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Financial Statements
Ascalon Properties Limited

For the year ended 31 December 2016

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COMPANIES HOUSE

Registered number: 08708543

Company Information

Directors	S J Seddon K L Whitaker
Company secretary	S J Cook
Registered number	08708543
Registered office	Unit A2-A6 Edgefold Industrial Estate Bolton Lancashire BL4 0LR
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
Bankers	Handelsbanken 6 The Courtyard Calvin Street Bolton BL1 8PB

Ascalon Properties Limited
Registered number:08708543

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Directors' Report

For the year ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The company's principal actvity is that of property development.

Results and dividends

The profit for the year, after taxation, amounted to £6,327 (2015 - £6,627).

The directors have not recommended a dividend in the year or the prior year.

Directors

The directors who served during the year were:

S J Seddon
K L Whitaker

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 judgments 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.

Directors' Report

For the year ended 31 December 2016

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 that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that 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.

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 487(2) of the Companies Act 2006.

In preparation of 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 order of the board on 13 April 2017 and signed on its behalf.

S J Seddon
Director



Independent Auditor's Report to the Members of Ascalon Properties Limited

We have audited the financial statements of Ascalon Properties Limited for the year ended 31 December 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes.. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Grant Thornton

Opinion 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 Director's report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Grant Thornton UK LLP

Christopher Martin

Senior statutory auditor
For and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

13 April 2017

Statement of Comprehensive Income

For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover - continuing operations	4	**234,450**	-
Cost of sales		**(196,354)**	-
Gross profit		**38,096**	-
Administrative expenses		**(17,551)**	(21,087)
Other operating income	5	**21,165**	41,060
Operating profit - continuing operations		**41,710**	19,973
Interest payable and similar charges	8	**(30,949)**	(12,940)
Profit before tax		**10,761**	7,033
Tax on profit	9	**(4,434)**	(406)
Profit for the year		**6,327**	6,627
Other comprehensive income for the year			
Total comprehensive income for the year		**6,327**	6,627

The notes on pages 8 to 18 form part of these financial statements.

Statement of Financial Position

As at 31 December 2016

	Note		2016 £		2015 £
Fixed assets					
Fixed Asset Investments	10		**101**		1
			101		1
Current assets					
Development properties	11	**3,285,010**		3,287,921	
Debtors	12	**1,102,046**		92,407	
Cash at bank	13	**24,030**		10,813	
		4,411,086		3,391,141	
Creditors: amounts falling due within one year	14	**(406,508)**		(286,388)	
Net current assets			**4,004,578**		3,104,753
Total assets less current liabilities			**4,004,679**		3,104,754
Creditors: amounts falling due after more than one year	15		**(3,998,087)**		(3,104,489)
Net assets			**6,592**		265
Capital and reserves					
Called up share capital	19		**2**		2
Profit and loss account	20		**6,590**		263
			6,592		265

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 April 2017.



S J Seddon
Director

The notes on pages 8 to 18 form part of these financial statements.

Statement of Changes in Equity
As at 31 December 2016

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2016	2	263	265
Comprehensive income for the year			
Profit for the year	-	6,327	6,327
Total comprehensive income for the year	-	6,327	6,327
At 31 December 2016	2	6,590	6,592

Statement of Changes in Equity
As at 31 December 2015

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2015	2	(6,364)	(6,362)
Comprehensive income for the year			
Profit for the year	-	6,627	6,627
Total comprehensive income for the year	-	6,627	6,627
At 31 December 2015	2	263	265

The notes on pages 8 to 18 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2016

1. General information

The company is a company limited by shares registered under the Companies Act 2006 and incorporated in England & Wales. The registered office (which also acts as the principal place of business) is Unit A2-A6, Edgefold Industrial Estate, Bolton, Lancashire, BL4 0LR.

The principal activity of the company is that of property development.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 may require 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 company has taken the exemption from preparing a cash flow in accordance with FRS 102 as it is a member of a group where the parent prepares consolidated accounts and a statement of cash flows, which are publicly available.

