

REGISTERED NUMBER: 02695040 (England and Wales)

Strategic Report, Report of the Directors and
Audited Financial Statements For The Year Ended 31st December 2018
for
Purelake New Homes Ltd



Purelake New Homes Ltd (Registered number: 02695040)

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For The Year Ended 31st December 2018**

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Purelake New Homes Ltd

Company Information
For The Year Ended 31st December 2018

DIRECTORS:	B J White Mrs S A White G A Dowd N Convert Mrs T A Wheelan
SECRETARY:	Mrs S A White
REGISTERED OFFICE:	Purelake House 7 Plaistow Lane Bromley Kent BR1 4DS
REGISTERED NUMBER:	02695040 (England and Wales)
SENIOR STATUTORY AUDITOR:	Dominic Shaw FCCA
AUDITORS:	Aston Shaw - Kings Lynn 11 King Street King's Lynn Norfolk PE30 1ET
BANKERS:	Lloyds Bank plc 15 Blackheath Village Blackheath London SE3 9LH

Purelake New Homes Ltd (Registered number: 02695040)

**Strategic Report
For The Year Ended 31st December 2018**

The directors present their strategic report for the year ended 31st December 2018.

The company, which is based in Bromley in Kent, specialises in property development and operates throughout the South East. It undertakes both speculative developments and work under contracts with housing associations and other bodies / individuals.

The company's objective is to increase the size of its operation and to maximise shareholder wealth. This is achieved by the reinvestment of profits and the careful selection of projects to be undertaken.

REVIEW OF BUSINESS

There have been no significant changes in the company's principal activities in the year under review and the directors are not aware at the date of this report of any likely changes in the foreseeable future.

The company completed the sales on a speculative site completed in the previous year and has completed two further speculative sites during the year with one selling well and the other being launched at the end of the year. In addition work continued on two housing association contracts which are due to complete in the early part of next year and they have commenced work on two further contracts. Despite the sales made turnover has fallen for the year as less speculative work came to the market during the year. The effect of these transactions is an increase in the work in progress at the year end.

The company achieved a profit after taxation for the year of £4,338,825 (2017 - £7,141,512).

The Balance Sheet shows that the company's financial position at the end of the year is, in net asset terms, strengthening in line with the company's objectives. Details of amounts owed by its parent and from other subsidiaries are shown in the notes to the financial statements.

The directors are unaware of any significant events since the Balance Sheet date that should be noted in the financial statements.

The company's key financial performance indicators are those that reflect the financial performance and strength of the company. These include turnover, gross profit percentage, profits after tax and shareholder funds. Turnover has fallen during the year because the company had completed two superlative sites during the prior year with only the one this year with sales commencing. The turnover is expected to be at a similar level during the current year as speculative sales are anticipated to remain at a similar level. The gross profit margin has slightly increased as the speculative sites produced a slightly increased return. Work in progress has increased as a result of the additional work undertaken on a speculative site which was brought to the market late in the year. As a result the overall shareholders funds have increased by the end of the year.


PRINCIPAL RISKS AND UNCERTAINTIES

The company is also subject to the uncertainty of the housing market. It has, however, previously been able to sell all developed properties, and it reduces risk by undertaking developments in the housing association market where the returns are lower but more certain.

OTHER CONSIDERATIONS

The company is committed to its employees, protecting human rights, the community and the environment. Investment in these areas by improving working conditions, equal opportunities, work tendering and working with the various local councils ensures the company operates with the upmost integrity.

ON BEHALF OF THE BOARD:


.....
G A Dowd - Director

Date: 20/09/2019

Purelake New Homes Ltd (Registered number: 02695040)

**Report of the Directors
For The Year Ended 31st December 2018**

The directors present their report with the financial statements of the company for the year ended 31st December 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the construction of new residential property.

DIVIDENDS

No interim dividends were paid during the year (2017 - £Nil). The directors do not recommend the payment of a final dividend (2017 - £Nil). After the payment of dividends a profit was transferred to reserves of £4,838,825 (2017 - £7,141,512).

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2018 to the date of this report.

B J White
Mrs S A White
G A Dowd
N Convert
Mrs T A Wheelan

PARENT COMPANY

The company is a subsidiary of Purelake Properties Limited which owns 71.6% of the Ordinary Share Capital (2016 - 71.6%).

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Aston Shaw - Kings Lynn, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
G A Dowd - Director

Date: 20/09/2019

Report of the Independent Auditors to the Members of Purelake New Homes Ltd

Opinion

We have audited the financial statements of Purelake New Homes Ltd (the 'company') for the year ended 31st December 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 31st December 2018 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.

