

Company Registration No. 08421221 (England and Wales)

1-5 PLYMOUTH GROVE LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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1-5 PLYMOUTH GROVE LTD

COMPANY INFORMATION

Directors	Stephen Khan Mr John Khan
Company number	08421221
Registered office	Queens Court 24 Queen Street Manchester M2 5HX
Accountants	AMS Accountants Corporate Limited Chartered Accountants Queens Court 24 Queen Street Manchester M2 5HX
Business address	1 North Parade Parsonage Gardens Manchester M3 2NH
Bankers	Barclays Bank plc 51 Mosley Street Manchester M60 2AU
Solicitors	Lewis Silkin LLP 5 Chancery Lane Clifford's Inn London EC4A 1BL

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1-5 PLYMOUTH GROVE LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present the strategic report and financial statements for the year ended 31 March 2017.

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Review of the business

General information

The company was formed to carry on the business of property development. Sites identified as suitable for these purposes are acquired and built out using a combination of funds from the company's parent company, VIA Developments plc, and third party development finance.

Review of the business

At the balance sheet date, the company had entered into an exclusivity agreement to sell the Plymouth Grove site for £2.5m subject to, amongst other things, the vendor achieving full planning permission from the Local Planning Department for 61 residential units and the purchaser completing the acquisition within 28 days following the grant of such planning permission. At the date of this report, the required planning permissions were still outstanding.

1-5 PLYMOUTH GROVE LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

Market Risk

The company's business is speculative in nature and the identification of sites suitable for acquisition depends to a great extent on an assessment of the Gross Development Value (GDV) reflected against build cost and land value.

The company bases its assessment of GDV on current market values (rather than a projection of the possible values that might be attainable at completion). Nevertheless, the company is exposed to potential drops in market values for its completed sites. The company mitigates this risk by careful selection of sites for acquisition and development and by seeking to sell the developments off plan as soon as possible after all necessary planning and other consents have been obtained.

Operational Risks

The company is exposed to operational risks in 3 main areas: identification of suitable sites, achievement of planning consents and control of development expenditure.

New Site Acquisition

The company's continued growth is dependent on the ongoing identification of new sites suitable for development and which can be expected to deliver a financial return for the company. At the date of this report, the directors remain confident with current market conditions for acquisitions which are subject to a stringent appraisal process to ensure as far as possible that the company continues to meet its financial targets.

Planning Consents

To date, the company's sites have all been acquired with planning permission. The directors prioritise sites that meet these conditions but may seek to amend any existing consents with a view to maximising the return that can be achieved. These 'enhanced consents' cannot be guaranteed and so there is a risk that development will only be possible within the constraints of the existing permissions. Nevertheless, the directors believe that by engaging with local planning consultants and taking planning advice at an early stage there are sufficient controls in place to minimise the downside potential of this risk.

Development Expenditure

The other major factor that contributes to the profitable development of sites that have been acquired is the cost of development. The directors have implemented procurement processes and cost control measures to ensure that development expenditure is kept within plan. In circumstances where local market conditions for main-contractors have resulted in prices that exceed planned development expenditure, the directors will consider sub-contracting out the individual packages directly to ensure the company is able to deliver the planned margin on its developments.

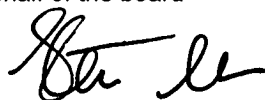
Financing Risks

The company's plans are dependent on its ongoing ability to raise development finance. The directors believe that the company has sufficient resources to complete the build out of its Canal Street development and so this risk is minimal currently.

Future Developments

The Directors believe that the commercial environment will continue to provide opportunities for growth.

On behalf of the board



Stephen Khan
Director

1-5 PLYMOUTH GROVE LTD

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

8 November 2017

1-5 PLYMOUTH GROVE LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Principal activities

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

Results and dividends

The results for the year are set out on page 6.

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

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

Directors

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

Stephen Khan

Mr John Khan

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to XX day's purchases, based on the average daily amount invoiced by suppliers during the year.

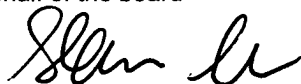
Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board



Stephen Khan

Director

8 November 2017

1-5 PLYMOUTH GROVE LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

		2017	2016
	Notes	£	£
Administrative expenses		(252,969)	(15,610)
Operating loss	4	(252,969)	(15,610)
Investment revenues	5	13	3
Loss before taxation		(252,956)	(15,607)
Income tax expense		-	-
Loss and total comprehensive income for the year	12	(252,956)	(15,607)

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

1-5 PLYMOUTH GROVE LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	2017 £	2016 £
Current assets			
Inventories	6	2,338,534	245,432
Trade and other receivables	7	15,043	33,563
Cash and cash equivalents		41,737	9,116
		<u>2,395,314</u>	<u>288,111</u>
Total assets		<u>2,395,314</u>	<u>288,111</u>
Current liabilities			
Trade and other payables	10	520,972	37,477
Borrowings	9	1,357,164	-
		<u>1,878,136</u>	<u>37,477</u>
Net current assets		<u>517,178</u>	<u>250,634</u>
Non-current liabilities			
Trade and other payables	10	105,000	70,000
Borrowings	9	679,741	195,241
		<u>784,741</u>	<u>265,241</u>
Total liabilities		<u>2,662,877</u>	<u>302,718</u>
Net assets		<u>(267,563)</u>	<u>(14,607)</u>
Equity			
Called up share capital	11	1,000	1,000
Retained earnings	12	(268,563)	(15,607)
Total equity		<u>(267,563)</u>	<u>(14,607)</u>

For the financial year ended 31 March 2016 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 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.

