

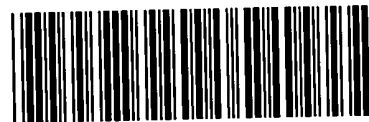
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Company Registration No. 07337921 (England and Wales)

ACACIA HOMES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2017

THURSDAY



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COMPANIES HOUSE

ACACIA HOMES LIMITED

COMPANY INFORMATION

Directors

N M Trott
M J Shanly

Secretary

N M Trott

Company number

07337921

Registered office

Sorbon
Aylesbury End
BEACONSFIELD
Buckinghamshire
HP9 1LW

Auditor

Harwood Hutton Limited
22 Wycombe End
Beaconsfield
Buckinghamshire
HP9 1NB

ACACIA HOMES LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 17

ACACIA HOMES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2017

The directors present the strategic report for the year ended 30 November 2017.

Fair review of the business

Turnover for the financial year was £7.5m which was a decrease of £18.4m on the previous period. This reduction in turnover was expected as it results from the previous decisions to be selective in land acquisition. The gross margin percentage has shown significant decrease over the previous year reflecting the difficulty the company has encountered in selling property with a value in excess of £1m.

As a result of these factors, the company made a profit on ordinary activities before taxation of £0.9m compared to a corresponding profit of £6.1m for the period ended 30 November 2016.

Competition for land continues to remain intense and the company has not made any further acquisitions. The Directors will remain cautious and selective in respect of future land purchases.

Principal risks and uncertainties

All businesses are exposed to risk but the principal risks and uncertainties affecting the company result from the following:

- Land supply – the availability of land at appropriate margins is a risk
- Planning – the current planning system results in uncertainty through delays and refusals
- Economic climate – the demand for housing can be influenced by interest rate rises, employment levels, availability of mortgage finance and the general state of the economy in the country
- Subcontract labour – following the recessionary years, a significant number of subcontractor trades left the industry and the upturn in housebuilding activity has not been matched by an increase in the pool of labour to deliver houses. Competition for subcontract labour is high with the resulting upwards pressure on costs

These risks are managed through continued research into potential land acquisitions in order to build a strong land bank, regular dialogue with planning authorities and where possible purchasing sites with planning permission already in place and focusing investment on quality developments in areas more resilient to the current economic climate.

Key performance indicators

The company uses several KPIs to measure performance and these include:

- Gross margin on cost – all land purchases are targeted to achieve a minimum threshold before the decision to purchase is taken
- Liquidity measures – to ensure the company operates within its banking facilities and has sufficient liquidity to fund the company's activities

ACACIA HOMES LIMITED

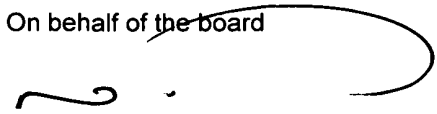
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

Financial risk management

The company's operations expose it to some financial risks including credit risk, liquidity risk and interest rate risk which are monitored by the company's finance department, although these are not deemed to represent significant risks to the business. Cash in respect of property sales is received on completion limiting the risk of bad debt. The company monitors its financing mix such that the company has sufficient available funds for operations. There were no interest bearing liabilities at the balance sheet date. The Directors review funding to ensure that interest rates charged are competitive with alternative sources.

On behalf of the board



.....
N M Trott

Director

10/07/18
.....

ACACIA HOMES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2017

The directors present their annual report and financial statements for the year ended 30 November 2017.

Principal activities

The principal activity of the company continued to be that of property development.

Directors

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

N M Trott
M J Shanly

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditor, Harwood Hutton Limited, 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;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements.

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

Statement of disclosure to auditor

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

ACACIA HOMES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

On behalf of the board



N M Trott

Director

Date: 10/07/18

ACACIA HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ACACIA HOMES LIMITED

Opinion

We have audited the financial statements of Acacia Homes Limited (the 'company') for the year ended 30 November 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2017 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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the 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.

