Gentoo Genie Limited

Financial statements for the year ended 31 March 2017

Registered number: 07083129

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Strategic report

Principal activities

The Company's principal activities during the year were administering and providing Home Purchase Plans (HPP).

Business review and results

Gentoo Genie's key objective was to make home ownership accessible to currently excluded consumers. The company provides an innovative home finance product called the 'Genie' which is targeted at first time buyers and long term renters. The company is authorised and regulated by the Financial Conduct Authority (FCA) as the Genie product is a Home Purchase Plan.

Future Developments

During 2016 Genie's parent company Gentoo Group, reviewed its business plan and decided to refocus on its core activity as an excellent housing provider in Sunderland. As a result, Genie no longer accepts new business and is focussed on the ongoing servicing of the existing Genie customers in a way that aligns with our regulatory responsibilities. In this regard, we use the term "run-down" to refer to the ongoing business model.

Results for the year

The profit before taxation for the year is £259k (2016: £210k loss).

Key Performance Indicators (KPIs)

Due to the change in business model, the KPI's for the business have been reviewed and amended. Future focus will be on reducing the cost base and the KPI will be the rate of repayment of the Inter Company loan provided by Gentoo Group.

Principal risks and uncertainties

The Senior Management Team operates a consistent framework to identify, assess, mitigate and report risk exposures.

There is clear escalation of any risk exposures to the Senior Management Team and the Board. A Risk Mitigation Plan, tracked by the Head of Genie, ensures rigorous oversight in risk management. The risk assessment and Risk Mitigation Plan are presented to the Board at least annually.

The key risks faced by Genie under the new business model:

- **Conduct Risk** - Gross conduct risk is reduced as front book regulation no longer applies (sales, underwriting, and financial promotions). However specific net conduct risks increases with the challenge of regulatory capital and minimum regulatory standards in a run-down business.

- **Operational Risk** - Operational risks shift from front book to back book customer servicing. There is reputational risk around the initial announcement to potential investors, stakeholders and customers which could also impact Gentoo Group. There is also an operational risk around key man dependencies of the run-down team.

- **Credit Risk** - Underwriting risk reduces as the book is closed to new business but will not be completely eliminated as change in party requests will still need to be underwritten.

- **Liquidity and Funding Risks** - Liquidity and funding risk is reduced as growth funding applications are cancelled; however there is a heightened risk that the run-down business plan and assumptions do not perform as expected which will impact Gentoo Group.

Strategic report (continued)

- **Market Risk -** Market risk is unchanged although external factors such as house price inflation crystallise only on arrears or customer exits.

- **Property Development Risk -** Property development risk is eliminated.

By order of the board

JBell

Joanne Bell
Director
11 July 2017

Directors' report for the year ended 31 March 2017

The directors present their report and the audited financial statements of Gentoo Genie Limited (Genie) for the year ended 31 March 2017.

Directors

The directors who held office during the year were as follows:

Mark Blanshard	(resigned 14 November 2016)
Joanne Bell	(appointed 15 September 2016)
Michael Bussey	
Steven Hicks	(resigned 31 August 2016)
John Walker	(resigned 15 September 2016)

None of the directors held shares in the Company during the year.

Financial instruments

The Genie Home Purchase Plan (HPP) is considered to be a complex financial instrument due to the potential link to upward House Price Inflation (HPI).

The customer contract fixes the settlement balance as being the original property sales price therefore providing protection against downwards HPI.

The risk of customer default is reduced through a board approved arrears policy and the legal contract in place which allows the Company to seek possession should the customer default.

Proposed dividend

The directors do not recommend the payment of a dividend.

Political contributions

The Company made no political donations and incurred no political expenditure during the year.

Disclosure of information to auditor

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 auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, a resolution for the appointment of an auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

JBell

Joanne Bell
Director
11 July 2017

Emperor House
2 Emperor Way
Doxford International Business Park
Sunderland
SR3 3XR

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Gentoo Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

KPMG LLP
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

Independent auditor's report to the members of Gentoo Genie Limited

We have audited the financial statements of Gentoo Genie Limited for the year ended 31 March 2017 set out on pages 9 to 21. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 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 6, 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 web-site 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 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Gentoo Genie Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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

M. L. Thompson.

Mick Thompson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

17 July 2017

Statement of comprehensive income
for the year ended 31 March 2017

	Note	2017	2016
		£	£
Finance income	2	**383,095**	393,960
Cost of sales		**(115,413)**	(137,843)
Gross profit		**267,682**	256,117
Administrative expenses		**(182,647)**	(516,269)
Other operating income	3	**174,059**	49,953
Profit / (loss) before taxation		**259,094**	(210,199)
Taxation	7	**-**	-
Profit / (loss) for the financial year		**259,094**	(210,199)
Other comprehensive income		**-**	-
Total comprehensive income for the year		**259,094**	(210,199)

The notes on pages 12 to 21 form part of the financial statements.