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 Auditors' 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 in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have 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 Strategic Report or the Report of the Directors.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Report of the Independent Auditors to the Members of
Purelake New Homes Ltd**

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Aston Shaw

Dominic Shaw FCCA (Senior Statutory Auditor)
for and on behalf of Aston Shaw - Kings Lynn
11 King Street
King's Lynn
Norfolk
PE30 1ET

Date: *25th September 2019*

Purelake New Homes Ltd (Registered number: 02695040)

Income Statement
For The Year Ended 31st December 2018

	Notes	31/12/18 £	31/12/17 £
TURNOVER		26,846,756	40,116,541
Cost of sales		19,192,040	28,896,670
GROSS PROFIT		7,654,716	11,219,871
Administrative expenses		3,082,261	2,971,924
		4,572,455	8,247,947
Other operating income		818,099	636,548
OPERATING PROFIT	4	5,390,554	8,884,495
Interest payable and similar expenses	5	23,084	34,116
PROFIT BEFORE TAXATION		5,367,470	8,850,379
Tax on profit	6	1,028,645	1,708,867
PROFIT FOR THE FINANCIAL YEAR		4,338,825	7,141,512

The notes form part of these financial statements

Purelake New Homes Ltd (Registered number: 02695040)

Other Comprehensive Income
For The Year Ended 31st December 2018

	Notes	31/12/18 £	31/12/17 £
PROFIT FOR THE YEAR		4,338,825	7,141,512
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,338,825</u>	<u>7,141,512</u>

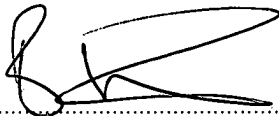
The notes form part of these financial statements

Purelake New Homes Ltd (Registered number: 02695040)

Balance Sheet
31st December 2018

	Notes	31/12/18		31/12/17	
		£	£	£	£
FIXED ASSETS					
Tangible assets	9		957,660		886,063
CURRENT ASSETS					
Stocks	10	15,904,771		13,771,497	
Debtors	11	28,622,664		28,925,896	
Cash in hand		207,036		1,126,895	
			44,734,471		43,824,288
CREDITORS					
Amounts falling due within one year	12	2,727,800		6,094,575	
NET CURRENT ASSETS			42,006,671		37,729,713
TOTAL ASSETS LESS CURRENT LIABILITIES			42,964,331		38,615,776
PROVISIONS FOR LIABILITIES	15		110,300		100,570
NET ASSETS			42,854,031		38,515,206
CAPITAL AND RESERVES					
Called up share capital	16		10,618		10,618
Retained earnings	17		42,843,413		38,504,588
SHAREHOLDERS' FUNDS			42,854,031		38,515,206

The financial statements were approved by the Board of Directors on 20/09/2019 and were signed on its behalf by:



B J White - Director



G A Dowd - Director

The notes form part of these financial statements

Purelake New Homes Ltd (Registered number: 02695040)

**Statement of Changes in Equity
For The Year Ended 31st December 2018**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1st January 2017	10,618	31,363,076	31,373,694
Changes in equity			
Total comprehensive income	-	7,141,512	7,141,512
Balance at 31st December 2017	<u>10,618</u>	<u>38,504,588</u>	<u>38,515,206</u>
Changes in equity			
Total comprehensive income	-	4,338,825	4,338,825
Balance at 31st December 2018	<u><u>10,618</u></u>	<u><u>42,843,413</u></u>	<u><u>42,854,031</u></u>

The notes form part of these financial statements

Purelake New Homes Ltd (Registered number: 02695040)

Cash Flow Statement
For The Year Ended 31st December 2018

	Notes	31/12/18 £	31/12/17 £
Cash flows from operating activities			
Cash generated from operations	1	271,826	(1,570,651)
Interest paid		(23,084)	(28,574)
Interest element of hire purchase or finance lease rental payments paid		-	(5,542)
Tax paid		(2,062,557)	(733,319)
Net cash from operating activities		<u>(1,813,815)</u>	<u>(2,338,086)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(258,164)	(163,913)
Sale of tangible fixed assets		-	16,000
Interest received		816,454	635,244
Net cash from investing activities		<u>558,290</u>	<u>487,331</u>
Cash flows from financing activities			
HP capital repayments in year		-	(51,341)
Net cash from financing activities		<u>-</u>	<u>(51,341)</u>
Decrease in cash and cash equivalents		<u>(1,255,525)</u>	<u>(1,902,096)</u>
Cash and cash equivalents at beginning of year	2	1,126,895	3,028,991
Cash and cash equivalents at end of year	2	<u>(128,630)</u>	<u>1,126,895</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
For The Year Ended 31st December 2018