ACACIA HOMES LIMITED

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Margaret El Khalidi (Senior Statutory Auditor)
for and on behalf of Harwood Hutton Limited

Chartered Accountants
Statutory Auditor

16 July 2018

22 Wycombe End
Beaconsfield
Buckinghamshire
HP9 1NB

ACACIA HOMES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	2017 £	2016 £
Turnover	2	7,513,721	25,857,385
Cost of sales		(6,572,084)	(19,309,436)
Gross profit		941,637	6,547,949
Administrative expenses		(81,003)	(88,629)
Other operating income		2,620	2,650
Operating profit	3	863,254	6,461,970
Interest receivable and similar income	5	2,118	3,036
Interest payable and similar expenses	6	-	(337,679)
Profit before taxation		865,372	6,127,327
Tax on profit	7	(167,290)	(1,225,465)
Profit for the financial year		698,082	4,901,862

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

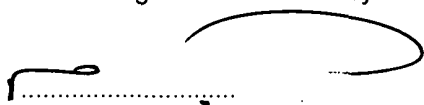
ACACIA HOMES LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2017

	Notes	2017 £	£	2016 £	£
Current assets					
Stocks	8	6,802,362		8,227,475	
Debtors	9	4,980,615		6,237	
Cash at bank and in hand		12,050		-	
		<u>11,795,027</u>		<u>8,233,712</u>	
Creditors: amounts falling due within one year	10	(4,196,306)		(1,725,308)	
Net current assets			7,598,721		6,508,404
Provisions for liabilities	11		(1,063,513)		(671,278)
Net assets			<u>6,535,208</u>		<u>5,837,126</u>
Capital and reserves					
Called up share capital	12		500		500
Profit and loss reserves			6,534,708		5,836,626
Total equity			<u>6,535,208</u>		<u>5,837,126</u>

The financial statements were approved by the board of directors and authorised for issue on ...10/07/18... and are signed on its behalf by:


 N M Trott
 Director

Company Registration No. 07337921

ACACIA HOMES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2017

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 December 2015	500	934,764	935,264
Year ended 30 November 2016:			
Profit and total comprehensive income for the year	-	4,901,862	4,901,862
Balance at 30 November 2016	500	5,836,626	5,837,126
Year ended 30 November 2017:			
Profit and total comprehensive income for the year	-	698,082	698,082
Balance at 30 November 2017	500	6,534,708	6,535,208

ACACIA HOMES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	16	550,475		637,679	
Interest paid		-		(337,679)	
Income taxes paid		(540,543)		(303,036)	
Net cash inflow/(outflow) from operating activities		9,932		(3,036)	
Investing activities					
Interest received		2,118		3,036	
Net cash generated from investing activities		2,118		3,036	
Net cash used in financing activities		-		-	
Net increase in cash and cash equivalents		12,050		-	
Cash and cash equivalents at beginning of year		-		-	
Cash and cash equivalents at end of year		12,050		-	

ACACIA HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2017

1 Accounting policies

Company information

Acacia Homes Limited is a private company limited by shares incorporated in England and Wales. The registered office is Sorbon, Aylesbury End, BEACONSFIELD, Buckinghamshire, HP9 1LW.

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. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts derived from the sale of property to third parties and is recognised in full on completion.

Profit is taken on the sale of residential units upon final completion of the sales contract. At this time the costs charged against the sales comprise the attributable proportion of expenditure on land acquisition, construction and other development costs.

Revenue from the sale of property is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on date of completion), 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.

1.3 Stocks

Work in progress is 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 work in progress to its 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.

1.4 Financial instruments

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" 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.

Basic financial assets

Short term debtors are measured at transaction price less any provision for impairment. Loans receivable are measured initially at fair value, net of transaction costs and are subsequently carried at amortised costs using the effective interest method, less any provision for impairment.

ACACIA HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans and other loans, are measured initially at fair value, net of transaction costs and are subsequently carried at amortised costs using the effective interest method.

1.5 Taxation

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

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.

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.

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.

1.6 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.

