Abingworth Homes Limited

Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 09919607

WEDNESDAY

A9X1VIQ0

A22 27/01/2021 #197

COMPANIES HOUSE

Abingworth Homes Limited

Company Information

Directors	N H Brunker E M M Turner
Registered number	09919607
Registered office	2nd Floor 15 Sackville Street London United Kingdom W1S 3DJ
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Abingworth Homes Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 19

Abingworth Homes Limited

Strategic Report
For the Year Ended 31 December 2019

Introduction

The directors present their report for the year ended 31 December 2019 for Abingworth Homes Limited (the "Company").

The company was established in 2015 to acquire and develop a plot of land on Storrington Road in Thakeham, West Sussex. The intention was to develop the plot in phases. The first phase was for 39 residential homes surrounding a cricket pitch.

The company entered into a development agreement with Oakford Homes, a leading developer of residential homes in the UK to deliver the 39 homes in phase 1 and then a further 62 homes in phase 2.

During 2019, the company sold a total of 26 properties. The final 8 from Phase 1 were sold and the remaining 18 from Phase 2. Phase 2 properties are smaller than those in phase 1 and the selling price is therefore lower.

The phase 1 development was financed with a loan from Hampshire Trust Bank and the company was able to secure further financing from the same bank in 2018 for developing the phase 2 site.

The development was started at a time when the UK residential property market began to recover from the global economic crisis of 2008. While activity in the housebuilding sector has continued to pick up, the supply of new homes is still below the level of demand. The imbalance between the demand for new homes and the number of units built has been well-recognised by both industry and political parties.

The referendum held in the UK in 2016 which resulted in the decision to leave the European Union had an impact on the expected pace of sales. The speculation over the nature and timing of the UK's exit from the EU has continued to impact the level of sales. Total sales in 2019 were £15,335,550 27% up on the previous year.

The company now expects to have completed and sold all units by the end of 2021.

Financial results

During the year the company generated revenues from sales of properties totalling £15,335,550 (2018 - £12,042,990). This is equivalent to an average price per property sold of £589,829 (2018 - £708,411). Unit sales for phase 1 during the year were 26 (2018 - 17). Unit sales for phase 2 were 18 (2018 - 4).

Gross margin was lower in 2019 at -1.84% (2018: 4.03%).

Stock levels decreased in 2019 as the phase 2 development was in its early stages of completion by the end of the year, taking stocks to £20,999,357 (2018 - £25,962,698). Linked to the phase 2 development process, the bank loans decreased to £5,825,985 (2018 - £9,013,137). The bank loans have no performance covenants although all sales proceeds are swept to the lender until it is fully repaid. This decrease was partly offset by reduced lending from participating interests of £13,819,145 (2018 - £16,720,165).

Key risks

The success of the development project with Oakford is tied to the overall UK economic and political climate and will be significantly impacted by the decision taken in the 2016 referendum to leave the EU.

Key risks include the contraction of the economy linked to Brexit resulting in a partial or total collapse in the residential housing market in the UK. The uncertainty over how and if Britain will leave the EU has already impacted the volume of sales compared to original expectations. Additional concerns relate to the impact of Brexit on the ability to source materials and labour particularly in the event of a hard Brexit as currently proposed by the incumbent government.

The planning consents required for different stages of the development and building control regulations lead to risks of delays to the project's completion thus reducing plots available for saledelaying the repayment of the secured loan from Hampshire Trust Bank.

Current trading and outlook

Sales have continued throughout 2020 with some delays linked to Brexit uncertainty and during the restrictions resulting from the first wave of Covid-19. However, phase 1 is now almost completely sold and phase 2 sales have progressed well during the pandemic. The phase 1 loan from Hampshire Trust Bank is now fully repaid and additional financing has been obtained through linking to the Help to Buy Scheme which has helped secure sales for phase 2 plots.

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

E M M Turner
Director

Date: 14th December 2020

Abingworth Homes Limited

Directors' Report
For the Year Ended 31 December 2019

The directors present their report together with the audited financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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.

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.

Principal activity

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

Business review

The business review, principal risks and uncertainties and other business reporting is detailed in the strategic report as required by the Companies Act 2006 S414C (11).

Results and dividends

The loss for the year, after taxation, amounted to £279,199 (2018 - profit £295,831).

The directors do not propose a dividend for the year (2018 - £Nil).

Director

The director who served during the year was:

M Mohamed (resigned on 16 March 2020)
D J Parrin (resigned on 30 January 2020)

N H Brunker was appointed as director on 30 January 2020.
E M M Turner was appointed as director on 16 March 2020.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

Following the year end the repayment term of the bank loan was ammended, please see note 11 for details.

The impact of the Covid-19 outbreak, which occurred after the reporting date, continues to evolve and will require continued assessment as the pandemic plays out. The rapid development of the Covid-19 virus makes it very difficult to estimate the ultimate impact at this stage and, due to the fluidity of the situation, it is currently not practical to either ascertain or quantify the impact on the company. In the directors' view, Covid-19 is considered to be a non-adjusting subsequent event and no adjustment to the financial statements has been made as a result.

