IMP Residential Capital Markets Limited

Directors' Report and Financial Statements

Period Ended

31 December 2019

Company Number 11898209

IMP Residential Capital Markets Limited

Company Information

Directors	T J Wooldridge G Hutton A Clarke
Company secretary	R Croft
Registered number	11898209
Registered office	The Gate International Drive Solihull B90 4WA
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

IMP Residential Capital Markets Limited

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IMP Residential Capital Markets Limited

Directors' report
For the period ended 31 December 2019

The directors present their report and the financial statements for the period ended 31 December 2019.

The Company was incorporated on 22 March 2019.

Directors' responsibilities statement

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 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; 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 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.

Results and dividends

The loss for the period, after taxation, amounted to £185,660.

The directors have not paid or proposed any dividends during the period.

Directors

The directors who served during the period were:

T J Wooldridge (appointed 22 March 2019)
G Hutton (appointed 22 March 2019)
A Clarke (appointed 22 March 2019)

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.

Going concern

At 31 December 2019, the Company had net current liabilities of £184,660 which primarily arose as a result of on demand loan facilities provided by fellow group undertakings. Until such time as the Company is able to generate sufficient revenues to repay the loan due to its fellow group undertakings, it is reliant on the support of those group undertakings to continue to make existing facilities available and provide additional funding to finance any shortfall on the ongoing operating costs of the Company.

The directors have also considered the general economic uncertainties that have arisen due to the COVID-19 global pandemic. I.M. Properties Plc has indicated its present intention to provide the necessary level of financial support to enable the Company to weather the impact of COVID-19 and satisfy its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date of approving these financial statements. As the Company is reliant on the support of I.M. Properties Plc, it is considered appropriate to also refer to the group financial statements which set out the wider group implications of the pandemic and the group's assessment of its basis of preparing its financial statements as a going concern. It is on that basis that the directors have determined that the Company should prepare its financial statements as a going concern.

Post balance sheet events

Since the year end, the directors recognise the impact that the COVID-19 global pandemic has had on the wider UK economy and the group to which the Company belongs. Given the property development nature of the Company, the directors consider the Company to also be similarly impacted. Details of the impact of the pandemic on the group are set out in the financial statements of the Company's parent, I.M. Properties Plc.

Auditor

BDO LLP were appointed as auditor during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

Small companies note

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

This report was approved by the board on 23 July 2020 and signed on its behalf.

A Clarke
Director

Independent auditor's report to the members of IMP Residential Capital Markets Limited

Opinion

We have audited the financial statements of IMP Residential Capital Markets Limited ("the Company") for the period ended 31 December 2019 which comprise the Statement of comprehensive income, the Balance sheet, 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 period 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 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 Directors' 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.

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 take advantage of the small companies' exemptions in preparing the Directors' report and 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 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

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

Date: 27 July 2020

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

IMP Residential Capital Markets Limited

Statement of comprehensive income
For the period ended 31 December 2019

	Note	10 month period ended 31 December 2019 £
Administrative expenses		(229,210)
Operating loss	4	(229,210)
Taxation on loss	6	43,550
Loss for the period and total comprehensive loss		(185,660)

There was no other comprehensive income for the period.

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

IMP Residential Capital Markets Limited
Registered number: 11898209

Balance sheet
As at 31 December 2019

	Note	2019 £
Current assets		
Stocks	7	2,416,703
Debtors: amounts falling due within one year	8	122,148
		2,538,851
Current liabilities		
Creditors: amounts falling due within one year	9	(2,723,511)
Net current liabilities and total assets less current liabilities		(184,660)
Net liabilities		(184,660)
Capital and reserves		
Called up share capital	10	1,000
Profit and loss account	11	(185,660)
		(184,660)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 July 2020

A Clarke
Director

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

IMP Residential Capital Markets Limited

Statement of changes in equity
For the period ended 31 December 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 22 March 2019	-	-	-
Comprehensive income for the period			
Loss for the period	-	(185,660)	(185,660)
Total comprehensive loss for the period	-	(185,660)	(185,660)
Contributions by and distributions to owners			
Shares issued during the period	1,000	-	1,000
Total transactions with owners	1,000	-	1,000
At 31 December 2019	1,000	(185,660)	(184,660)

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

1. General information

IMP Residential Capital Markets Limited is a private company incorporated in England and Wales under the Companies Act. It is a company limited by shares. The address of the registered office is given on the Company information page. The principal activity of the Company is property development.

