

Company registration number 07033708 (England and Wales)

MCCANN HOMES (MK) LIMITED

**UNAUDITED GROUP CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023

PAGES FOR FILING WITH REGISTRAR

MCCANN HOMES (MK) LIMITED

CONTENTS

	Page
Group and company balance sheets	1 - 2
Notes to the financial statements	3 - 11

MCCANN HOMES (MK) LIMITED

GROUP AND COMPANY BALANCE SHEETS

AS AT 31 DECEMBER 2023

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Fixed assets					
Tangible assets	4	229,406	250,344	229,406	250,344
Investments	5	-	-	100	100
		<u>229,406</u>	<u>250,344</u>	<u>229,506</u>	<u>250,444</u>
Current assets					
Stocks		8,553,662	5,708,390	4,777,290	2,281,584
Debtors	7	1,735,042	674,833	1,734,092	671,993
Cash at bank and in hand		544,196	1,478,282	544,196	1,478,282
		<u>10,832,900</u>	<u>7,861,505</u>	<u>7,055,578</u>	<u>4,431,859</u>
Creditors: amounts falling due within one year	8	(1,054,443)	(651,523)	(4,038,416)	(1,441,542)
Net current assets		<u>9,778,457</u>	<u>7,209,982</u>	<u>3,017,162</u>	<u>2,990,317</u>
Total assets less current liabilities		<u>10,007,863</u>	<u>7,460,326</u>	<u>3,246,668</u>	<u>3,240,761</u>
Creditors: amounts falling due after more than one year	9	(4,827,699)	(2,129,207)	-	(97,283)
Provisions for liabilities		<u>(20,181)</u>	<u>(21,744)</u>	<u>(20,181)</u>	<u>(21,744)</u>
Net assets		<u>5,159,983</u>	<u>5,309,375</u>	<u>3,226,487</u>	<u>3,121,734</u>
Capital and reserves					
Called up share capital		100	100	100	100
Profit and loss reserves		5,159,883	5,309,275	3,226,387	3,121,634
Total equity		<u>5,159,983</u>	<u>5,309,375</u>	<u>3,226,487</u>	<u>3,121,734</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 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 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 and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

MCCANN HOMES (MK) LIMITED

GROUP AND COMPANY BALANCE SHEETS (CONTINUED)

AS AT 31 DECEMBER 2023

The financial statements were approved by the board of directors and authorised for issue on 27 June 2024 and are signed on its behalf by:

J McCann
Director

Company Registration No. 07033708

MCCANN HOMES (MK) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

Company information

McCann Homes (MK) Ltd ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is The Coach House, Lower End Road, Wavendon, Milton Keynes, MK17 8AU.

The group consists of McCann Homes (MK) Ltd and all of its subsidiaries.

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. The principal accounting policies adopted are set out below.

The 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 for parent company information presented within the consolidated financial statements:

- 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 recognised in profit or loss and in other comprehensive income';
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company McCann Homes (MK) Ltd together with all entities controlled by the parent company (its subsidiaries) and the group's share of their net assets. All financial statements are made up to 31 December 2023.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation.

1.3 Turnover

Turnover represents:

a) 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.

b) construction contracts recognise construction revenue and costs respectively by reference to the stage of completion of the contract. The stage of completion is calculated as a proportion of the costs incurred to date compared to the total estimated costs.

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.

MCCANN HOMES (MK) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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:

Freehold land and buildings	2% straight line
Plant and equipment	33% straight line
Fixtures and fittings	20% straight line
Computers	33% straight line
Motor vehicles	20% reducing balance

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 recognised in the profit and loss account.

1.5 Fixed asset investments

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

Investments in subsidiaries are initially recognised at cost and are subsequently measured at cost less any accumulated impairment provision. The investments are assessed for impairment at each reporting date any impairment losses or reversal of impairment losses are recognised immediately in the profit and loss account.

1.6 Borrowing costs related to fixed assets

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.7 Impairment of fixed assets

At each reporting period end date, the group 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.

MCCANN HOMES (MK) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

1.8 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.

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.

1.9 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.