Statement of financial position
at 31 March 2017

	Note	2017	2016
		£	£
Fixed assets			
Tangible assets	8	-	40,728
Current assets			
Stock	9	**139,125**	143,158
Debtors	10	**16,801**	20,684
Cash at bank and in hand		**439,988**	230,015
		595,914	393,857
Creditors: amounts falling due within one year	11	**(13,643)**	(21,613)
Net current assets		**582,271**	372,244
Debtors: amounts falling due after more than one year	12	**6,944,570**	8,140,003
Total assets less current liabilities		**7,526,841**	8,552,975
Creditors: amounts falling due after more than one year	13	**(8,182,701)**	(9,467,929)
Net liabilities		**(655,860)**	(914,954)
Capital and reserves			
Called up share capital	14	**250,000**	250,000
Profit and loss account		**(905,860)**	(1,164,954)
Shareholders' deficit		**(655,860)**	(914,954)

The notes on pages 12 to 21 form part of the financial statements.

These financial statements from pages 9 to 21 were approved by the board of directors on 11 July 2017 and were signed on its behalf by:

J Bell

Joanne Bell
Director
Registered number: 07083129

Statement of changes in equity

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 April 2015	250,000	(954,755)	(704,755)
Total comprehensive income for the period			
Loss	-	(210,199)	(210,199)
Balance at 31 March 2016	**250,000**	**(1,164,954)**	**(914,954)**
Balance at 1 April 2016	250,000	(1,164,954)	(914,954)
Total comprehensive income for the period			
Profit	-	259,094	259,094
Balance at 31 March 2017	**250,000**	**(905,860)**	**(655,860)**

Notes to the financial statements
for the year ended 31 March 2017

1. Accounting policies

Legal status
Gentoo Genie Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

Basis of accounting
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 (“FRS 102”)* as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The Company’s parent undertaking, Gentoo Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Gentoo Group Limited are available to the public and may be obtained from Emperor House, 2 Emperor Way, Doxford International Business Park, Sunderland, SR3 3XR. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period; and

- Cash Flow Statement and related notes

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods in these financial statements.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets are stated at their fair value: other financial instruments classified at fair value through the statement of comprehensive income;

- debtors: amounts falling due after more than one year.

1.2. Going Concern

The Company’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 3 and 4.

The Company meets its day to day working capital requirements through Group funding. The Company has received assurances from Group that this funding will continue to be made available so as to allow the company to meet its liabilities as they fall due, for the 12 month period following the approval of these financial statements, and thereafter for the foreseeable future. Therefore, the directors believe that the company is well placed to manage its business risks successfully despite the economic uncertainty.

After making enquiries, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

Notes to the financial statements (continued)
For the year ended 31 March 2017

1. Accounting policies (continued)

1.3. Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.4. Basic financial instruments

Trade and other debtors / creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Bad and doubtful debts
For any customer who is in arrears, their arrears will be provided for in full as a doubtful debt, when a default notice is sent to the customer in arrears. The provision will be reduced by each payment made to clear the arrears, if / when a payment arrangement is put in place**.** The provision will be fully cleared when a payment arrangement is completed.

The provision will be written off in full, as a bad debt, when a court has granted permission for the customer's property to be re-possessed.

Notes to the financial statements (continued)
For the year ended 31 March 2017

1. Accounting policies (continued)

1.5. Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)
The Genie HPP arrangements are not considered to be basic financial instruments.

The Genie HPP is a ‘complex financial instrument’ under FRS 102 due to the potential link to upward HPI. The Genie HPP is initially recognised on the statement of financial position at the value the customer has committed to purchase the property. Subsequent to initial recognition, Genie HPP’s are measured at fair value with changes recognised in profit or loss. The fair value is equal to the share retained by the Company in the property which is subject to a HPP valued at the original sales price. This equates to the minimum value to be received under the HPP contractual arrangement.