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

E M M Turner
Director

Date: 14th December 2020

Independent Auditor's Report to the Members of Abingworth Homes Limited

Opinion

We have audited the financial statements of Abingworth Homes Limited ("the company") for the year ended 31 December 2019 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity 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 Financial Reporting Standard 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 31 December 2019 and of its loss for the year then ended; and
- 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 the 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.

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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Independent Auditor's Report to the Members of Abingworth Homes Limited (continued)

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 at the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our 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.

BDO LLP

Charles Ellis (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

Date: 15 December 2020

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 Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	**15,335,550**	12,042,990
Cost of sales		**(15,617,122)**	(11,558,219)
Gross (loss)/profit		**(281,572)**	484,771
Administrative expenses		**(64,792)**	(119,547)
Operating (loss)/profit	5	**(346,364)**	365,224
Interest receivable and similar income	7	**1,673**	-
(Loss)/profit before tax		**(344,691)**	365,224
Tax on (loss)/profit	8	**65,492**	(69,393)
(Loss)/profit for the financial year		**(279,199)**	295,831

All amounts relate to continuing operations.

There was no other comprehensive income for 2019 (2018 - £Nil).

The notes on pages 12 to 19 form part of these financial statements.

Abingworth Homes Limited

Registered number:09919607

Statement of Financial Position
As at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Current assets					
Stock	9	**20,099,357**		25,962,698	
Debtors	10	**463,790**		369,526	
Cash and cash equivalents		**28,662**		226,936	
		20,591,809		26,559,160	
Creditors: amounts falling due within one year	11	**(20,047,614)**		(16,907,691)	
Net current assets			**544,195**		9,651,469
Creditors: amounts falling due after more than one year	12		**-**		(8,828,075)
Net assets			**544,195**		823,394
Capital and reserves					
Share capital	14		**100**		100
Profit and loss account	15		**544,095**		823,294
Total equity			**544,195**		823,394

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

E M M Turner
Director

Date: 14th December 2020

The notes on pages 12 to 19 form part of these financial statements.

Abingworth Homes Limited

Statement of Changes in Equity
For the Year Ended 31 December 2019

	Share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	100	823,294	823,394
Comprehensive income for the year			
Profit and total comprehensive income for the year	-	(279,199)	(279,199)
At 31 December 2019	100	544,095	544,195

Statement of Changes in Equity
For the Year Ended 31 December 2018

	Share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	100	527,463	527,563
Comprehensive income for the year			
Profit and total comprehensive income for the year	-	295,831	295,831
At 31 December 2018	100	823,294	823,394

The notes on pages 12 to 19 form part of these financial statements.

Abingworth Homes Limited

Statement of Cash Flows
For the Year Ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
(Loss)/profit for the financial year	**(279,199)**	295,831
Adjustments for:		
Interest received	**(1,673)**	-
Taxation charge	**(65,492)**	69,393
Decrease/(increase) in stocks	**6,409,592**	(2,882,660)
(Increase) in debtors	**(28,772)**	(39,637)
(Decrease) in creditors	**(2,562,356)**	(2,666,458)
Corporation tax received/(paid)	**-**	(436,048)
Net cash generated from operating activities	**3,472,100**	(5,659,579)
Cash flows from investing activities		
Interest received	**1,673**	-
Net cash from investing activities	**1,673**	-
Cash flows from financing activities		
Increase in bank loans	**5,066,294**	22,219,273
Repayment of loans	**(8,738,341)**	(16,559,800)
Net cash used in financing activities	**(3,672,047)**	5,659,473
Net (decrease) in cash and cash equivalents	**(198,274)**	(106)
Cash and cash equivalents at beginning of year	**226,936**	227,042
Cash and cash equivalents at the end of year	**28,662**	226,936
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**28,662**	226,936
	28,662	226,936

1. General information

Abingworth Homes Limited is a private company, limited by shares and incorporated in England and 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The company's functional and presentational currency is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The company meets its working capital requirements through the utilisation of resources available from the ultimate controlling party Castlelake LP and utilisation of external loan facility. The directors believe the company to be a going concern on the basis that it has sufficient resources available to continue operations for at least 12 months from the date of approval of these financial statements.

On coming to their conclusion, the directors have considered the outbreak of covid-19 against the post year-end sales run rate and balance of development expenditure. A cash flow forecast has been presented and analysed for the coming 12 months. Post year-end the external loan facility has been reduced further due to sales of unit and an extension to final repayment secured to August 2021. In addition, the ultimate controlling party has confirmed that it will not call for repayment of the balance owed to it for at least 12 months from the approval of these financial statements unless the company has sufficient funds to be able to make repayments. The ultimate controlling party has also confirmed that it will continue to provide such financial support as the company requires for at least 12 months from the date of the approval of these financial statements to meet its obligations and liabilities as they fall due.

The directors confirm the company can withstand the possible impact and of covid-19 and continue to operate within its available resources. Accordingly the company continues to adopt the going concern basis in preparing these financial statements.

