



# Annual Report for the year ended 31 March 2019

**Registered Number: 4916897**

**Yarlington Homes Limited**

Registered Address: Yarlington Housing Group, Lupin Way, Yeovil, Somerset. BA22 8WN  
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Registered in England, Company Number 4916897

# Yarlington Homes Limited

## Annual Report for the year ended 31 March 2019

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# Yarlington Homes Limited

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## Directors and Advisors for the year ended 31 March 2019

The directors of the company who were in office during the year and up to the date of signing of the financial statements were

Lindy Morgan (Chair)

Wayne Morris ( Vice Chair)

Raymond Thompson

Michael Stancombe

Joanna Makinson

Richard Nicol

Jimmy Overill

Caroline Moore

Caroline Ramsey (resigned 14.09.2018)

John Coutts (resigned 28.09.2018)

Gary Orr (resigned 28.09.2018)

Stephen Dunhill (resigned 01.05.2018)

### **Tax Advisors**

KPMG LLP (UK)

66 Queen Square

Bristol

BS1 4BE

### **Independent Auditors**

PricewaterhouseCoopers LLP

2 Glass Wharf

Bristol

BS2 0FR

### **Bankers**

The Royal Bank of Scotland plc

2 Hendford

Yeovil

Somerset

BA20 1TN

Yarlington Homes Limited is a company limited by shares (Registered in England, Company Number 4916897).

The registered office is at Yarlington Housing Group, Lupin Way, Yeovil, Somerset, BA22 8WN.

# Yarlington Homes Limited

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## Report of the Board of Directors for the year ended 31 March 2019

The Board is pleased to present its report and the audited financial statements for the year ended 31 March 2019.

The directors of the company who were in office during the year and up to the date of signing of the financial statements, unless otherwise stated were

Lindy Morgan  
Wayne Morris  
Raymond Thompson  
Michael Stancombe  
Joanna Makinson  
Richard Nicol  
Jimmy Overill  
Caroline Moore

### The Company

The Company is registered at Companies House in accordance with the Companies Act and is limited by shares. It is a wholly owned subsidiary of Yarlington Housing Group.

### Principal Activities

The main activity of the Company during 2018/19 was the provision of development services, predominantly to its parent entity, Yarlington Housing Group. The Company has also commenced a programme of market sale properties. It plans to develop 150 properties by 2020.

### Business Review

The financial position and results for the year ended 31 March 2019 are set out on pages 10 to 23 of these financial statements. For the year ended 31 March 2019, the Company made an operating profit of £1,028k (2018: operating profit of £9k). At the year end the Company had inventories of £6,577k (2018: £7,100k) relating to the acquisition of land for development, representing 110 plots for development and sale. An intragroup loan facility of £8,000k remains in place, with £549k drawn as at 31 March 2018.

### The Board of Directors

The Directors are responsible for strategy, policy, managing the business and monitoring the performance of the Company.

Board members have an obligation to uphold the values and objectives of the Company. They agree to contribute to and share responsibilities for the policies and decisions of the Board. They declare any conflicts of interest and must act at all times in the best interest of the Company. Board members are appointed by the Board of Yarlington Housing Group, the Company's parent entity.

The Board members bring skills and experience, which include:

- General business skills
- Management of staff and of property
- Finance
- Development and building

# Yarlington Homes Limited

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## Report of the Board of Directors for the year ended 31 March 2019 (continued)

The Audit and Risk Committee of Yarlington Housing Group has responsibilities for Yarlington Homes Limited.

Operational matters of the Company are delegated to the Chief Executive and the Executive Team of Yarlington Housing Group.

### Corporate Governance

As at 31 March 2019 the board had eight members, a full list can be seen on Page 4. The Board takes an active interest in all internal control and corporate governance matters. It aims to meet the highest standards of governance and probity.

### Employees

The Company has no employees (2018: nil).

### Charitable donations

The Company made no charitable donations during the year (2018: £nil).

