Company Registration No. 09232074 (England and Wales)

AEQUITAS ESTATES (MAIDSTONE) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

AEQUITAS ESTATES (MAIDSTONE) LIMITED

COMPANY INFORMATION

Directors	G Dufton F Sheikh A Sheikh
Company number	09232074
Registered office	Metropolitan House 3 Darkes Lane Potters Bar Hertfordshire EN6 1AG
Auditor	Moore Northern Home Counties Limited Nicholas House River Front Enfield Middlesex EN1 3FG

AEQUITAS ESTATES (MAIDSTONE) LIMITED

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AEQUITAS ESTATES (MAIDSTONE) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Principal activities
The principal activity of the company continued to be that of property trading.

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

G Dufton
F Sheikh
A Sheikh

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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.

On behalf of the board

....
A Sheikh
Director

Date: 19/12/19

AEQUITAS ESTATES (MAIDSTONE) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AEQUITAS ESTATES (MAIDSTONE) LIMITED

Opinion

We have audited the financial statements of Aequitas Estates (Maidstone) Limited (the 'company') for the year ended 31 March 2019 which comprise the profit and loss account, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

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.

FC

Francis Corbishley (Senior Statutory Auditor)
for and on behalf of Moore Northern Home Counties Limited

Chartered Accountants
Statutory Auditor
23/2/2021

Nicholas House
River Front
Enfield
Middlesex EN1 3FG

AEQUITAS ESTATES (MAIDSTONE) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover	2	20,122,289	1,412,651
Cost of sales		(18,766,325)	(1,156,597)
Gross profit		1,355,964	256,054
Administrative expenses		-	(50,000)
Operating profit		1,355,964	206,054
Income tax expense	4	(317,716)	-
Profit and total comprehensive income for the year	10	1,038,248	206,054

The profit and loss account has been prepared on the basis that all operations are continuing operations.

AEQUITAS ESTATES (MAIDSTONE) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	2018 £
Current assets			
Stocks	5	4,815,248	10,804,236
Trade and other receivables	6	17,145,211	340,958
Cash at bank and in hand		144,398	455,299
		22,104,857	11,600,493
Total assets		22,104,857	11,600,493
Creditors: amounts falling due within one year			
Creditors	8	4,501,611	6,519,270
Current tax liabilities		19,000	-
Loans and overdrafts	7	16,339,819	1,360,000
		20,860,430	7,879,270
Net current assets		1,244,427	3,721,223
Creditors: amounts falling due after more than one year			
Loans and overdrafts	7	-	3,515,044
Total liabilities		20,860,430	11,394,314
Net assets		1,244,427	206,179
Capital and reserves			
Called up share capital	9	125	125
Profit and loss reserves	10	1,244,302	206,054
Total equity		1,244,427	206,179

The financial statements were approved by the board of directors and authorised for issue on 19/12/19 and are signed on its behalf by:

A Sheikh
Director

Company Registration No. 09232074

AEQUITAS ESTATES (MAIDSTONE) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 April 2017	125	-	125
Year ended 31 March 2018:			
Profit and total comprehensive income for the year	-	206,054	206,054
Balances at 31 March 2018	125	206,054	206,179
Year ended 31 March 2019:			
Profit and total comprehensive income for the year	-	1,038,248	1,038,248
Balances at 31 March 2019	125	1,244,302	1,244,427

AEQUITAS ESTATES (MAIDSTONE) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities					
Cash absorbed by operations	**12**		(9,394,410)		(3,520,397)
Tax adjustment			(298,716)		-
Net cash outflow from operating activities			(9,693,126)		(3,520,397)
Financing activities					
Change in group balances		(1,604,918)		(451,765)	
Funding from minority shareholders		(477,632)		(519,920)	
Proceeds from borrowings		11,464,775		4,875,044	
Net cash generated from financing activities			9,382,225		3,903,359
Net (decrease)/increase in cash and cash equivalents			(310,901)		382,962
Cash and cash equivalents at beginning of year			455,299		72,337
Cash and cash equivalents at end of year			144,398		455,299

1 Accounting policies

Company information
Aequitas Estates (Maidstone) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG.

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 financial instruments which have been measured at fair value. The principal accounting policies adopted are set out below.

Property stock
Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Impairment (excluding deferred tax assets)
The carrying amounts of the Company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

i) Calculation of recoverable amount

The recoverable amount of the Company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

1 Accounting policies **(Continued)**

ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

Provisions
A provision, other than provisions for deferred taxation, is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk adjusted, future cash flows at a pre-tax risk-free rate.

Revenue Recognition
Sale of property stock
Revenue is recognised when a property unit has been sold which is when the contract for sale is legally binding.

