Abingworth Homes Limited

Directors' Report and Unaudited

Financial Statements

Period Ended

31 December 2016

Company Number 09919607

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Abingworth Homes Limited

Company Information

Directors	M Mohamed D J Parrin
Registered number	09919607
Registered office	2nd Floor 15 Sackville Street London United Kingdom W1S 3DJ

Abingworth Homes Limited

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Abingworth Homes Limited

Directors' Report
for the period ended 31 December 2016

The directors present their report and the financial statements for the period ended 31 December 2016.

Principal activity

The principal activity of the Company is the construction and sale of residential properties.

Directors

The directors who served during the period were:

M Mohamed (appointed 16 December 2015)
D J Parrin (appointed 1 December 2016)
J K Braun (appointed 16 December 2015, resigned 1 December 2016)

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

.....
M Mohamed
Director

Date: 29/09/2017

Abingworth Homes Limited

Directors' Responsibilities Statement
for the period ended 31 December 2016

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments 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.

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 to 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.

Abingworth Homes Limited

Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of Abingworth Homes Limited

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Abingworth Homes Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at http://www.icaew.com /en/members/regulations-standards-and-guidance/

This report is made solely to the board of directors of Abingworth Homes Limited, as a body, in accordance with the terms of our engagement letter dated 17 August 2017. Our work has been undertaken solely to prepare for your approval the accounts of Abingworth Homes Limited and state those matters that we have agreed to state to the board of directors of Abingworth Homes Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Abingworth Homes Limited and its board of directors as a body for our work or for this report.

It is your duty to ensure that Abingworth Homes Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Abingworth Homes Limited. You consider that Abingworth Homes Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Abingworth Homes Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

BDO LLP

BDO LLP
London

United Kingdom

Date: 29/09/17

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Abingworth Homes Limited

Statement of Comprehensive Income
for the period ended 31 December 2016

	Note	Period ended 31 December 2016 £
Administrative expenses		(72,334)
Operating (loss)/profit		(72,334)
(Loss)/profit for the period		(72,334)
Total comprehensive income for the period		(72,334)

All amounts relate to continuing operations.

The notes on pages 6 to 11 form part of these financial statements.

Abingworth Homes Limited

Registered number: 09919607

Statement of Financial Position
as at 31 December 2016

	Note		2016 £
Current assets			
Stocks	7	26,826,685	
Debtors: amounts falling due within one year	8	43,956	
Cash at bank and in hand		57,627	
		26,928,268	
Creditors: amounts falling due within one year	9	(17,467,118)	
Net current assets			9,461,150
Total assets less current liabilities			9,461,150
Creditors: amounts falling due after more than one year	10		(9,533,384)
Net liabilities			(72,234)
Capital and reserves			
Called up share capital			100
Profit and loss account			(72,334)
			(72,234)

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

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 company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....

M Mohamed
Director

Date: 29/09/2017

The notes on pages 6 to 11 form part of these financial statements.

Notes to the Financial Statements
for the period ended 31 December 2016

1. General information

Abingworth Homes Limited is a private limited company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity is set out in the directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 15.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors confirm that the company has adequate resources to continue to operate for the foreseeable future. This assessment is based on the on going support received from the ultimate controlling party Castlelake LP.

2.3 Revenue recognition

Revenue excludes value added tax and represents the sales value, net of rebates and discounts of trading properties sold and that have been legally completed.

2.4 Stocks

Developments in progress are included in stock at the lower of cost and net realisable value. Cost comprises the cost of the property acquired and direct costs. Net realisable value is the assessed sale price after deducting the cost of completing and selling.

2.5 Debtors

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

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2. Accounting policies (continued)

2.7 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

2.8 Creditors

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

2.9 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no estimates and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the financial year

4. Operating (loss)/profit

During the period, no director received any emoluments.

5. Employees

The company has no employees other than the directors, who did not receive any remuneration.

6. Taxation

	Period ended 31 December 2016 £
Total current tax	-

Factors affecting tax charge for the period

The company has trading losses of £72,334 available for carry forward against future trading profits.

As a result of these losses, the company has a net potential deferred tax asset of £12,297. This potential asset has not been recognised in these financial statements because there is insufficient certainty as to the incidence and timing of future taxable profits against which the losses might be offset.

7. Stocks

	2016 £
Stocks - Property in progress of completion	**26,826,685**

The total finance costs capitalised during the year amounted to £259,560. All other amounts relate to costs incurred directly attributable to the building and completion of property.

8. Debtors

	2016 £
Other debtors	43,956
	43,956

9. Creditors: Amounts falling due within one year

	2016 £
Trade creditors	40,693
Amounts owed to other participating interests	17,179,613
Other creditors	165,687
Accruals and deferred income	81,125
	17,467,118

Amounts owed to participating interests are interest free and repayable on demand.

10. Creditors: Amounts falling due after more than one year

	2016 £
Bank loans	9,533,384

A bank loan was issued by Hampshire Trust Bank on 10 August 2016. The loan incurs a monthly fixed interest charge of 7% and is repayable 26 months from the issue date.

11. Loans

Analysis of the maturity of loans is given below:

	2016 £
Amounts falling due 1-2 years	
Bank loans	**9,533,384**
	9,533,384
	9,533,384

12. Share capital

	2016 £
Shares classified as equity	
Authorised, allotted, called up and fully paid	
100 Ordinary shares of £1 each	**100**

On incorporation, 100 ordinary shares were issued for a total consideration of £100.

13. Related party transactions

During the period, the company borrowed £16,578,326 from its investors Castlelake III REO (Offshore) LLC and Castlelake IV REO (Offshore) LLC, neither of which control the company and therefore have joint venture interests only. This is included in Creditors.

During the period, the ultimate controlling party Castlelake LP paid for invoices on behalf of the company totalling to £601,287, which is included in Creditors.

14. Controlling party

There is no immediate parent company. The ultimate controlling party is Castlelake LP, a company incorporated in the United States of America. The registered office is 1209 Orange Street, Wilmington, DE 19801.

15. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.