

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED
GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st March 2020

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

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GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

COMPANY INFORMATION

FOR THE PERIOD ENDED 31st March 2020

Directors: A J E Hodges
 A H Maunders
 D Paul
 J M Whiteman

Company Secretary: Quorum Secretaries Limited

Registered Office: The Office
 47 Watchetts Drive
 Camberley
 Surrey
 GU15 2PQ

Registered Number: 10152910

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31st March 2020

Directors' Report

The Directors present their report with the financial statements of the company for the period ended 31st March 2020. The fourth annual report and financial statements, including group accounts.

Principal Activities

To act as a holding company, owning shares of other companies to form a corporate group.

Directors

The Directors, who have held office during the year, are as follows:

Name	Date of Appointment	Date of resignation
A J E Hodges	28 th April 2016	N/A
A H Maunders	28 th April 2016	N/A
D Paul	28 th April 2016	N/A
J M Whiteman	26 th September 2017	N/A

Company Secretary	Date of Appointment
Quorum Secretaries Limited	17 th May 2017

Statement of Going Concern

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified.

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31st March 2020

The Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

The directors have elected to prepare the accounts, as permitted by the Companies Act 2006, in accordance with United Kingdom Generally Accepted Accounting Practice (UK accounting standards and applicable law). Under company law the directors must not approve the accounts 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 accounts, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and 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 the accounts 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.

This report was approved by the Board on 11 January 2021.

This report has been prepared in accordance with the FRS 102 and Companies Act 2006.

By order of the Board:

.....
J M Whiteman - Director

Date:

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

STATEMENT OF ACCOUNTING POLICIES

FOR THE PERIOD ENDED 31st MARCH 2020

Basis of Preparation

These financial statements have been prepared on the going concern basis and in accordance with FRS 102 and the Companies Act 2006 and Groups (Accounts and Directors' Report) Regulations 2008. The Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the company for the reporting period and are presented in Pounds Sterling.

The Company is a private limited company incorporated in England and Wales and is a wholly owned subsidiary of Guildford Borough Council, which is required to prepare accounts in accordance with IFRS adapted for the UK public sector by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

1. Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been, applied consistently throughout the financial statements.

Accrual Accounting

These activities are accounted for in the year that it took place and when a right to consideration exists, not simply when cash payments are made or received.

2. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of less than 24 hours.

3. Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Liabilities

Financial liabilities are initially measured at the transaction price. For goods and services purchased from a supplier on short-term credit, for example, a payable is recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

Financial Assets

Financial assets are initially measured at the transaction price. Fixed asset investments are included at cost less impairment.

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED**GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT****FOR THE YEAR ENDED 31st MARCH 2020**

	Notes	<u>2019-20</u>	<u>2018-19</u>
		<u>£</u>	<u>£</u>
Turnover		407,389	193,318
Cost of sales		(13,914)	(8,704)
Gross profit or (loss)		393,475	184,614
Distribution costs		0	0
Administrative expenses		(283,468)	(162,077)
Operating profit		110,007	22,537
Other operating income		629	3,717
Gain on disposal of freehold property			0
Unrealised gain/(loss) on revaluation of property and investments		(206,628)	(618,051)
Other interest receivable			0
Interest payable and similar charges	1	(370,024)	(197,024)
Profit or loss before tax		(466,016)	(788,821)
Tax on profit or loss on ordinary activities		88,103	149,792
Profit or loss for the financial year		(377,913)	(639,029)

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDING 31st MARCH 2020

	<i>Notes</i>	2019-20 £	2018-19 £
Fixed assets			
Investments	2	13,157,334	7,182,628
		<u>13,157,334</u>	<u>7,182,628</u>
Current assets			
Trade debtors		1,909	15,342
Other debtors	3	276,732	210,356
Cash at bank and in hand		65,496	17,266
		<u>344,137</u>	<u>242,965</u>
Creditors: amounts falling due within one year			
Trade creditors	4	(343,341)	(200,125)
Net current assets		<u>796</u>	<u>42,840</u>
Total assets less current liabilities		13,158,130	7,225,468
Creditors: amounts falling due after one year			
Bank loans and overdrafts	5	(8,847,907)	(4,913,732)
		<u>4,310,223</u>	<u>2,311,736</u>
Capital and reserves			
Called up share capital: Allotted ordinary £1 shares	6	5,459,800	3,083,400
Profit and (loss) account		(1,149,577)	(771,664)
		<u>4,310,223</u>	<u>2,311,736</u>

Directors' responsibilities:

- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.
- These accounts have been prepared in accordance with the provisions of the Companies Act 2006 and FRS 102.

