

Deeley Estates (Stratford) Limited

Annual Report and Financial Statements

Year Ended

30 April 2020

Company Number 06263788



Deeley Estates (Stratford) Limited

Company Information

Directors	P A W Deeley E E J Tham (nee Deeley)
Company secretary	A C Cann
Registered number	06263788
Registered office	George House Herald Avenue Coventry West Midlands CV5 6UB
Independent auditors	BDO LLP Two Snowhill Birmingham B4 6GA

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Deeley Estates (Stratford) Limited

Directors' Report For the Year Ended 30 April 2020

The Directors present their report and the financial statements for the year ended 30 April 2020.

Principal activity

The Company's principal activity is that of a holding company for a joint venture partnership that undertakes commercial development.

Results and dividends

The loss for the year, after taxation, amounted to £5,167 (2019 - loss £2,418).

The Directors do not propose a dividend (2019 - £Nil).

Indemnity provision

Third party indemnity cover for the Directors was in place during the financial year and up to the date of approval of the report.

Directors

The Directors who served during the year and up to the date of approval of this report were:

P A W Deeley
E E J Tham (nee Deeley) (appointed 18 January 2021)
P Moroney (resigned 31 July 2019)

Going concern

In assessing the future prospects, the Directors have prepared and reviewed the Company's and wider Group's forecast trading and cash flows for the period to April 2022, together with an assessment of the sufficiency of banking facilities, forecast compliance with banking covenants and the risk that contingent liabilities disclosed in note 10 may give rise to additional obligations.

During lockdown the wider Group undertook overhead reduction measures with members of staff and Directors agreeing pay reductions and several staff furloughed. We can report that staff and most Directors pay has been reinstated as of 1 August 2020 and all staff are now off furlough. The Company had no need of emergency government loans and along with our sub-contractors and purchase ledgers, our CIS, PAYE and VAT were all settled on their due dates.

In July 2019 the Group's loan facilities with HSBC were renewed and a £2.6m revolving loan facility for a five-year term was secured. The Group drew down on the revolver in full during March 2020 as a precautionary measure the Group has since repaid £1.6m leaving the other £1m drawn as a buffer. The major facility covenant tests remain covered at high levels of headroom.

After making appropriate enquiries and stress testing various scenarios in respect of the potential impact of Covid-19, the Directors have formed the judgement, at the time of approving the financial statements, that the Company and wider Group has a strong expectation that adequate resources will be available for it to continue its operations for the foreseeable future and consequently it is appropriate to adopt the going concern basis in the preparation of these financial statements.

Deeley Estates (Stratford) Limited

Directors' Report (continued) For the Year Ended 30 April 2020

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

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

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 on 22 January 2021 and signed on its behalf.


P A W Deeley
Director

Deeley Estates (Stratford) Limited

Directors' Responsibilities Statement For the Year Ended 30 April 2020

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). 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; and
- 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.

Deeley Estates (Stratford) Limited

Independent Auditors' Report to the Members of Deeley Estates (Stratford) Limited

Opinion

We have audited the financial statements of Deeley Estates (Stratford) Limited ("the Company") for the year ended 30 April 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet and the 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 30 April 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of 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 and Financial Statements, 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.

Deeley Estates (Stratford) Limited

Independent Auditors' Report to the Members of Deeley Estates (Stratford) Limited (continued)

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 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 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; 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' exemptions in preparing the Director's Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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 determines 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 intends 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.

Deeley Estates (Stratford) Limited

Independent Auditors' Report to the Members of Deeley Estates (Stratford) Limited (continued)

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.



Andrew Mair (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham
United Kingdom

22 January 2021

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

Deeley Estates (Stratford) Limited

Statement of Comprehensive Income For the Year Ended 30 April 2020

	Note	2020 £	2019 £
Administrative expenses		(1,790)	(1,790)
Operating loss	4	(1,790)	(1,790)
Loss on joint venture interests		(3,377)	(628)
Loss before tax		(5,167)	(2,418)
Tax on loss		-	-
Loss for the financial year		(5,167)	(2,418)

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 9 to 14 form part of these financial statements.


Deeley Estates (Stratford) Limited
Registered number:06263788

Balance Sheet
As at 30 April 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	6		-		3,377
			<u>-</u>		<u>3,377</u>
Current assets					
Debtors: amounts falling due within one year	7	103,676		105,466	
		<u>103,676</u>		<u>105,466</u>	
Creditors: amounts falling due within one year	8	(16,792)		(16,792)	
		<u>(16,792)</u>		<u>(16,792)</u>	
Net current assets			86,884		88,674
Total assets less current liabilities			86,884		92,051
Net assets			86,884		92,051
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account			86,883		92,050
			<u>86,884</u>		<u>92,051</u>
Equity shareholders funds			86,884		92,051

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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


 22 January 2021

P A W Deeley
Director

The notes on pages 9 to 14 form part of these financial statements.

Deeley Estates (Stratford) Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

1. General information

Deeley Estates (Stratford) Limited is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page. The nature of the Company's operations and its principal activities are outlined in the Director's Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 Section 1A Small Entities.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies (see note 3).

The functional currency of the Company is Pounds Sterling.

