

Company Registration No. 04231464 (England and Wales)

HARMONY HOMES (SUSSEX) LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2016

PAGES FOR FILING WITH REGISTRAR

HARMONY HOMES (SUSSEX) LIMITED

COMPANY INFORMATION

Directors	Mr M R Easter Mr D J Page
Secretary	Mr D J Page
Company number	04231464
Registered office	30-32 Gildredge Road Eastbourne East Sussex BN21 4SH
Accountants	Price & Company 30-32 Gildredge Road Eastbourne East Sussex BN21 4SH

HARMONY HOMES (SUSSEX) LIMITED

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HARMONY HOMES (SUSSEX) LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2016

		2016		2015	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	2		202		270
Investment properties	3		167,550		167,550
			<u>167,752</u>		<u>167,820</u>
Current assets					
Stocks		487,002		487,002	
Debtors	4	2,570		1,200	
Cash at bank and in hand		4,296		2,986	
		<u>493,868</u>		<u>491,188</u>	
Creditors: amounts falling due within one year	5	<u>(926,484)</u>		<u>(947,682)</u>	
Net current liabilities			<u>(432,616)</u>		<u>(456,494)</u>
Total assets less current liabilities			<u>(264,864)</u>		<u>(288,674)</u>
Capital and reserves					
Called up share capital	6		30,000		30,000
Profit and loss reserves			<u>(294,864)</u>		<u>(318,674)</u>
Total equity			<u>(264,864)</u>		<u>(288,674)</u>

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

For the financial year ended 30 September 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Act 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.

HARMONY HOMES (SUSSEX) LIMITED

**BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2016**

The financial statements were approved by the board of directors and authorised for issue on 26 June 2017 and are signed on its behalf by:

Mr M R Easter
Director

Company Registration No. 04231464

HARMONY HOMES (SUSSEX) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies

Company information

Harmony Homes (Sussex) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 30-32 Gildredge Road, Eastbourne, East Sussex, BN21 4SH.

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 financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 September 2016 are the first financial statements of Harmony Homes (Sussex) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 7.

1.2 Going concern

At the time of approving the financial statements, the directors have agreed to continue to support the company and not withdraw funds until other liabilities have been met, and, as a result, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

HARMONY HOMES (SUSSEX) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies (Continued)

Rent receivable is accounted for on an accruals basis.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	25% reducing balance
Computer equipment	25% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

HARMONY HOMES (SUSSEX) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies (Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 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 replacement cost and 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.

1.8 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.

1.9 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.

HARMONY HOMES (SUSSEX) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2016

1 Accounting policies (Continued)

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.

1.10 Equity instruments

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

HARMONY HOMES (SUSSEX) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

2	Tangible fixed assets	Plant and machinery etc	£
	Cost		
	At 1 October 2015 and 30 September 2016		7,636
			<hr/>
	Depreciation and impairment		
	At 1 October 2015		7,366
	Depreciation charged in the year		68
			<hr/>
	At 30 September 2016		7,434
			<hr/>
	Carrying amount		
	At 30 September 2016		202
			<hr/> <hr/>
	At 30 September 2015		270
			<hr/> <hr/>

3	Investment property	2016	£
	Fair value		
	At 1 October 2015 and 30 September 2016		167,550
			<hr/> <hr/>

Investment property comprises the freeholds of a number of blocks of flats. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 30 September 2015 by the directors of the company.

4	Debtors	2016	2015
	Amounts falling due within one year:	£	£
	Other debtors	2,570	1,200
		<hr/> <hr/>	<hr/> <hr/>

HARMONY HOMES (SUSSEX) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

5 Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	303,000	303,000
Trade creditors	2,832	6
Other taxation and social security	-	96
Other creditors	620,652	644,580
	<u>926,484</u>	<u>947,682</u>

6 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
30,000 Ordinary shares of £1 each	30,000	30,000
	<u>30,000</u>	<u>30,000</u>

7 Reconciliations on adoption of FRS 102

Reconciliation of equity

	At 1 October 2014			At 30 September 2015		
	Previous UK	Effect of	FRS 102	Previous UK	Effect of	FRS 102
	GAAP	transition	£	GAAP	transition	£
Notes	£	£	£	£	£	£
Fixed assets						
Tangible assets	360	-	360	270	-	270
Investment properties	163,700	-	163,700	167,550	-	167,550
	<u>164,060</u>	<u>-</u>	<u>164,060</u>	<u>167,820</u>	<u>-</u>	<u>167,820</u>
Current assets						
Stocks	487,002	-	487,002	487,002	-	487,002
Debtors	1,701	-	1,701	1,200	-	1,200
Bank and cash	5,507	-	5,507	2,986	-	2,986
	<u>494,210</u>	<u>-</u>	<u>494,210</u>	<u>491,188</u>	<u>-</u>	<u>491,188</u>

HARMONY HOMES (SUSSEX) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

7 Reconciliations on adoption of FRS 102

Notes	At 1 October 2014			At 30 September 2015		
	Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
	£	£	£	£	££ (Continued)	
Creditors due within one year						
Loans and overdrafts	(303,000)	-	(303,000)	(303,000)	-	(303,000)
Taxation	766	-	766	(96)	-	(96)
Other creditors	(668,602)	-	(668,602)	(644,586)	-	(644,586)
	<u>(970,836)</u>	<u>-</u>	<u>(970,836)</u>	<u>(947,682)</u>	<u>-</u>	<u>(947,682)</u>
Net current liabilities	(476,626)	-	(476,626)	(456,494)	-	(456,494)
Total assets less current liabilities	(312,566)	-	(312,566)	(288,674)	-	(288,674)
Net assets	<u>(312,566)</u>	<u>-</u>	<u>(312,566)</u>	<u>(288,674)</u>	<u>-</u>	<u>(288,674)</u>
Capital and reserves						
Share capital	30,000	-	30,000	30,000	-	30,000
Revaluation reserve	1 -	-	-	3,850	(3,850)	-
Profit and loss	1 (342,566)	-	(342,566)	(322,524)	3,850	(318,674)
Total equity	<u>(312,566)</u>	<u>-</u>	<u>(312,566)</u>	<u>(288,674)</u>	<u>-</u>	<u>(288,674)</u>

HARMONY HOMES (SUSSEX) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

7 Reconciliations on adoption of FRS 102 (Continued)

Reconciliation of profit for the financial period

	Notes	Year ended 30 September 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £
Turnover		7,628	-	7,628
Cost of sales		(7,441)	-	(7,441)
Gross profit		187	-	187
Administrative expenses		(5,727)	-	(5,727)
Other operating income		25,550	-	25,550
Operating profit		20,010	-	20,010
Interest receivable and similar income		32	-	32
Fair value gains and losses on investment properties	1	-	3,850	3,850
Profit before taxation		20,042	3,850	23,892
Taxation		-	-	-
Profit for the financial period		20,042	3,850	23,892

Notes to reconciliations on adoption of FRS 102

1. Investment property revaluation reserve

Section 16 'Investment property' of FRS 102 requires that any changes in the fair value of an investment property is accounted for through the profit and loss account. As a result, the investment property-related revaluation included in last year's accounts held in the equity section of the balance sheet has been credited to the profit and loss account as a transitional adjustment.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.