The following principal accounting policies have been applied:

2.2 Investments in associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.3 Going concern

The accounts have been prepared on the going concern basis. The directors note the small net assets position at the year end, however there is a strong net current assets position. The directors have received confirmation that the loans owed to related parties will not be recalled in a period less than 12 months from the date of the approval of the financial statements unless the company is in a position to repay the loans. The bank loans are contractually due for repayment within a period of 12 months however the directors believe that they will have the ability to repay these loans on the due date as a result of the sale of the land or property to which the loans are secured.

2.4 Revenue

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes payment for services connected to the successful application for planning permissions on sites owned by the entity and the sale of land. Revenue is recognised at the time that transactions complete and the land and options are legally transferred or can no longer be exercised.

Notes to the Financial Statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.5 Development properties

Development costs are stated at the lower of cost and selling price less costs to complete and sell.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

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

Notes to the Financial Statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to 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 payables or receivables, 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 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, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

2.10 Borrowing costs

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 a time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the Statement of comprehensive income in the period in which they are incurred.

Notes to the Financial Statements

For the year ended 31 December 2016

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements in conformity with generally accepted accounting policies requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the directors believe that the critical accounting policies where judgements or estimates are necessarily applied are summarised below:

- Realisation of the cost of the development properties

Notes to the Financial Statements

For the year ended 31 December 2016

4. ANALYSIS OF TURNOVER

The whole of turnover is attributable to the sale of land. All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2016	2015
	£	£
Other operating income - rent	**17,165**	16,060
Property option exclusivity payment	**-**	25,000
Management fee receivable	**4,000**	-
	21,165	41,060

6. OPERATING PROFIT

During the year, no director received any emoluments (2015 - £NIL).

7. AUDITOR'S REMUNERATION

	2016	2015
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**4,000**	2,154

Fees paid to the company's auditors for services other than the statutory audit of the company are not disclosed since the consolidated accounts of the company's parent, Edgefold Holdings Limited, are required to disclose non-audit fees on a consolidated basis.

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Bank interest payable	**7,003**	7,082
Other interest payable	**23,946**	5,858
	30,949	12,940

Notes to the Financial Statements

For the year ended 31 December 2016

9. TAXATION

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	**3,433**	1,406
Adjustments in respect of previous periods	**1**	-
	3,434	1,406
Total current tax	**3,434**	1,406
Deferred tax		
Origination and reversal of timing differences	**1,000**	(1,000)
Total deferred tax	**1,000**	(1,000)
Taxation on profit on ordinary activities	**4,434**	406

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	**10,761**	7,033
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20%)	**2,152**	1,406
Effects of:		
Expenses not deductible for tax purposes	**2,167**	-
Origination and reversal of timing differences	**-**	(1,000)
Adjustment to tax charge in respect of prior periods	**(215)**	-
Rounding	**330**	-
Total tax charge for the year	**4,434**	406

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Notes to the Financial Statements

For the year ended 31 December 2016

9. TAXATION (continued)

During the year the UK corporation tax rate was decreased. There will be a further reduction in the main rate of corporation tax to 19% from 1 April 2017, and following Budget 2016 announcements the rate will fall to 17% in 2020.

The company has corporation tax losses of £1,931 (2015: £6,364) available to utilise against future taxable profits.

10. FIXED ASSET INVESTMENTS

	Investment in joint ventures
	£
Cost or valuation	
At 1 January 2016	1
Additions	100
At 31 December 2016	101
At 31 December 2016	101
At 31 December 2015	1

JOINT VENTURES

Name	Country of Incorporation	Class of shares	Holding	Principal activity
Euxton Lane Developments Limited	England	Ordinary	50%	Property Development
Chipping Homes Limited	England	Ordinary	50%	Property Development

11. DEVELOPMENT COSTS

	2016	2015
	£	£
Development costs	3,285,010	3,287,921

Development costs include borrowing costs that have been capitalised in the year amounting to £143,464 (2015: £132,956) and total borrowing costs capitalised amount to £390,713 (2015: £256,820). The capitalisation rate used is 5% above the Bank of England base rate.