The following principal accounting policies have been consistently applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c); and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Deeley Group Limited as at 30 April 2020 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

2.3 Going concern

In assessing the future prospects, the Directors have prepared and reviewed the Company's and wider Group's forecast trading and cash flows for the period to April 2022, together with an assessment of the sufficiency of banking facilities, forecast compliance with banking covenants and the risk that contingent liabilities disclosed in note 10 may give rise to additional obligations.

During lockdown the wider Group undertook overhead reduction measures with members of staff and Directors agreeing pay reductions and several staff furloughed. We can report that staff and most Directors pay has been reinstated as of 1 August 2020 and all staff are now off furlough. The Company had no need of emergency government loans and along with our sub-contractors and purchase ledgers, our CIS, PAYE and VAT were all settled on their due dates.

Deeley Estates (Stratford) Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

2. Accounting policies (continued)

2.3 Going concern (continued)

In July 2019 the Group's loan facilities with HSBC were renewed and a £2.6m revolving loan facility for a five-year term was secured. The Group drew down on the revolver in full during March 2020 as a precautionary measure the Group has since repaid £1.6m leaving the other £1m drawn as a buffer. The major facility covenant tests remain covered at high levels of headroom.

After making appropriate enquiries and stress testing various scenarios in respect of the potential impact of Covid-19, the Directors have formed the judgement, at the time of approving the financial statements, that the Company and wider Group has a strong expectation that adequate resources will be available for it to continue its operations for the foreseeable future and consequently it is appropriate to adopt the going concern basis in the preparation of these financial statements.

2.4 Current and deferred taxation

The tax expense for the year comprises of current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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.

Deeley Estates (Stratford) Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

2. Accounting policies (continued)

2.5 Investments

Investments in joint ventures are measured at cost less accumulated impairment.

Increases or reductions in the value of investments held as fixed assets are recorded as a movement in the carrying value of the investment. If the share of losses exceeds the carrying value of the investment the investment value is reduced to nil.

Interests in joint ventures are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive and equity of associate. The statement of comprehensive income includes the company's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the company. In the balance sheet, the interests in associated undertakings are shown as the company's share of the identifiable net assets, including any unamortised premium paid on acquisition.

2.6 Debtors and creditors

Short term debtors and creditors, which do not constitute financing transactions, are measured at the transaction price.

2.7 Basic financial instruments

Financial assets

Financial assets comprise amounts owed by group undertakings; these are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method. The company considers evidence of impairment for all individual trade and other debtors and amounts owed by group undertakings, and any subsequent impairment is recognised in profit or loss.

Impairment of financial assets carried at amortised cost

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial asset and the present value of the expected future cash receipts from that asset.

Financial liabilities

Financial liabilities comprise accruals; these are initially recorded at cost on the date they originate, and are subsequently carried at amortised cost under the effective interest rate method.

Deeley Estates (Stratford) Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

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

In preparing these financial statements, the Director has had to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates.

The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Investments

At each balance sheet date investments are assessed for impairment, if there is evidence of impairment the investment value is reduced to its recoverable amount. The impairment loss is recognised immediately in profit and loss.

4. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	600	600
Non audit services	1,190	1,190

5. Directors and Employees

There were no employees other than the Directors. The Directors did not receive any remuneration in the year in respect of their services to the Company (2019 - £Nil).

6. Fixed asset investments

	Investments in associates £
Cost	
At 1 May 2019	3,377
Share of loss	(3,377)
At 30 April 2020	-

Deeley Estates (Stratford) Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

6. Fixed asset investments (continued)

The principal activity of ABD Developments LLP is the purchase, development and sale of land. The financial statements at 30 April 2020 show a loss of £8,144 (2019 - £1,883) and members deficit of £70,662 (2019 - £62,518), net of membership costs.

The registered office address of ABD Developments LLP is George House, Herald Avenue, Coventry, West Midlands, CV5 6UB.

7. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	103,676	105,466

All assets shown under debtors fall due for payment within one year.

8. Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to joint ventures	15,000	15,000
Other creditors	1,792	1,792
	16,792	16,792

9. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 Ordinary share of £1.00	1	1

Deeley Estates (Stratford) Limited

Notes to the Financial Statements For the Year Ended 30 April 2020

10. Contingent liabilities

Contingent liabilities exist in respect of an arrangement with HSBC Bank PLC whereby the bank balances of all group companies are secured against the assets of the holding company and all of its subsidiaries. At 30 April 2020, the total outstanding amount guaranteed across the Group amounted to £1,702,095 (2019 - £4,191,098).

Further analysis of the Group position is as follows:

	2020 £	2019 £
Term loan	(7,800,000)	(5,350,000)
Cash at bank	6,097,905	1,158,902
	<u>(1,702,095)</u>	<u>(4,191,098)</u>

11. Related party transactions

The Company is a wholly owned subsidiary of Deeley Group Limited and has taken advantage of the exemption confirmed by Section 33.1A of FRS102 not to disclose transactions with Deeley Group Limited or other wholly owned subsidiaries within the Group.

At the year end, the Company owed ABD Developments LLP £15,000 (2019 - £15,000).

12. Controlling party

The Company is a subsidiary of Deeley Group Limited which is the ultimate parent company and is incorporated in England & Wales. P A W Deeley is considered to be the controlling party of Deeley Group Limited.

The largest and smallest group in which the results of the Company are consolidated is that headed by Deeley Group Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. No other group accounts include the results of the Company.