The financial statements were approved by the Board of directors on XXth July 2020 and were signed on its behalf by:

.....
J M Whiteman - Director

Date:

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

GROUP CASHFLOW STATEMENT

FOR THE YEAR ENDING 31st MARCH 2020

<u>2018/19</u>		<u>Note</u>	<u>2019/20</u>
£			£
(639,029)	Net surplus or (deficit) on the provision of services		(377,913)
559,092	Adjustment to surplus or deficit on the provision of services for noncash movements	10a	296,901
	Adjust for items included in the net surplus or deficit		
	on the provision of services that are investing and financing activities	C1	0
<u>(79,937)</u>	Net Cash flows from operating activities		<u>(81,011)</u>
(3,380,328)	Net Cash flows from Investing Activities	10b	(6,181,334)
3,397,735	Net Cash flows from Financing Activities	10c	6,310,575
<u>(62,530)</u>	Net increase or (decrease) in cash and cash equivalents		<u>48,230</u>
79,796	Cash and cash equivalents at the beginning of the reporting period		17,266
<u>17,266</u>	Cash and cash equivalents at the end of the reporting period		<u>65,496</u>

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31st MARCH 2020

1 Interest payable and similar charges

	<u>2019-20</u>	<u>2018-19</u>
	<u>£</u>	<u>£</u>
Bank charges	388	250
Loan Interest	<u>369,575</u>	<u>196,735</u>
	<u>369,963</u>	<u>196,985</u>

2 Fixed Assets Investments

Fair Value	Investment Property	Other Investment	Total
Cost	£	£	£
As at 1st April 2019	7,800,679	0	7,800,679
Additions	6,181,334	0	6,181,334
As at 31st March 2020	13,982,013	0	13,982,013
Revaluation			
As at 1st April 2019	(618,051)	0	(618,051)
Additions	(206,628)		(206,628)
As at 31st March 2020	(824,679)	0	(824,679)
Provisions			
As at 1st April 2019	0	0	0
As at 31st March 2020	0	0	0
Net Book Value			
As at 1st April 2019	7,182,628	0	7,182,628
As at 31st March 2020	13,157,334	0	13,157,334

Property cost include purchase price and transaction costs in line with FRS102.

Properties are revalued by to show fair cost. Any increase/fall in value is charged to to the comprehensive income and expenditure accounts and valuation shown as no distributable income

3 Debtors

	<u>2019-20</u>	<u>2018-19</u>
	<u>£</u>	<u>£</u>
Trade Debtors	1,909	15,342
Others		
Deferred Taxation	268,804	180,700
Deferred Income and Prepayments	7,837	29,597
	<u>278,550</u>	<u>225,639</u>

4 Creditors: amounts falling due within one year

	<u>2019-20</u>	<u>2018-19</u>
	<u>£</u>	<u>£</u>
Bank loans and overdrafts: secured		0
Trade creditors	342,141	200,125
Corporation tax		0
Other creditors		0
Accruals and deferred income		0
	<u>342,141</u>	<u>200,125</u>

The 'Trade Creditors' total includes £326,512, £174,505(2018/19) payable to a related party, Guildford Borough Council, for services provided in the period to 31st March 2020.

5 Amounts repayable after more than one year

	<u>2019-20</u>	<u>2018-19</u>
	<u>£</u>	<u>£</u>
Loan repayable in instalments		
Opening Balance	4,913,732	2,796,397
Capitalised Interest	369,575	196,735
Additions	3,564,600	1,920,600
Closing Balance	<u>8,847,907</u>	<u>4,913,732</u>

The loans are secured against the investment properties of the company

6 Share Capital

	<u>2019-20</u>	<u>2018-19</u>
	<u>£</u>	<u>£</u>
£1 ordinary shares issued		
Opening Balance	3,083,400	1,803,000
Additional Issued During the Year	2,376,400	1,280,400
Closing Balance (Issued shares)	<u>5,459,800</u>	<u>3,083,400</u>

8 Related Party Disclosures

Ultimate parent

The Directors of the company regard Guildford Borough Council, a local authority in England and Wales, as the ultimate parent of the Company. The address of the Council's principal place of business is Guildford Borough Council, Millmead House, Millbrook, Guildford, Surrey GU2 4BB. Guildford Borough Council own 100% of the 5,459,800 £1.00 ordinary shares issued by Guildford Borough Council Holdings Ltd.

