made available from the bank facilities established by Avant Homes Limited whose treasury function also handles hedging arrangements.

On 24 September 2014, reduced Group banking facilities of £327,100,000 were extended to 31 December 2015.

On 12 December 2014 the Group was acquired by Avant Acquisition Co Limited, a wholly owned subsidiary of Avant S.à.r.l. Immediately following the acquisition the Group repaid debt of £176,629,770 to Lloyds Banking Group, representing the entire amount outstanding at that date. Also on 12 December a £40,000,000 term loan was drawn in favour of Bank of America Merrill Lynch that was due to expire on 11 December 2015.

On 2 April 2015 the £40,000,000 term loan was repaid when the Group secured a 5-year, £120,000,000 Revolving Credit Facility from HSBC, Royal Bank of Scotland and Santander.

The Company benefits from the support provided by the intermediate parent undertaking, Avant Homes Holdings Limited.

Key performance indicators (KPIs)

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs beyond those ascertainable from the financial statements is not necessary for an understanding of the development, performance or position of the business.

Directors

The directors who were in office during the year and up to the date of signing the financial statements were as follows:

N Fitzsimmons	(resigned 12 December 2014)
C Lewis	
J Mortimore	(resigned 31 March 2015)
G Sharp	(appointed 23 January 2015)

Gallions Approach Limited

Directors' report for the year ended 31 December 2014 (continued)

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared 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;
- 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 of information to auditors

In the case of each of the persons who are directors at the time when the report is approved, the following applies:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



G Sharp
Director

11 September 2015

Gallions Approach Limited

Independent auditors' report to the members of Gallions Approach Limited

Report on the financial statements

Our opinion

In our opinion, Gallions Approach Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

What we have audited

Gallions Approach Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year ended 31 December 2014; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the year ended 31 December 2014 is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

~~Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not~~
entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Gallions Approach Limited

Independent auditors' report to the members of Gallions Approach Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements for the year ended 31 December 2013 (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Caroline Roxburgh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
11 September 2015

Gallions Approach Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover		-	-
Cost of sales		(50)	(12)
Gross loss		(50)	(12)
Administrative expenses		274	(6)
Other operating income		49	19
Operating profit	2	273	1
Interest receivable and similar income	3	70	73
Profit on ordinary activities before taxation		343	74
Tax on profit on ordinary activities	4	-	-
Profit for the financial year	10	343	74

All amounts relate to continuing activities.

There were no recognised gains or losses in either financial year other than the profit for the financial years as shown above.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical cost equivalents.

Gallions Approach Limited

Balance sheet as at 31 December 2014

	Note	2014 £'000	2013 £'000
Current assets			
Debtors (including £nil (2013: £882,000) due after more than one year)	5	24,620	24,888
Cash at bank and at hand		9	330
		24,629	25,218
Creditors: amounts falling due within one year	6	(17,746)	(18,802)
Net current assets		6,883	6,416
Total assets less current liabilities		6,883	6,416
Provisions for liabilities	7	(124)	-
Net assets		6,759	6,416
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	6,759	6,416
Total shareholder's funds	10	6,759	6,416

The financial statements on pages 6 to 12 were approved by the Board and authorised for issue on 11 September 2015.



G Sharp
Director
Gallions Approach Limited
Company number: 4113708

Gallions Approach Limited

Notes to the financial statements for the year ended 31 December 2014

1 Accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 2006 (except for the revaluation of investment properties noted below) and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Cash flow statement

The Company is a wholly owned subsidiary of Avant Homes Holdings Limited, and is included in its consolidated financial statements which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is not recognised on timing differences arising on revalued properties unless the Company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

2 Operating profit

	2014	2013
Operating loss is stated after charging:	£'000	£'000
Movement in the provision for doubtful debts	276	-

The Company did not have any employees during the year or prior year.

Certain directors are executives of intermediate parent companies, Gladedale Holdings Limited and Avant Homes Holdings Limited or both. It is not practicable to allocate their total remuneration between their services as executives of the Company and their services as directors of other Group companies. Details of the directors' remuneration can be found in the financial statements of the intermediate parent undertakings as appropriate.

Auditors' remuneration has been met by another Group entity.