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS		
	31/12/18	31/12/17
	£	£
Profit before taxation	5,367,470	8,850,379
Depreciation charges	186,567	167,405
Interest received	(816,454)	(635,244)
Finance costs	23,084	34,116
	<u>4,760,667</u>	<u>8,416,656</u>
Increase in stocks	(2,133,274)	(758,805)
Decrease/(increase) in trade and other debtors	338,232	(10,542,105)
(Decrease)/increase in trade and other creditors	(2,693,799)	1,313,603
	<u>271,826</u>	<u>(1,570,651)</u>
Cash generated from operations	<u>271,826</u>	<u>(1,570,651)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	207,036	1,126,895
Bank overdrafts	(335,666)	-
	<u>(128,630)</u>	<u>1,126,895</u>

Year ended 31st December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	1,126,895	3,028,991
	<u>1,126,895</u>	<u>3,028,991</u>

Notes to the Financial Statements
For The Year Ended 31st December 2018

1. **STATUTORY INFORMATION**

Purelake New Homes Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Landlords Property Improvement	- 4% Straight Line
Equipment	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Office equipment	- 25% on reducing balance

Work in progress

- Long term contracts

Long-term contracts are valued at cost plus attributable profit less income received. Attributable profit is calculated with reference to the contract value and its level of completion. Any costs in excess of income are shown as amounts receivable on contracts within debtors. Any income on a contract in excess of costs is shown as a long term contracts balance within creditors.

- Speculative

All other work in progress is for direct sale and is costed at the lower of cost and net realisable value unless contracted for sale in which case the sale is accounted for in full with amounts receivable in debtors.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase commitments

Assets obtained under hire purchase contracts are capitalised in the Balance Sheet and depreciated over their useful lives. Interest is charged to the Profit and Loss Account over the period of the agreement.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
For The Year Ended 31st December 2018

3. EMPLOYEES AND DIRECTORS

	31.12.18 £	31.12.17 £
Wages and salaries	3,136,033	3,172,618
Social security costs	382,968	390,819
Directors pension costs	72,049	122,321
Staff pension costs	59,612	46,504
	<u>3,650,662</u>	<u>3,733,262</u>

The average monthly number of employees during the year was as follows: -

	31.12.18	31.12.17
Directors	5	5
Site managers and labourers	31	33
Office	12	11
	<u>48</u>	<u>49</u>

The aggregate emoluments of the directors, including the pension contributions, total £1,440,374 (2017 - £1,530,797).

The pension contributions for the directors for the year total £72,049 (2017 - £122,321).

Highest Paid Director

The emoluments for the highest paid director, including pension contributions, for the year total £510,347 (2017 - £432,324).

The pension contributions for the highest paid director total £Nil (2017 - £Nil).

4. OPERATING PROFIT

The operating profit is stated after charging:

	31/12/18 £	31/12/17 £
Depreciation - owned assets	186,567	132,178
Depreciation - assets on hire purchase contracts or finance leases	-	35,227
Auditors' remuneration	12,500	12,000
Auditors' remuneration - non audit services	29,500	29,950
	<u>29,500</u>	<u>29,950</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/12/18 £	31/12/17 £
Bank charges	20,134	28,555
Interest on other taxation	-	19
Interest on corporation tax	2,950	-
Hire purchase interest	-	5,542
	<u>23,084</u>	<u>34,116</u>

Notes to the Financial Statements - continued
For The Year Ended 31st December 2018

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31/12/18 £	31/12/17 £
Current tax:		
UK corporation tax	1,018,915	1,710,057
Deferred tax:		
Movement for year	9,730	(1,190)
Tax on profit	<u>1,028,645</u>	<u>1,708,867</u>

UK corporation tax has been charged at 19% (2017 - 19.25%).

7. CONTROLLING PARTY

Mr and Mrs White, directors of the company, are the ultimate controlling party.

8. HOLDING COMPANY

The company is a subsidiary of Purelake Properties Limited, a company incorporated in England and Wales.

At 31 December 2018 the company was owed £1,590,588 by the holding company (2017 - £964,971) in respect of loan advances which are repayable on demand.

The company charged interest on the loan at the rate it would pay interest to its bankers. The interest for the year ended 31 December 2018 amounted to £42,868 (2017 - £24,174).