1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

MCCANN HOMES (MK) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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 group 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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies 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.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 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 group'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 GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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 if, and only if, there is 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.

1.13 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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

MCCANN HOMES (MK) LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023****2 Judgements and key sources of estimation uncertainty**

In the application of the group'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 Employees

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

	Group 2023 Number	2022 Number	Company 2023 Number	2022 Number
Total	11	10	9	8

4 Tangible fixed assets

Group	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2023	127,754	270,772	398,526
Additions	11,452	1,146	12,598
At 31 December 2023	139,206	271,918	411,124
Depreciation and impairment			
At 1 January 2023	9,495	138,687	148,182
Depreciation charged in the year	2,555	30,981	33,536
At 31 December 2023	12,050	169,668	181,718
Carrying amount			
At 31 December 2023	127,156	102,250	229,406
At 31 December 2022	118,259	132,085	250,344

MCCANN HOMES (MK) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

4 Tangible fixed assets (Continued)

Company	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2023	127,754	270,772	398,526
Additions	11,452	1,146	12,598
At 31 December 2023	139,206	271,918	411,124
Depreciation and impairment			
At 1 January 2023	9,495	138,687	148,182
Depreciation charged in the year	2,555	30,981	33,536
At 31 December 2023	12,050	169,668	181,718
Carrying amount			
At 31 December 2023	127,156	102,250	229,406
At 31 December 2022	118,259	132,085	250,344

5 Fixed asset investments

	Group 2023 £	2022 £	Company 2023 £	2022 £
Shares in group undertakings and participating interests	-	-	100	100
	-	-	100	100

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 January 2023 and 31 December 2023	100
Carrying amount	
At 31 December 2023	100
At 31 December 2022	100

6 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

MCCANN HOMES (MK) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

6 Subsidiaries (Continued)

Name of undertaking	Registered office	Class of shares held	% Held Direct
McCann Homes (Edlesborough) Ltd	England & Wales	£1.00 Ordinary Shares	100.00

7 Debtors

	Group 2023 £	2022 £	Company 2023 £	2022 £
Amounts falling due within one year:				
Trade debtors	426,938	64,254	426,938	64,254
Other debtors	1,307,154	610,579	1,307,154	607,739
	<u>1,734,092</u>	<u>674,833</u>	<u>1,734,092</u>	<u>671,993</u>
Deferred tax asset	950	-	-	-
	<u>1,735,042</u>	<u>674,833</u>	<u>1,734,092</u>	<u>671,993</u>

8 Creditors: amounts falling due within one year

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	286,837	236,693	286,837	236,693
Trade creditors	561,076	214,558	561,076	202,318
Amounts owed to group undertakings	-	-	2,988,473	825,969
Corporation tax payable	3,676	32,210	3,676	13,000
Other taxation and social security	25,358	23,168	25,358	23,168
Other creditors	177,496	144,894	172,996	140,394
	<u>1,054,443</u>	<u>651,523</u>	<u>4,038,416</u>	<u>1,441,542</u>

The bank and other loan or overdraft facilities are secured by charges over land and properties relating to the development project that the lending relates to.

9 Creditors: amounts falling due after more than one year

	Group 2023 £	2022 £	Company 2023 £	2022 £
Obligations under finance leases	-	97,283	-	97,283
	<u>-</u>	<u>97,283</u>	<u>-</u>	<u>97,283</u>

MCCANN HOMES (MK) LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Loans and overdrafts

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	4,827,699	2,031,924	-	-
Bank overdrafts	286,837	236,693	286,837	236,693
	<u>5,114,536</u>	<u>2,268,617</u>	<u>286,837</u>	<u>236,693</u>
	<u><u>5,114,536</u></u>	<u><u>2,268,617</u></u>	<u><u>286,837</u></u>	<u><u>236,693</u></u>
Payable within one year	286,837	236,693	286,837	236,693
Payable after one year	4,827,699	2,031,924	-	-
	<u><u>4,827,699</u></u>	<u><u>2,031,924</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

The bank and other loan or overdraft facilities are secured by charges over land and properties relating to the development project that the lending relates to.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.