2 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover		
Property sales	7,513,721	25,857,385

ACACIA HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2017

2	Turnover and other revenue	(Continued)	
	Turnover analysed by geographical market		
		2017	2016
		£	£
	UK	7,513,721	25,857,385
		<u> </u>	<u> </u>
3	Operating profit	2017	2016
		£	£
	Operating profit for the year is stated after charging:		
	Fees payable to the company's auditor for the audit of the company's financial statements	5,500	5,500
	Cost of stocks recognised as an expense	6,572,084	19,309,436
		<u> </u>	<u> </u>
4	Directors' remuneration	2017	2016
		£	£
	Remuneration for qualifying services	-	7,188
		<u> </u>	<u> </u>
	There were no persons employed by the company during the year.		
5	Interest receivable and similar income	2017	2016
		£	£
	Interest income		
	Other interest income	2,118	3,036
		<u> </u>	<u> </u>
6	Interest payable and similar expenses	2017	2016
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Other interest on financial liabilities	-	337,679
		<u> </u>	<u> </u>
7	Taxation	2017	2016
		£	£
	Current tax		
	UK corporation tax on profits for the current period	167,290	1,059,453
		<u> </u>	<u> </u>

ACACIA HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2017

7 Taxation (Continued)

Deferred tax

Origination and reversal of timing differences	-	166,012
	<u> </u>	<u> </u>
Total tax charge	167,290	1,225,465
	<u> </u>	<u> </u>

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

	2017 £	2016 £
Profit before taxation	865,372	6,127,327
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.33% (2016: 20.00%)	167,290	1,225,465
	<u> </u>	<u> </u>
Taxation charge in the financial statements	167,290	1,225,465
	<u> </u>	<u> </u>

8 Stocks

	2017 £	2016 £
Work in progress	6,802,362	8,227,475
	<u> </u>	<u> </u>

9 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Unpaid share capital	500	500
Corporation tax recoverable	18,910	-
Amounts owed by group undertakings	4,953,916	-
Other debtors	7,289	5,737
	<u> </u>	<u> </u>
	4,980,615	6,237
	<u> </u>	<u> </u>

ACACIA HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2017

10 Creditors: amounts falling due within one year

	2017 £	2016 £
Payments received on account	2,000	2,000
Trade creditors	114,750	21,000
Corporation tax	-	354,343
Other taxation and social security	45	-
Other creditors	-	1,312,925
Accruals and deferred income	4,079,511	35,040
	<u>4,196,306</u>	<u>1,725,308</u>

11 Provisions for liabilities

	2017 £	2016 £
Remedial reserve provision	<u>1,063,513</u>	<u>671,278</u>
Movements on provisions:		£
At 1 December 2016		671,278
Additional provisions in the year		670,194
Reversal of provision		(277,959)
At 30 November 2017		<u>1,063,513</u>

12 Share capital

	2017 £	2016 £
Ordinary share capital Issued and not fully paid 500 Ordinary Shares of £1 each	<u>500</u>	<u>500</u>
	<u>500</u>	<u>500</u>

13 Financial commitments, guarantees and contingent liabilities

The company is subject to the normal post-sales contingencies attaching to a property developer.

ACACIA HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2017

14 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	-	7,188

Transactions with related parties

During the year, the company advanced £2,662 to Sorbon Investments Limited, a company controlled by M J Shanly, by way of interest free loans. At the balance-sheet date, the company was owed £7,289 (2016 - £4,667) by Sorbon Investments Limited.

During the year, the company advanced £6,266,841 to Sorbon Homes Limited, a company controlled by M J Shanly, by way of interest free loans. At the balance-sheet date, the company was owed £4,953,916 (2016 - £1,312,925 owed to) by Sorbon Homes Limited.

During the year, the company was invoiced £585,481 (2016 - £5,472,420) for construction services and incurred £75,000 (2016 - £75,000) of management charges from Shanly Homes Limited, a company controlled by M J Shanly. In addition £3,999,011 (2016 - £nil) was accrued in respect of additional construction services provided by Shanly Homes Limited.

15 Controlling party

The ultimate controlling party is M J Shanly, by virtue of his majority shareholding.

ACACIA HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2017

16 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	698,082	4,901,862
Adjustments for:		
Taxation charged	167,290	1,225,465
Finance costs	-	337,679
Investment income	(2,118)	(3,036)
Increase in provisions	392,235	336,203
Movements in working capital:		
Decrease in stocks	1,425,113	12,801,511
(Increase) in debtors	(4,956,538)	(4,667)
Increase/(decrease) in creditors	2,826,411	(18,957,338)
Cash generated from operations	<u>550,475</u>	<u>637,679</u>