Gallions Approach Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

3 Interest receivable and similar income

	2014	2013
	£'000	£'000
Interest receivable arising from equity share receivables	70	73

4 Tax on profit on ordinary activities

	2014	2013
	£'000	£'000

Current tax

UK Corporation tax on profit of the year	-	-
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The tax assessed for the year is lower (2013: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2014 of 21.5% (2013: 23.25%). The differences are explained below:

	2014	2013
	£'000	£'000
Profit on ordinary activities before taxation	343	74
Profit on ordinary activities at standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	74	17
Effect of:		
Adjustment for imputed interest	(141)	(158)
Other timing differences	6	(6)
Tax losses arising for which no deferred tax asset has been recognised	61	147
Current tax charge for the year	-	-

The 2013 Finance Act included legislation to reduce the main rate of corporation tax to 20% with effect from 1 April 2015. This change was substantially enacted by the balance sheet date and the unrecognised deferred tax asset is based on this reduced rate.

There is an unrecognised deferred tax asset of £254,000 (2013: £329,000) relating to unrelieved trading losses and £nil (2013: £43,000) relating to other timing differences available to carry forward. The total unrecognised deferred tax asset of £254,000 (2013: £372,000) has not been provided for in the financial statements as the directors of the Company feel that it is unlikely that there will be sufficient taxable profits arising in the foreseeable future against which to recover the asset.

Gallions Approach Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

5 Debtors

	2014	2013
	£'000	£'000
Trade debtors	28	-
Amounts owed by Group undertakings	24,591	24,006
VAT	1	-
Equity share receivables	-	882
	24,620	24,888

All amounts shown under debtors fall due for payment within one year, except for £nil (2013: £882,000) of equity share receivables which are due after more than one year.

All amounts owed by Group undertakings are unsecured, interest free and are repayable on demand.

Included within other debtors is £1 (2013: £1) relating to unpaid share capital.

6 Creditors: amounts falling due within one year

	2014	2013
	£'000	£'000
Trade creditors	19	14
Amounts owed to Group undertakings	17,711	18,767
Taxation and social security	16	16
Accruals and deferred income	-	5
	17,746	18,802

All amounts owed to Group undertakings are unsecured, interest free and are repayable on demand.

Gallions Approach Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

7 Provisions for liabilities

	Remediation provision £'000	Total £'000
At 1 January 2014	-	-
Charged to the profit and loss account	124	124
	124	124

Remediation provisions

The remediation provisions are for the potential cost of remediation work on completed sites. These provisions are expected to be fully utilised during 2015.

8 Called up share capital

	2014 £	2013 £
Allotted, called up and unpaid		
1 (2013: 1) ordinary share of £1	1	1

Included within other debtors is £1 (2013: £1) relating to unpaid share capital.

9 Reserves

	Profit and loss account £'000
Balance at 1 January 2014	6,416
Profit for the financial year	343
Balance at 31 December 2014	6,759

Gallions Approach Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

10 Reconciliation of movements in shareholder's funds

	2014	2013
	£'000	£'000
Profit for the financial year	343	74
Opening shareholder's funds	6,416	6,342
Closing shareholder's funds	6,759	6,416

11 Contingent liabilities

On 12 December 2014, certain other Group members entered into cross guarantee and debenture instruments with Global Loan Agency Services Limited, GLAS Trust Corporation Limited and Bank of America Merrill Lynch guaranteeing and securing liability in relation to the Group's banking facilities. The Company was not an obligor under this arrangement, so the amount outstanding at 31 December 2014 was £nil (2013: Bank of Scotland £272,585,175).

The Company has given counter indemnities and guarantees of the National House Building Council in respect of performance bonds in the normal course of business.

12 Related party transactions

The Company is a wholly owned subsidiary of Gladedale Holdings Limited. Avant Homes Holdings Limited, an intermediate parent undertaking, has prepared consolidated financial statements for the year ended 31 December 2014 and therefore the Company has relied on the exemptions contained within FRS 8 in respect of the disclosure of related party transactions.

There are no other related parties transactions that require disclosure in these financial statements.

13 Ultimate parent undertaking

The Company is a wholly owned subsidiary of Gladedale Holdings Limited.

The Directors consider the ultimate parent undertaking to be Avant S.à.r.l., a company registered in the Grand Duchy of Luxembourg. The Directors do not consider there to be any ultimate controlling party. Avant Acquisition Co Limited was the largest and Avant Homes Holdings Limited was the smallest group of which the Company was a member and for which consolidated financial statements are prepared. Copies of the financial statements of Avant Homes Holdings Limited are available from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.