9. TANGIBLE FIXED ASSETS

	Landlords Property Improvement £	Equipment £	Motor vehicles £	Office equipment £	Totals £
COST					
At 1st January 2018	509,071	1,248,020	194,611	283,322	2,235,024
Additions	-	226,047	27,188	4,929	258,164
Disposals	-	(101,712)	(14,644)	(92,938)	(209,294)
At 31st December 2018	<u>509,071</u>	<u>1,372,355</u>	<u>207,155</u>	<u>195,313</u>	<u>2,283,894</u>
DEPRECIATION					
At 1st January 2018	140,843	856,005	116,024	236,089	1,348,961
Charge for year	20,363	130,115	22,768	13,321	186,567
Eliminated on disposal	-	(101,712)	(14,644)	(92,938)	(209,294)
At 31st December 2018	<u>161,206</u>	<u>884,408</u>	<u>124,148</u>	<u>156,472</u>	<u>1,326,234</u>
NET BOOK VALUE					
At 31st December 2018	<u>347,865</u>	<u>487,947</u>	<u>83,007</u>	<u>38,841</u>	<u>957,660</u>
At 31st December 2017	<u>368,228</u>	<u>392,015</u>	<u>78,587</u>	<u>47,233</u>	<u>886,063</u>

10. STOCKS

	31/12/18 £	31/12/17 £
Stocks and work in progress	<u>15,904,771</u>	<u>13,771,497</u>

Notes to the Financial Statements - continued
For The Year Ended 31st December 2018

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/18	31/12/17
	£	£
Trade debtors	183,830	188,505
Amounts owed by group undertakings	26,940,330	25,875,387
Amounts receivable on contracts	701,066	2,032,565
Taxation	60,083	305,524
Prepayments and accrued income	737,355	523,915
	<u>28,622,664</u>	<u>28,925,896</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/18	31/12/17
	£	£
Bank loans and overdrafts (see note 13)	335,666	-
Trade creditors	1,873,073	2,254,230
Corporation tax	211,415	1,255,057
Other taxes and social security costs	176,457	148,132
Long term contracts	-	2,356,745
Directors' current accounts	35,805	3,582
Accruals	95,384	76,829
	<u>2,727,800</u>	<u>6,094,575</u>

13. LOANS

An analysis of the maturity of loans is given below:

	31/12/18	31/12/17
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>335,666</u>	<u>-</u>

Notes to the Financial Statements - continued
For The Year Ended 31st December 2018

14. SECURED DEBTS

The following secured debts are included within creditors:

	31/12/18 £	31/12/17 £
Bank overdraft	<u>335,666</u>	<u>-</u>

There are cross guarantees in respect of all group companies in favour of Barclays Bank plc.

Borrowings from Barclays Bank plc by other group members were as follows: -

	31.12.18 £	31.12.17 £
Purelake Investments Limited	<u>3,700,000</u>	<u>3,900,000</u>

There are cross guarantees in respect of all group companies in favour of Lloyds Bank plc.

Borrowings from Lloyds Bank plc by other group members were as follows: -

	31.12.18 £	31.12.17 £
Purelake Investments Limited	<u>1,250,000</u>	<u>--</u>

15. PROVISIONS FOR LIABILITIES

	31/12/18 £	31/12/17 £
Deferred tax		
Provision for deferred tax	100,570	101,760
Capital allowances in advance of depreciation	9,730	(1,190)
	<u>110,300</u>	<u>100,570</u>
Balance at 1st January 2018		100,570
Movement for year		9,730
Balance at 31st December 2018		<u>110,300</u>

Deferred tax
£

100,570
9,730

110,300

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31/12/18 £	31/12/17 £
9,500	Ordinary	1	9,500	9,500
500	Ordinary A	1	618	618
618	Ordinary B	1	500	500
			<u>10,618</u>	<u>10,618</u>

Notes to the Financial Statements - continued
For The Year Ended 31st December 2018

16. CALLED UP SHARE CAPITAL - continued

All shares have the same rights with the exception to the right of capital repayment. The A Ordinary shares rank equally with the Ordinary Shares in respect of capital in excess of £9,000,000 and the B Ordinary Shares rank equally with the other shareholdings for capital in excess of £11,000,000.

17. RESERVES

	Retained earnings £
At 1st January 2018	38,504,588
Profit for the year	4,338,825
At 31st December 2018	<u>42,843,413</u>

18. TRANSACTIONS WITH RELATED PARTIES / COMPANIES

Purelake Investments Limited is a fellow subsidiary of Purelake New Homes Limited.

During the year the company sold property at a market value of £794,850 to Purelake Investments Limited (2017 - £Nil).

At 31 December 2018 the company was owed £25,349,742 (2017 - £24,910,416) by Purelake Investments Limited in respect of loan advances which are repayable on demand.

The company charged interest at the rate it would pay interest to its bankers. The interest for the year ended 31 December 2017 amounted to £759,213 (2017 - £609,141).

C C Bromley Limited is a subsidiary of Purelake Investments Limited.

The company undertook construction work for C C Bromley Limited during the year under commercial terms which amounted to £674,250 (2017 - £152,050). No amounts were outstanding at the year end (2017 - £Nil).

The company operates PNH Directors Pension Scheme.

The company pays rent at a commercial rate to the pension scheme during the year which amounted to £95,000 (2017 - £95,000).

No amounts were owed to or by the pension scheme as at 31 December 2018 (2017 - £Nil).