Expenses - Financing costs
Financing costs, comprising interest payable on bank loans and overdrafts, finance charges on finance leases, the unwinding of the discount on provisions and the costs incurred in connection with the arrangement of borrowings are recognised in the income statement using the effective interest rate method.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Interest income also includes gains arising on the change in fair value of hedging instruments in the income statement.

Financing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset.

Financing costs also include losses arising on the change in fair value of hedging instruments that are recognised in the income statement.

Taxation
Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

1 Accounting policies (Continued)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amounts of deferred tax assets are reviewed at each balance sheet date.

Significant accounting judgements, estimates and assumptions
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(a) Judgements other than estimates
In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i) Classification of property
The Company determines whether a property is classified as investment property or inventory property:

- Investment property comprises land and buildings (principally offices, commercial warehouse and retail property) which are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.

- Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Company develops and intends to sell before or on completion of construction.

(ii) Taxes
The Company is subject to income and capital gains taxes. Significant judgement is required to determine the total provision for current and deferred taxes.

There are many transactions and calculations for which the ultimate tax determination and timing of payment is uncertain. In particular, when calculating deferred taxation, the effective tax rate applicable on the temporary differences in investment property depends on the method by which the carrying amount of investment property will be realised.

1.2 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 Accounting policies (Continued)

1.3 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The 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 is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

The Company recognises liabilities for current taxes based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income and deferred tax provisions in the period in which the determination is made. Deferred tax assets and liabilities are recognised on a net basis to the extent they are relating to the same fiscal unity and fall due in approximately the same period.

2 Turnover

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

	2019	2018
	£	£
Turnover analysed by class of business		
Sale of property stock	20,117,549	1,412,651
Sundry income	4,740	-
	20,122,289	1,412,651

3 Employees

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

	2019 Number	2018 Number
Directors	3	3

There were no staff costs for the year ended 31 March 2019 nor for the year ended 31 March 2018.

4 Income tax expense

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	317,716	-

The total charge of £317,716 consists of an amount of £19,000 owing to HMRC in respect of the actual corporation tax charge owing, and £298,716 owing to group companies for tax losses surrendered under group relief claims.

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2019 £	2018 £
Profit before taxation	1,355,964	206,054
Expected tax charge based on a corporation tax rate of 19.00%	257,633	39,150
Unutilised tax losses carried forward	-	6,234
Trading losses utilised	(6,234)	-
Land remediation relief	(1,820)	(45,384)
Land remediation costs written off to Profit & loss account	68,137	-
Taxation charge for the year	317,716	-

5 Stocks

	2019 £	2018 £
Work in progress	4,815,248	10,804,236

6 Debtors

	2019 £	2018 £
Trade debtors	5,688	-
Other receivables	17,050,468	256,054
VAT recoverable	24,855	21,904
Prepayments	64,200	63,000
	17,145,211	340,958

7 Loans and overdrafts

Secured borrowings at amortised cost		
Other loans	16,339,819	4,875,044

Analysis of loans and overdrafts

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:

	2019 £	2018 £
Due within one year liabilities	16,339,819	1,360,000
Due after one year liabilities	-	3,515,044
	16,339,819	4,875,044

The loans are secured by a fixed and floating charge over the assets of the company and a negative pledge. No interest charges are payable on the loans. An exit fee will be payable when the loans are repaid.

8 Creditors

	2019 £	2018 £
Trade creditors	1,268,493	1,207,543
Amounts owed to fellow group undertakings	2,375,327	3,980,246
Accruals	14,400	14,400
Other creditors	843,391	1,317,081
	4,501,611	6,519,270

9 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
125 Ordinary of £1 each	125	125
	125	125

10 Profit and loss reserves

	2019 £	2018 £
At the beginning of the year	206,054	-
Profit for the year	1,038,248	206,054
At the end of the year	1,244,302	206,054

11 Related party transactions

During the year, an amount of £Nil (2018: £50,000) was charged by a group company in respect of management fees.

At the balance sheet date, the following amounts were due to/due from related parties:

Due to ultimate parent company £3,617,582 (2018: £3,612,246)

Due from group companies £1,242,255 (2018: £368,000, due to)

Due to joint venture undertakings £839,449 (2018: £1,317,081)

12 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	1,038,248	206,054
Adjustments for:		
Taxation charged	317,716	-
Movements in working capital:		
Decrease/(increase) in stocks	5,988,988	(4,683,960)
Increase in debtors	(16,804,254)	(250,034)
Increase in creditors	64,892	1,207,543
Cash absorbed by operations	(9,394,410)	(3,520,397)