9 Audit Fees

	<u>2019-20</u>	<u>2018-19</u>
Audit/Accountancy Fees	12,000	

10a Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2018/19		2019/20
£		£
	Interest received	0
(197,024)	Interest paid	(370,024)
	Dividends received	0

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

2018/19		2019/20
	Depreciation	0
618,051	Impairment and downward valuations	206,628
	Amortisation	0
	Movement in contract assets, liabilities and costs (IFRS 15)	0
	Deferred revenue/ deferred payment agreements (IFRS 15)	0
	Increase/(decrease) in impairment for bad debts	0
132,555	Increase/(decrease) in creditors	143,216
(191,513)	(Increase)/decrease in debtors	(52,943)
	(Increase)/decrease in inventories	0
	Movement in pension liability	0
	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	0
<u>559,092</u>		<u>296,901</u>

10b Cash Flow Statement - Investing Activities

2018/19 £		2019/20 £
(3,380,328)	Purchase of property, plant and equipment, investment property and intangible assets	(6,181,334)
	Purchase of short-term and long-term investments	0
	Other payments for investing activities	0
	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	0
	Proceeds from short-term and long-term investments	0
	Other receipts from investing activities	0
<u>(3,380,328)</u>	Net cash flows from investing activities	<u>(6,181,334)</u>

10c Cash Flow Statement - Financing Activities

2018/19 £		2019/20 £
2,117,335	Cash receipts of short- and long-term borrowing	3,934,175
1,280,400	Other receipts from financing activities	2,376,400
	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	0
	Repayments of short- and long-term borrowing	0
	Other payments for financing activities	0
<u>3,397,735</u>	Net cash flows from financing activities	<u>6,310,575</u>

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

SUPPLEMENTARY ACCOUNTS

ANNUAL REPORT AND ACCOUNTS OF GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31 MARCH 2020

	2019-20	2018-19
	£	£
Turnover	0	0
Cost of sales	0	0
Gross profit	0	0
Distribution costs	0	0
Administrative expenses	(2,254)	(405)
Operating profit	(2,254)	(405)
Other operating income	0	0
Gain on disposal of freehold property	0	0
Unrealised surplus on revaluation of property and investments	0	0
Other interest receivable	0	0
Interest payable and similar expenses	(61)	(39)
Profit/(loss) before tax	(2,315)	(444)
Tax on profit /(loss)	0	0
Profit/(loss) after taxation	(2,315)	(444)

ANNUAL REPORT AND ACCOUNTS OF GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED		2019-20	2018-19
BALANCE SHEET FOR THE YEAR ENDING 31 MARCH 2020		£	£
	<i>Notes</i>		
Fixed assets			
Investments			
Shares in group undertakings and participating interests		5,456,780	3,080,380
Current assets			
Debtors and pre-payments		-	-
Other debtors		91	58
Cash at bank and in hand		534	1,682
		<u>625</u>	<u>1,740</u>
Creditors:			
amounts falling due within one year		(1,200)	-
Net current assets		<u>(575)</u>	<u>1,740</u>
Total assets less current liabilities		<u>5,456,205</u>	<u>3,082,120</u>
Creditors: amounts falling due after one year			
Bank loans and overdrafts		-	-
		<u>5,456,205</u>	<u>3,082,120</u>
Capital and reserves			
Called up share capital: ordinary £1 shares		5,459,800	3,083,400
Profit and loss account		(3,595)	(1,280)
		<u>5,456,205</u>	<u>3,082,120</u>

ANNUAL REPORT AND ACCOUNTS OF GUILDFORD BOROUGH COUNCIL HOLDINGS LIMITED

Notes

1. Fixed assets	2019-20	2018-19
Fixed Asset Investments		
	£	£
Fair value		
At 1 April 2019	3,080,380	1,799,980
Additions	2,376,400	1,280,400
Revaluation		0
At 31 March 2020	<u>5,456,780</u>	<u>3,080,380</u>

Fixed asset investments refer to the company's 100% ownership of North Downs Housing Limited and are shown at cost less any provision for losses.

During the period to 31st March 2019 the Company paid £2,376,400 to North Downs Housing Limited in consideration for 100% of the allotted £1 ordinary shares.

2. Debtors	2019-20	2018-19
	£	£
Trade debtors		0
Other debtors:		
Prepayments and accrued income	91	58
	<u>91</u>	<u>58</u>

3. Audit Fees	2019-20	2018-19
	£	£
Audit/Accountancy Fees	1,560	-
<i>Out of the sum of £1560 paid in 2019/20 £360 relates to 2018/19 not provided for in the accounts.</i>		

4. Creditors	2019-20	2018-19
	£	£
- due within one year (accountancy fees)	1,200	-

5. Employee numbers	2019-20	2018-19
The average number of persons employed by the company was:	0	0