### Insurance

During the year and up to the date of this report, the Company maintained liability insurance and third-party indemnification provisions for its directors, under which the Company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Company. These indemnities are Qualifying Third Party Indemnity Provisions as defined in Section 234 of the Companies Act.

### Financial Risk Management Policy

Yarlington Housing Group, the parent of Yarlington Homes Limited, engages specialist treasury advisors to advise on interest rate and liquidity risk across the Group. The Board approves a treasury management policy annually; this policy addresses cash flow risk. This policy is applied to all entities within the Group. There is in place an Intra-Group loan facility of £8m from the parent, secured by a floating charge over all the assets.

### Going Concern

The Board, after reviewing the Company's budget for 2019/2020, the Group's medium term financial position as detailed in the 30-year business plan, is of the opinion that the Company has adequate resources to continue in business for the foreseeable future. The directors believe this, combined with a number of long term and shorter contracts either ongoing or in the pipeline, means that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

# Yarlington Homes Limited

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## Report of the Board of Directors for the year ended 31 March 2019 (continued)

### Independent Auditors

A resolution will be made at the Annual General Meeting to appoint PricewaterhouseCoopers LLP as auditors to the Company.

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and that each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the Board of Directors on 31<sup>st</sup> July 2019 and signed on its behalf by



Director

Date: 31<sup>st</sup> July 2019



# Yarlington Homes Limited

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## *Independent auditors' report to the members of Yarlington Homes Limited*

### Report on the audit of the financial statements

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#### **Opinion**

In our opinion, Yarlington Homes Limited's 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 March 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Report of the Board of Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

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Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## *Strategic Report and Report of the Board of Directors*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Board of Directors for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Board of Directors .

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## **Responsibilities for the financial statements and the audit**

### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

### *Auditors' 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 auditors' 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



• Lynn Pamment (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol

9 August 2019



# Yarlington Homes Limited

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## Statement of Comprehensive Income for the year ended 31 March 2019

	Note	2019 £'000	2018 £'000
Turnover	5	7,263	5,332
Cost of sales		(6,190)	(5,282)
<b>Gross profit</b>		<b>1,073</b>	50
Operating expenditure		(45)	(41)
<b>Operating profit</b>	6	<b>1,028</b>	9
Gain on disposal of investment properties		-	-
Interest receivable and similar income	8	3	-
Interest payable and similar expenses	9	(14)	(61)
<b>Profit/(Loss) before taxation</b>		<b>1,017</b>	(52)
Tax on profit/(loss)	10		(1)
<b>Profit/(Loss) for the financial year</b>		<b>1,017</b>	(53)
Other comprehensive income		-	-
<b>Total comprehensive income/(expense) for the financial year</b>		<b>1,017</b>	(53)

All of the Company's turnover and results disclosed above are derived from continuing activities.

Yarlington Homes Limited distributes available profits to its parent, Yarlington Housing Group, under the Gift Aid Scheme. Final payment is made after the year end. Details of this commitment can be found in note 15.

# Yarlington Homes Limited

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## Statement of Financial Position as at 31 March 2019

	Note	2019 £'000	2018 £'000
<b>Fixed Assets</b>			
Investments	11	5	5
<b>Current assets</b>			
Inventories	12	6,577	7,100
Debtors	13	1,955	1,021
Cash at bank and in hand		1	1
<b>Total current assets</b>		<b>8,533</b>	<b>8,122</b>
<b>Creditors: amounts falling due within one year</b>	14	<b>(1,495)</b>	<b>(2,101)</b>
<b>Net current assets</b>		<b>7,038</b>	<b>6,021</b>
<b>Total assets less current liabilities</b>		<b>7,043</b>	<b>6,026</b>
<b>Capital and reserves</b>			
Called up share capital	15	5,926	5,926
Retained earnings		1,117	100
<b>Total equity</b>		<b>7,043</b>	<b>6,026</b>

The notes on pages 12 to 22 are an integral part of these financial statements.