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 financial statements are drawn up to the nearest whole £, except where otherwise indicated.

The following principal accounting policies have been 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 the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- 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 11.42, 11.44 to 11.45, 11.47, 11.48 (a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of I.M. Properties Plc as at 31 December 2019 and these financial statements may be obtained from Companies House.

2. Accounting policies (continued)

2.3 Going concern

At 31 December 2019, the Company had net current liabilities of £184,660 which primarily arose as a result of on demand loan facilities provided by fellow group undertakings. Until such time as the Company is able to generate sufficient revenues to repay the loan due to its fellow group undertakings, it is reliant on the support of those group undertakings to continue to make existing facilities available and provide additional funding to finance any shortfall on the ongoing operating costs of the Company.

The directors have also considered the general economic uncertainties that have arisen due to the COVID-19 global pandemic. I.M. Properties Plc has indicated its present intention to provide the necessary level of financial support to enable the Company to weather the impact of COVID-19 and satisfy its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date of approving these financial statements. As the Company is reliant on the support of I.M. Properties Plc, it is considered appropriate to also refer to the group financial statements which set out the wider group implications of the pandemic and the group's assessment of its basis of preparing its financial statements as a going concern. It is on that basis that the directors have determined that the Company should prepare its financial statements as a going concern.

2.4 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 Balance sheet 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 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 Balance sheet date.

2.5 Stocks

Stocks and short term work in progress, being land under development, are stated at cost, including attributable direct overheads, reduced to estimated net realisable value where appropriate.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2. Accounting policies (continued)

2.7 Creditors

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

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors (excluding prepayments) and creditors (excluding deferred income), loans from banks and other third parties and loans from related parties.

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

In preparing the financial statements, the directors have made the following judgement:

- determine whether there are any indications of impairment of the carrying value of the land held as part of property under development. Professional judgement is applied in determining whether the carrying value of stock is in excess of the net realisable value. Factors taken into consideration in reaching such a decision include the development potential, planning and prevailing market conditions.

4. Operating loss

The auditor's remuneration is borne by another group company.

5. Employees

The directors, the only employees of the Company, received no remuneration for their services in relation to the Company.

6. Taxation

	10 month period ended 31 December 2019 £
Corporation tax	
Current tax on loss for the period	-
Group taxation relief	(43,550)
Total current tax	**(43,550)**
Taxation on loss	**(43,550)**

Factors affecting tax charge for the period

There were no factors that affected the tax charge for the period which has been calculated on the loss on ordinary activities before tax at the standard rate of corporation tax in the UK of 19%.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. Stocks

	2019 £
Land under development	**2,416,703**

8. Debtors

	2019 £
Prepayments and accrued income	122,148

9. Creditors: Amounts falling due within one year

	2019 £
Amounts owed to group undertakings	2,272,012
Accruals and deferred income	451,499
	2,723,511

10. Share capital

	2019 £
Allotted, called up and fully paid	
1,000 Ordinary shares of £1.00 each	1,000

On 22 March 2019, the Company was incorporated with 1,000 ordinary £1 shares, which were issued at par.

11. Reserves

The profit and loss account is the cumulative comprehensive income less items recognised in other equity reserves.

12. Related party disclosures

The Company is controlled by I.M. Properties Plc, which owns 100% of the issued share capital. The Company's ultimate controlling party is Lord Edmiston who has the control of the majority of the issued share capital of IMG Jersey Holdings Limited, the ultimate parent company at the period end.

The Company is a wholly owned subsidiary of I.M. Group Limited and has taken advantage of the exemption conferred by FRS 102 paragraph 33.1A not to disclose transactions with I.M. Group Limited or other wholly owned subsidiaries within the group.

13. Ultimate parent company and parent undertaking of larger group

The ultimate parent company is IMG Jersey Holdings Limited, a company incorporated in Jersey.

The largest group in which the results of the Company are consolidated is that headed by I.M. Group Limited, incorporated in England and Wales. The smallest group in which they are consolidated is that headed by I.M. Properties Plc, incorporated in England and Wales. The consolidated financial statements are available to the public and may be obtained from Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

14. Post balance sheet events

Since the year end, the directors recognise the impact that the COVID-19 global pandemic has had on the wider UK economy and the group to which the Company belongs. Given the property development nature of the Company, the directors consider the Company to also be similarly impacted. Details of the impact of the pandemic on the group are set out in the financial statements of the Company's parent, I.M. Properties Plc.