

Company Registration No. 07033708 (England and Wales)

MCCANN HOMES (MK) LIMITED

**UNAUDITED GROUP CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2016

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MCCANN HOMES (MK) LIMITED

COMPANY INFORMATION

Directors

A R E Inchbald
E McCann
J C McCann

Company number

07033708

Registered office

Woodcote
Woodside
Aspley Guise
Milton Keynes
MK17 8EB

Accountants

Hills & Burgess
20 Bridge Street
Leighton Buzzard
Bedfordshire
LU7 1AL

MCCANN HOMES (MK) LIMITED

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MCCANN HOMES (MK) LIMITED

CONSOLIDATED AND COMPANY BALANCE SHEETS

		Group As at 31 December		Company As at 31 December	
	Notes	2016 £	2015 £	2016 £	2015 £
Fixed assets					
Tangible assets	3	14,106	4,534	14,106	4,534
Subsidiary undertaking	4	-	-	100	100
		<u>14,106</u>	<u>4,534</u>	<u>14,206</u>	<u>4,634</u>
Current assets					
Stocks		5,256,721	6,982,270	4,192,458	3,689,196
Debtors	5	97,687	96,984	395,066	1,387,841
Cash at bank and in hand		129,081	137,809	129,081	137,809
		<u>5,483,489</u>	<u>7,217,063</u>	<u>4,716,605</u>	<u>5,214,846</u>
Creditors: amounts falling due within one year	6	(3,682,171)	(6,012,455)	(3,565,428)	(4,193,619)
Net current assets		<u>1,801,318</u>	<u>1,204,608</u>	<u>1,151,177</u>	<u>1,021,227</u>
Total assets less current liabilities		<u>1,815,424</u>	<u>1,209,142</u>	<u>1,165,383</u>	<u>1,025,861</u>
Provisions for liabilities		(1,000)	(1,000)	(1,000)	(1,000)
Net assets		<u>1,814,424</u>	<u>1,208,142</u>	<u>1,164,383</u>	<u>1,024,861</u>
Capital and reserves					
Called up share capital	7	100	100	100	100
Profit and loss account		1,814,324	1,208,042	1,164,283	1,024,761
Shareholders' funds		<u>1,814,424</u>	<u>1,208,142</u>	<u>1,164,383</u>	<u>1,024,861</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

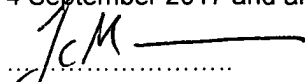
For the financial year ended 31 December 2016 the group was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on 4 September 2017 and are signed on its behalf by


J. McCann
Director

Company Registration No. 07033708

MCCANN HOMES (MK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

McCann Homes (MK) Limited and its subsidiary operate as residential property developers. The company is a private company limited by shares incorporated in England and Wales. The registered office is Woodcote, Woodside, Aspley Guise, Milton Keynes, MK17 8EB.

1.1 Accounting convention

The Group and individual financial statements of McCann Homes (MK) Limited 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 £.

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

These financial statements for the year ended 31 December 2016 are the first financial statements of McCann Homes (MK) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings together with the group's share of net assets.

The company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

1.2 Turnover

Turnover represents the proceeds from the sale of properties sold together with consultancy income from property trading. Property sales and income from consultancy on property trading are recognised when completion takes place on the related sales.

1.3 Tangible fixed assets and depreciation

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 basis:

Plant and machinery	- 33% straight line
Fixtures, fittings & equipment	- 20% straight line
Computer equipment	- 33% 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.

MCCANN HOMES (MK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (continued)

1.4 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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.7 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.

MCCANN HOMES (MK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies (continued)

1.8 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.

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.

1.9 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.

MCCANN HOMES (MK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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.

1.10 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.

1.11 Retirement benefits

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

1.12 Interest payable

Interest payable is written off in the period in which it accrues and is not capitalised.

2 Employees

The average monthly number of persons (including directors) employed by the group and the company during the year was 7 (2015 - 6).

MCCANN HOMES (MK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

3 Tangible fixed assets Group and Company

	Plant and machinery etc £
Cost	
At 1 January 2016	8,323
Additions	13,865
At 31 December 2016	22,188
Depreciation and impairment	
At 1 January 2016	3,789
Depreciation charged in the year	4,293
At 31 December 2016	8,082
Carrying amount	
At 31 December 2016	14,106
At 31 December 2015	4,534

MCCANN HOMES (MK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

4 Fixed asset investments Company

	2016 £	2015 £
Shares in subsidiary undertaking	<u>100</u>	<u>100</u>

Movement in fixed asset investments

Shares in group undertakings
£

Cost	
At 1 January 2016 and at 31 December 2016	<u>100</u>
Carrying amount	
At 31 December 2016	<u>100</u>
At 31 December 2015	<u>100</u>

Name	Country of Incorporation	Nature of Business	Interest
McCann Homes (Edlesborough) Limited	England and Wales	Property Development	100% Ordinary £1 shares

The above 100% subsidiary is included in the consolidation.

5 Debtors	Group		Company	
Amounts falling due within one year	2016 £	2015 £	2016 £	2015 £
Amounts due from group undertakings	-	-	300,757	1,290,857
Other debtors	<u>97,687</u>	<u>96,984</u>	<u>94,309</u>	<u>96,984</u>
	<u>97,687</u>	<u>96,984</u>	<u>395,066</u>	<u>1,387,841</u>

MCCANN HOMES (MK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

6	Creditors: amounts falling due within one year	Group		Company	
		2016 £	2015 £	2016 £	2015 £
	Bank loan (secured)	476,599	1,765,234	476,599	-
	Trade creditors	505,376	595,004	505,376	595,004
	Corporation tax	215,768	118,207	99,025	65,806
	Deposits held	114,000	800,452	114,000	800,452
	Other taxation and social security	24,748	52,539	24,748	52,539
	Directors loans	105,074	132,172	105,074	132,172
	Loans (secured)	2,152,169	2,438,050	2,152,169	2,438,050
	Other creditors	88,437	110,797	88,437	109,596
		<u>3,682,171</u>	<u>6,012,455</u>	<u>3,565,428</u>	<u>4,193,619</u>

The aggregate amount of debt which is secured amounts to £2,628,768 (2015 - £2,438,050).
This debt is secured by a charge over stock.

7	Called up share capital Ordinary share capital Issued and fully paid 100 ordinary of £1 each	2016 £	2015 £
		<u>100</u>	<u>100</u>