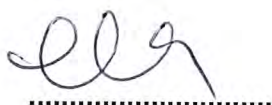
The financial statements on page 9 to 22 were approved by the board of directors on 31<sup>st</sup> July 2019 authorised for issue and signed on its behalf by

Caroline Moore

Wayne Morris

Board Member

Board Member



Yarlington Homes Limited

# Yarlington Homes Limited

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## Statement of Changes in Equity For the year ended 31 March 2019

	Notes	Called up share capital	Retained earnings	Total equity
		£'000	£'000	£'000
Balance as at 1 April 2017		2,926	152	3,078
Loss and total comprehensive expense for the financial year		-	(52)	(52)
Proceeds from shares issued	15	3,000	-	3,000
Total transactions with owners, recognised directly in equity		3,000	-	3,000
Balance as at 31 March 2018		5,926	100	6,026
Balance as at 1 April 2018		5,926	100	6,026
Profit and total comprehensive income for the financial year		-	1,017	1,017
Balance as at 31 March 2019		5,926	1,117	7,043

# Yarlington Homes Limited

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## Notes to the financial statements for the year ended 31 March 2018

### 1 Statement of compliance

The individual financial statements of Yarlington Homes Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### 2 General Information

The main activity of Yarlington Homes Limited during 2018/19 was the provision of development services, predominantly to its parent entity, Yarlington Housing Group. The Company has also commenced a programme of market sale properties. It plans to develop 150 properties by 2020.

### 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### Going Concern

The Board, after reviewing the Company's budget for 2019/2020, and the Group's medium term financial position as detailed in the 30-year business plan, is of the opinion that the Company has adequate resources to continue in business for the foreseeable future. The directors believe this, combined with a number of long term and shorter contracts either ongoing or in the pipeline, means that the Company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

# Yarlington Homes Limited

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Notes to the financial statements for the year ended 31 March 2019 (continued)

## 3 Summary of significant accounting policies (continued)

### Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The company has taken advantage of the exemption, under FRS102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent, Yarlington Housing Group, includes the company's cash flows in its own consolidated financial statements.

### Turnover recognition

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company recognises turnover when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of turnover can be measured reliably; (d) it is probable that future economic benefits will flow to the entity.

The company has three main revenue streams:

(1) Design and build

The company designs and builds properties for its parent, Yarlington Housing Group. Turnover represents the invoice value (excluding VAT), and is recognised when the value of the work carried out can be reliably measured.

(2) Market sales

The company sells a small number of properties into the open market and turnover under market sales represents the invoiced value (excluding VAT) for properties sold, recognised on legal completion.

(3) Market rent

Some properties are rented as opposed to sold outright. Turnover represents to rental charges levied to tenants in line with signed rental agreements.

### Value Added Tax (VAT)

The Company's main income stream, being the provision of development services, is zero-rated for VAT purposes, as is its build for sale income stream. The majority of its expenditure is either zero rated or subject to VAT, which the Company is able to reclaim – this expenditure is therefore shown exclusive of VAT.

# Yarlington Homes Limited

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Notes to the financial statements for the year ended 31 March 2019 (continued)

## 3 Summary of significant accounting policies (continued)

### Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

#### (i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

### Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

# Yarlington Homes Limited

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Notes to the financial statements for the year ended 31 March 2019 (continued)

## 3 Summary of significant accounting policies (continued)

### **Inventories and properties held for sale**

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Land and properties under construction for outright sale, as well as completed properties developed for outright sale are included in current assets as they are intended to be sold, at the lower of cost or estimated selling price less costs to complete and sell.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the statement of comprehensive income. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the statement of comprehensive income.

### **Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### **Related party transactions**

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

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Notes to the financial statements for the year ended 31 March 2019 (continued)

## 4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- (i) **Write-downs of Inventories and Work in Progress:** Inventories and Work in Progress are stated at the lower of cost and net realisable value. Write-downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realised. The identification of write-downs requires the use of estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.
- (ii) **Investment Properties:** Investment properties are revalued annually and the aggregate profit or loss is transferred to the statement of comprehensive income. The investment property valuation contains a number of assumptions upon which independent, professionally qualified valuers have based their valuation of the properties. However, if any assumptions made by the property valuer prove to be inaccurate, this may mean that the value of the company's properties differs from their valuation, which could have a material effect on the financial position.