2. Accounting policies (continued)

2.3 Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.4 Turnover

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

2.5 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are capitalised within stock as they are incurred during the construction of property stock.

2.8 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. Accounting policies (continued)

2.9 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.

2.10 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.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.11 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.

2.12 Financial instruments

The company only enters into basic financial instrument 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 ordinary shares.

2.13 Current and deferred 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. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgement:

Costs relating to the sale of completed properties:

When determining the proportion of costs relating to sales of completed properties to be released to the Statement of Comprehensive Income from the Statement of Financial Position, costs have been allocated on a £ per square foot basis. Judgements have also been made on costs expected to be incurred to complete the relevant building phase.

4. Turnover

All turnover is attributable to the principal activity of the company and arose within the United Kingdom.

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2019 £	2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	**18,000**	20,500
Fees payable to the company's auditor and its associates for taxation compliance services	**4,300**	4,000
Fees payable to the company's auditor and its associates for other services to the company	**5,250**	5,000

6. Employees

The company has no employees other than the directors (2018 - Nil), who did not receive any remuneration (2018 - £Nil).

7. Interest receivable and similar income

	2019 £	2018 £
Other interest receivable	**1,673**	-

8. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	-	69,393
Adjustments in respect of previous periods	**(65,492)**	-
Total current tax	**(65,492)**	69,393
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Taxation on profit on ordinary activities	**(65,492)**	69,393

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - the same as) the standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%). The differences are explained below:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	**(344,691)**	365,224
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2018 - 19.00%)	**(65,491)**	69,393
Effects of:		
Losses carried back	**65,491**	-
Adjustments to tax charge in respect of previous periods	**(65,492)**	-
Total tax charge for the year	**(65,492)**	69,393

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

9. Stock

	2019 £	2018 £
Stock - Property in progress of completion	**20,099,357**	25,962,698

The total finance costs capitalised during the year amounted to £548,304 (2018 - £431,750). All other amounts relate to costs incurred which are directly attributable to the building and completion of property. During the year, £14,233,762 (2018 - £10,956,659) was released to cost of sales in the profit and loss account in relation to the properties sold.

10. Debtors

	2019 £	2018 £
Other debtors	**437,290**	355,026
Reservation deposit	**26,500**	14,500
	463,790	369,526

11. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans	**5,779,254**	76,975
Trade creditors	**9,889**	31,059
Amounts owed to other participating interests	**13,819,145**	16,720,165
Accruals and deferred income	**439,326**	79,492
	20,047,614	16,907,691

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

The loan was due to be paid in full in 2020 and therefore is entirely recognised as short term. However, following the year end, Hampshire Trust Bank agreed to extend the repayment date to August 2021, in line with the expected sales of the the completed properties. While the amended loan is due for repayment in August 2021, the Company is required to make partial repayments on the completion of each property sold in line with the original facility.

The loan is presented net of unamortised arrangement fees of £46,731 (2019 - £61,357).

12. Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans	-	8,828,075

A bank loan was issued by Hampshire Trust Bank as described in note 11.

13. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Bank loans	**5,825,985**	138,332
Arrangement fees	**(46,731)**	(61,357)
Amounts falling due 1-2 years		
Bank loans	-	8,874,805
Arrangement fees	-	(46,730)
	5,779,254	8,905,050

The loan is secured against the assets of the company.

The loan was due to be paid in full in 2020 and therefore is entirely recognised as short term. However, following the year end, Hampshire Trust Bank agreed to extend the repayment date to August 2021, in line with the expected sales of the the completed properties. While the amended loan is due for repayment in August 2021, the Company is required to make partial repayments on the completion of each property sold in line with the original facility.

14. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
100 ordinary shares of £1 each	**100**	100

15. Reserves

The company's capital and reserves are as follows:

Share capital

Share capital represents the nominal value of the shares issued.

Profit and loss account

The profit and loss account is the cumulative profit and losses, net of dividends paid and other adjustments.

16. Analysis of net debt

	At 1 January 2019 £	Cash flows £	Other non-cash changes £	At 31 December 2019 £
Cash at bank and in hand	226,936	(198,274)	-	28,662
Debt due after 1 year	(8,828,075)	-	8,828,075	-
Debt due within 1 year	(76,975)	3,125,796	(8,828,075)	(5,779,254)
	(8,678,114)	2,927,522	-	(5,750,592)

17. Related party transactions

At the reporting date, the company borrowed £13,819,145 (2018 - £16,720,165) 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.

18. Post balance sheet events

Following the year end the repayment term of the bank loan was ammended, please see note 11 for details.

The impact of the Covid-19 outbreak, which occurred after the reporting date, continues to evolve and will require continued assessment as the pandemic plays out. The rapid development of the Covid-19 virus makes it very difficult to estimate the ultimate impact at this stage and, due to the fluidity of the situation, it is currently not practical to either ascertain or quantify the impact on the company. In the directors' view, Covid-19 is considered to be a non-adjusting subsequent event and no adjustment to the financial statements has been made as a result.

19. 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.