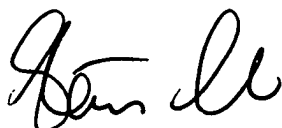
1-5 PLYMOUTH GROVE LTD

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2017

The financial statements were approved by the board of directors and authorised for issue on 8 November 2017 and are signed on its behalf by:

Stephen Khan
Director



Mr John Khan
Director



Company Registration No. 08421221

1-5 PLYMOUTH GROVE LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Share capital £	Retained earnings £	Total £
Balance at 1 March 2015	1,000	-	1,000
Period ended 31 March 2016:			
Loss and total comprehensive income for the period	-	(15,607)	(15,607)
Balance at 31 March 2016	1,000	(15,607)	(14,607)
Year ended 31 March 2017:			
Loss and total comprehensive income for the year	-	(252,956)	(252,956)
Balance at 31 March 2017	1,000	(268,563)	(267,563)

1-5 PLYMOUTH GROVE LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash absorbed by operations	15	(1,809,056)		(186,128)	
Net cash outflow from operating activities		(1,809,056)		(186,128)	
Investing activities					
Interest received		13		3	
Net cash generated from investing activities			13		3
Financing activities					
Proceeds from borrowings		1,841,664		195,241	
Net cash generated from financing activities		1,841,664		195,241	
Net increase in cash and cash equivalents		32,621		9,116	
Cash and cash equivalents at beginning of year		9,116		-	
Cash and cash equivalents at end of year		41,737		9,116	

1-5 PLYMOUTH GROVE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

1-5 Plymouth Grove Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Queens Court, 24 Queen Street, Manchester, M2 5HX.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

The financial statements have been prepared on the historical cost basis, except for the revaluation of . The principal accounting policies adopted are set out below.

1.2 Going concern

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

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.3 Inventories

Inventories 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 inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.4 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1.5 Cash and cash equivalents

Cash and cash equivalents 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.

1-5 PLYMOUTH GROVE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.6 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, 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 of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.7 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1-5 PLYMOUTH GROVE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies (Continued)

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Borrowing costs

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.

2 Critical accounting estimates and judgements

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Inventories

Inventories are valued at the lower cost and net realisable value. New realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends.

3 Revenue

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

	2017 £	2016 £
Revenue analysed by class of business	=====	=====
	2017 £	2016 £
Other significant revenue		
Interest income	13	3
	=====	=====

1-5 PLYMOUTH GROVE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

4 Operating loss

	2017	2016
	£	£
Operating loss for the year is stated after charging/(crediting):		

5 Investment income

	2017	2016
	£	£
Interest income		
Bank deposits	13	3

Total interest income for financial assets that are not held at fair value through profit or loss is £13 (2016 - £3).

6 Inventories

	2017	2016
	£	£
Work in progress	2,338,534	245,432

7 Trade and other receivables

	Current	
	2017	2016
	£	£
VAT recoverable	9,131	3,413
Amounts due from fellow group undertakings	4,330	150
Prepayments	1,582	30,000
	15,043	33,563

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

1-5 PLYMOUTH GROVE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

8 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables differs from fair value as follows:

	Carrying value		Fair value	
	2017	2016	2017	2016
	£	£	£	£
Prepayments	1,582	30,000	-	-
	<u>1,582</u>	<u>30,000</u>	<u>-</u>	<u>-</u>

No significant receivable balances are impaired at the reporting end date.

9 Borrowings

	2017	2016
	£	£
Unsecured borrowings at amortised cost		
Loans from parent undertaking	679,741	195,241
Loans from fellow group undertakings	649,479	-
	<u>1,329,220</u>	<u>195,241</u>
Secured borrowings at amortised cost		
Bank loans	<u>707,685</u>	<u>-</u>

Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2017	2016
	£	£
Current liabilities	1,357,164	-
Non-current liabilities	679,741	195,241
	<u>2,036,905</u>	<u>195,241</u>

1-5 PLYMOUTH GROVE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

10 Trade and other payables

	Current 2017 £	2016 £	Non-current 2017 £	2016 £
Trade payables	249,836	-	-	-
Amount due to parent undertaking	38,436	22,400	-	-
Amounts due to related parties	-	-	105,000	70,000
Accruals	132,700	15,077	-	-
Other payables	100,000	-	-	-
	<u>520,972</u>	<u>37,477</u>	<u>105,000</u>	<u>70,000</u>

11 Share capital

	2017 £	2016 £
Ordinary share capital		
Authorised		
1,000 Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>
Issued and fully paid		
1,000 Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>

12 Retained earnings

	2017 £	2016 £
At 1 April 2016	(15,607)	-
Loss for the year	(252,956)	(15,607)
At 31 March 2017	<u>(268,563)</u>	<u>(15,607)</u>

13 Capital commitments

	2017 £	2016 £
At 31 March 2017 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	<u>-</u>	<u>1,440,000</u>

14 Capital risk management

- The company is not subject to any externally imposed capital requirements.

1-5 PLYMOUTH GROVE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

15 Cash generated from operations

	2017 £	2016 £
Loss for the year after tax	(252,956)	(15,607)
Adjustments for:		
Investment income	(13)	(3)
Movements in working capital:		
Increase in inventories	(2,093,102)	(245,432)
Decrease/(increase) in trade and other receivables	18,520	(32,563)
Increase in trade and other payables	518,495	107,477
Cash absorbed by operations	<u><u>(1,809,056)</u></u>	<u><u>(186,128)</u></u>