## 5 Turnover

The geographical range of the company is wholly within the United Kingdom and all turnover is generated from within this area. The turnover generated can be split into three distinct areas of business and is detailed below:

	2019 £'000	2018 £'000
Design and build	2,693	5,331
Market sale	4,570	-
Market rent	-	1
	<b>7,263</b>	<b>5,332</b>



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Notes to the financial statements for the year ended 31 March 2019 (continued)

## 6 Operating profit

	2019 £'000	2018 £'000
<b>This is stated after charging:</b>		
Auditors' remuneration:		
- audit of these financial statements	6	5
- other services relating to taxation	2	3
Inventory to cost of sales	-	-

## 7 Employees and directors' emoluments

There were no employees of the company (2018: nil).

The Directors who served during the year received no emoluments through Yarlington Homes Limited (2018: £nil), their emoluments were settled by company's immediate parent, Yarlington Housing Group.

Emoluments are received by Directors for services provided to the group as a whole and not separated by individual company. Total emoluments paid to the Directors of the company for their services across the group are summarised below. Full disclosure of all emoluments can be found on page 47 of the Yarlington Housing Group consolidated financial statements.

	2019 £'000	2018 £'000
The aggregate emoluments paid or receivable by non-executive Directors & former non-executive directors (Board Member Remuneration)	47	16
The aggregate emoluments paid or receivable by Executive Directors & former Executive Directors (Exec Team Remuneration)	289	274
The emoluments paid to the highest paid Director excluding pension contributions	170	152
The aggregate amount of Directors' or past Directors' pensions, excluding amounts payable under a properly funded pension scheme	36	32

No remuneration in the emoluments above has been paid to former Directors (2018: nil).

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Notes to the financial statements for the year ended 31 March 2019 (continued)

## 8 Interest receivable and similar income

	2019 £'000	2018 £'000
Interest receivable	3	0
<b>Total interest receivable and similar income</b>	<b>3</b>	<b>0</b>

## 9 Interest payable and similar expenses

	2019 £'000	2018 £'000
Interest payable on other loans	(14)	(61)
<b>Total interest payable and similar expenses</b>	<b>(14)</b>	<b>(61)</b>

## 10 Tax on profit/(loss)

	2019 £'000	2018 £'000
<b>Current Tax</b>		
UK corporate tax expenses	-	-
Adjustments in respect of prior years	-	-
<b>Total Current Tax</b>	<b>-</b>	<b>-</b>
<b>Deferred Tax</b>		
Net origination and reversal of timing differences	-	-
Adjustments in respect of prior years	-	1
Changes in tax rates or laws	-	-
<b>Total deferred tax</b>	<b>-</b>	<b>1</b>
<b>Total tax</b>	<b>-</b>	<b>1</b>

# Yarlington Homes Limited

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Notes to the financial statements for the year ended 31 March 2019 (continued)

## 10 Tax on profit/loss (continued)

### Deferred taxation

	Deferred tax asset	
	2019 £'000	2018 £'000
At beginning of the year	-	1
Deferred tax charge	-	(1)
At the end of the year (note 13)	-	0

The tax assessed in the year is lower than the standard rate of corporation tax in the United Kingdom at 19% (2018: 19%). The differences are explained as follows.