Notes to the Financial Statements

For the year ended 31 December 2016

12. DEBTORS

	2016	2015
	£	£
Amounts owed by joint ventures	**1,099,899**	79,999
Other debtors	**-**	2,988
Prepayments and accrued income	**2,147**	8,420
Deferred taxation (note 18)	**-**	1,000
	1,102,046	92,407

13. CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash at bank and in hand	**24,030**	10,813

14. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Bank loans	**393,000**	279,000
Trade creditors	**2**	2
Corporation tax	**3,434**	1,406
Taxation and social security	**600**	-
Accruals and deferred income	**9,472**	5,980
	406,508	286,388

Secured loans

The company has two bank loans outstanding at the year end which are secured via legal charges over various property and land. The loans have also been guaranteed by Kenryn Developments Limited and Seddon Engineering Holdings Limited. See note 15 for further information.

Notes to the Financial Statements

For the year ended 31 December 2016

15. CREDITORS: Amounts falling due after more than one year

	2016	2015
	£	£
Bank loans	-	210,000
Amounts owed to group undertakings	**3,998,087**	2,894,489
	3,998,087	3,104,489

Secured loans

The company has two bank loans outstanding at the year end which are secured via legal charges over various property and land. The loans have also been guaranteed by Kenryn Developments Limited and Seddon Engineering Holdings Limited.

The first bank loan is repayable by quarterly instalments amounting to £7,750 and a final repayment for the balance on the maturity date of 21 November 2017. Interest is payable at a rate of 3.5% above LIBOR per annum.

The second bank loan amounting to £210,000 is repayable in full on 10 April 2017. Interest is payable at a rate of 2.8% above LIBOR per annum.

The amounts owed to group undertakings is secured by a debenture secured against various property and land. The loan is repayable within 3 months of the crystallisation of a project for which the loan was provided for and interest is payable at a rate of 5% above the Bank of England base rate.

16. LOANS

Analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year		
Bank loans	**393,000**	279,000
Amounts falling due 1-2 years		
Bank loans	-	210,000

Notes to the Financial Statements

For the year ended 31 December 2016

17. FINANCIAL INSTRUMENTS

	2016	2015
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**1,123,929**	93,800
Financial liabilities		
Financial liabilities measured at amortised cost	**(4,400,561)**	(3,389,471)

The financial assets measured at amortised cost comprise cash and other assets that have the contractual right to receive cash.

Financial liabilities measured at amortised cost comprise other liabilities which have the contractual obligation to deliver cash.

18. DEFERRED TAXATION

	Deferred tax
	£
At 1 January 2016	**1,000**
Charged to the profit or loss	**(1,000)**
At 31 December 2016	-

The deferred taxation balance is made up as follows:

	2016	2015
	£	£
Tax losses carried forward	-	1,000
	-	1,000

Notes to the Financial Statements

For the year ended 31 December 2016

19. SHARE CAPITAL

	2016	2015
	£	£
Authorised, allotted, called up and fully paid		
1 A Ordinary share of £1	1	1
1 B Ordinary share of £1	1	1
	2	2

Both the A Ordinary shares and the B Ordinary shares have the same rights and restrictions.

20. RESERVES

Profit and loss account

Profit and loss account - includes all current year and prior year retained profits and losses.

21. RELATED PARTY TRANSACTIONS

The company was funded during the prior year and current year by loans from Seddon Engineering Holdings Limited and White Acre Estates Limited (a company related by common directorship). The balances outstanding at the year end are included within amounts owed to related parties. At 31 December 2016 the balance owed to Seddon Engineering Holdings Limited was £3,998,087 (2015 : £2,894,489). Interest is payable at a rate of 5% above the Bank of England base rate and interest payable during the year amounted to £157,839 (2015: £138,813).

The company also made an unsecured interest free loan to Euxton Lane Developments Limited during the year and the prior year. As at 31 December 2016 the outstanding value was £99,999 (2015 : £79,999) and the amount is included within amounts owed by joint ventures.

A further unsecured, interest free loan to Chipping Homes Limited was made during the year and as at 31 December 2016 the outstanding value was £990,900. The amount is included within amounts owed by joint ventures.

No key management personnel received remuneration from the company during 2016 or 2015.

22. CONTROLLING PARTY

Ascalon Properties Limited is owned equally by its two shareholders, Seddon Engineering Holdings Limited and Kenryn Developments Limited.