

Company registration number 09941327 (England and Wales)

FOREST HOMES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2022
PAGES FOR FILING WITH REGISTRAR

FOREST HOMES LIMITED

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FOREST HOMES LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2022

| | | 2022 | | 2021 | |
|---|-------|--------------------|--------------------|--------------------|--------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Investments | 4 | | 1 | | 1 |
| Current assets | | | | | |
| Stocks | | - | | 454,900 | |
| Debtors | 5 | 32,984 | | 1,159,676 | |
| Cash at bank and in hand | | 38,139 | | 394,689 | |
| | | <u>71,123</u> | | <u>2,009,265</u> | |
| Creditors: amounts falling due within one year | 6 | <u>(3,907,592)</u> | | <u>(5,357,956)</u> | |
| Net current liabilities | | | <u>(3,836,469)</u> | | <u>(3,348,691)</u> |
| Net liabilities | | | <u>(3,836,468)</u> | | <u>(3,348,690)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 7 | | 100 | | 100 |
| Profit and loss reserves | | | <u>(3,836,568)</u> | | <u>(3,348,790)</u> |
| Total equity | | | <u>(3,836,468)</u> | | <u>(3,348,690)</u> |

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 January 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 23 January 2023

Mr R A Hill
Director

Company Registration No. 09941327

FOREST HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

Company information

Forest Homes Limited is a private company limited by shares incorporated in England and Wales. The registered office is Fernwood House, Fernwood Road, Jesmond, Newcastle upon Tyne, NE2 1TJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The financial statements have been prepared on a going concern basis which, in the opinion of the director, is the appropriate basis. The company's ability to continue trading is dependent upon the on-going support of its shareholders and creditors. In the event that the company is unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amount.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Work in progress represents the lower of cost and net realisable value of the development costs incurred.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Stocks

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.

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

FOREST HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

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

1.9 Taxation

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

FOREST HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

1 Accounting policies

(Continued)

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 liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing 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.

1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

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

FOREST HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2022

3 Employees

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

| | 2022 Number | 2021 Number |
|-------|----------------|----------------|
| Total | - | - |

4 Fixed asset investments

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Shares in group undertakings and participating interests | 1 | 1 |

5 Debtors

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Amounts falling due within one year: | | |
| Amounts owed by group undertakings | - | 1,094,919 |
| Other debtors | 32,984 | 42,008 |
| Prepayments and accrued income | - | 22,749 |
| | 32,984 | 1,159,676 |

6 Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|-----------|-----------|
| Trade creditors | 28,213 | 69,234 |
| Amounts owed to group undertakings | 174,933 | - |
| Other creditors | 3,492,555 | 5,261,212 |
| Accruals and deferred income | 211,891 | 27,510 |
| | 3,907,592 | 5,357,956 |

The investor loans held within creditors due within one year are secured against the properties held as part of the development of the Land at Laburnum Grove, Auckland.

7 Called up share capital

| | 2022 Number | 2021 Number | 2022 £ | 2021 £ |
|-------------------------------|----------------|----------------|-----------|-----------|
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| Ordinary shares of £1 each | 100 | 100 | 100 | 100 |

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