### Factors affecting the tax charge for the year

	2019 £'000	2018 £'000
Profit/(Loss) before taxation	<b>1,017</b>	(52)
Tax on (loss)/profit at Standard rate of Corporation Tax of 19% (2018: 19%)	<b>193</b>	(10)
Effects of:		
- Income not taxable for tax purposes	-	-
- Group relief surrendered/(claimed)	<b>12</b>	10
- Adjustments to tax charge in respect of previous periods - deferred tax	-	1
- Disposal of investment properties	-	-
- Gift aid payment	<b>(206)</b>	-
- Profits from LLP	<b>1</b>	-
- Group relief not paid for		-
<b>Total tax charge/(credit)</b>	<b>-</b>	<b>1</b>

### Factors that may affect future tax charges

The July 2015 Budget Statement announced changes to the UK corporation tax rate which reduced the main rate of corporation tax to 19% from 1 April 2018 and to 18% from 1 April 2020. The Finance Act 2016 reduced the main rate of corporation tax to 17% from 1 April 2020.

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## Notes to the financial statements for the year ended 31 March 2019 (continued)

### 10 Tax on profit/(loss) (continued)

These changes were substantively enacted on 26 October 2015 and 6 September 2016 respectively, and accordingly deferred tax balances within the financial statements have been calculated using a rate of 19% (2018: 19%).

In the March 2017 Budget Statement, a further reduction to the UK corporation tax rate was announced, being the fall of the rate to 17% from 1 April 2020. This change has not yet been substantively enacted.

### 11 Investments

	2019 £'000	2018 £'000
Investment in Advantage Southwest LLP	5	5

The Company is one of 4 equal partners in Advantage Southwest LLP, which was set up as a consortium to obtain value for money in purchasing off site manufactured units. Advantage Southwest LLP has now broadened its procurement activity into capital works expenditure. The directors believe that the carrying value of the investments is supported by their underlying net assets. The registered office of Advantage Southwest LLP is Yarlington Housing Group, Lupin Way, Alvington, Yeovil, Somerset BA22 8WN.

### 12 Inventories

	2019 £'000	2018 £'000
Properties under construction	2,209	2,127
Land held for future development	4,368	4,973
Properties completed and held for sale	-	-
	<b>6,577</b>	<b>7,100</b>

# Yarlington Homes Limited

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## Notes to the financial statements for the year ended 31 March 2019 (continued)

### 13 Debtors

	2019 £'000	2018 £'000
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	1,467	968
Other Debtors	23	24
Deferred tax asset (note 10)	1	1
Other taxation – VAT	49	24
Prepayments and Accrued Income	415	4
	<b>1,955</b>	<b>1,021</b>

Other debtors includes £22,800k (2018: £22,800) falling due after more than one year.

### 14 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Loan due to holding company	-	549
Trade creditors	16	20
Other Creditors	7	-
Amounts owed to group undertakings	427	-
Accruals and deferred income	1,045	1,532
	<b>1,495</b>	<b>2,101</b>

Short-term funding facilities are set at £8,000k (2018: £8,000k) with the Company's parent, Yarlington Housing Group. As at 31 March 2019, £0k had been drawn from these facilities (2018:£549k). These loans are secured by a floating charge against the Company's assets and are repayable one month on demand with a final repayment date of 5 years. Interest is payable at 2% above the 1 month libor rate. All other amounts are unsecured.

### 15 Called up Share Capital

	2019 Number	2018 Number	2019 £	2018 £
Authorised Shares of £1 each	5,925,890	5,925,890	5,925,890	5,925,890
Allotted and fully paid Shares of £1 each	5,925,791	5,925,791	5,925,791	5,925,791

# Yarlington Homes Limited

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## Notes to the financial statements for the year ended 31 March 2019 (continued)

### 16 Related party transactions

Please see note 7 for disclosure of the directors' remuneration and key management compensation.

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned with the Group (FRS102, para 33).

### 17 Controlling Parties

The ultimate parent undertaking and controlling party is Yarlington Housing Group, a charitable community benefit society registered in the United Kingdom. Yarlington Homes Limited is a subsidiary undertaking of Yarlington Housing Group. The largest and smallest group in which the results of the Company are consolidated is that headed by Yarlington Housing Group. The consolidated financial statements of the Group are available to the public and can be obtained from the Company's registered office (Yarlington Housing Group, Lupin Way, Yeovil, Somerset, BA22 8WN).