There are no other financial instruments which are not considered to be basic financial instruments.

1.6. Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the statement of comprehensive income on a straight line basis over the estimated useful lives. The estimated useful lives are as follows:

Office equipment	3 - 10	years
IT equipment	3	years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset’s future economic benefits.

1.7. Stock

Stock consists of properties held for sale that do not currently have an HPP agreement attached to them. Stock is valued at fair value, plus any additional cost associated with that property becoming void that can be capitalised e.g. the purchase of a customer’s shares.

1.8. Impairment excluding stock and deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset’s original effective interest rate. For financial instruments measured at cost less impairment, impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount.

Notes to the financial statements (continued)
For the year ended 31 March 2017

1. Accounting policies (continued)

1.8. Impairment excluding stock and deferred tax assets (continued)

Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets
The carrying amounts of the Company's non-financial assets, other than stock and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

1.9. Employee benefits

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the statement of comprehensive income in the periods during which services are rendered by employees.

1.10. Income receivable from HPP financing transactions

Income receivable from HPP financing transactions represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities. Income receivable is attributable to the reservation fees and the element of the monthly fees which do not reduce the HPP balance which are remitted by customers as a result of the HPP and are recognised in the period to which they relate.

Notes to the financial statements (continued)
For the year ended 31 March 2017

1. Accounting policies (continued)

1.11. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax balances are not discounted.

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

2. Finance income

Finance income, all of which arises in the UK, represents the element of the customer's payment which does not reduce the balance required to exit the arrangement as per note 1.5 and note 1.10 and administration fees remitted by the customer as a result of being successful in the Genie application process.

	2017	2016
	£	£
Non capital element	**383,095**	391,560
Administration fees	**-**	2,400
	383,095	393,960

3. Other operating income

Other operating income represents income received from the termination of Genie HPP agreements and the open market sale of stock properties.

Notes to the financial statements (continued)
For the year ended 31 March 2017

4. Expenses and auditor's remuneration

	2017	2016
	£	£
Included in profit / (loss) are the following:		
Depreciation	**40,728**	73,572
Auditor's remuneration:		
Audit of these financial statements	**6,514**	6,355

5. Staff numbers and costs

The average number of persons employed by the Company (including a director) during the year, analysed by category, were as follows:

	2017	2016
	No.	No.
Management and administration	**4**	8

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£	£
Wages and salaries	**163,444**	446,267
Social security costs	**17,914**	49,339
Contributions to defined contribution plans	**10,973**	22,421
Redundancy costs	**5,370**	8,439
	197,701	526,466

6. Director's remuneration

	2017	2016
	£	£
Non-executive director's remuneration	**32,267**	36,720

Retirement benefits are accruing to nil (2016: nil) directors under a defined contribution plan. The other Directors are remunerated via Gentoo Group Limited, the parent company.

Notes to the financial statements (continued)
For the year ended 31 March 2017

7. Taxation

Total tax expense recognised in the statement of comprehensive income

	2017	2016
	£	£
Current tax		
Current tax on income for the period	**-**	-
Total current tax	**-**	-

Analysis of current tax recognised in profit or loss

	2017	2016
	£	£
UK corporation tax	**-**	-
Total current tax recognised in profit or loss	**-**	-

Reconciliation of effective tax rate

	2017	2016
	£	£
Profit / (loss) for the year	**259,094**	(210,199)
Total tax expense	**-**	-
Profit / (loss) excluding taxation	**259,094**	(210,199)
Tax using the UK corporation tax rate of 20% (2016: 20%)	**51,819**	(42,040)
Current year losses for which no deferred tax was recognised	**(51,819)**	42,040
Total tax expense included in profit or loss	**-**	-

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

Notes to the financial statements (continued)
For the year ended 31 March 2017

8. Tangible assets

	Equipment
Cost	**£**
Balance at 1 April 2016 and 31 March 2017	**214,371**
Depreciation	
Balance at 1 April 2016	173,643
Depreciation charge for the year	40,728
At 31 March 2017	**214,371**
Net book value	
At 31 March 2016	40,728
At 31 March 2017	**-**

9. Stock

	2017	2016
	£	£
Properties held for re-sale	**139,125**	143,158

10. Debtors

	2017	2016
	£	£
Trade debtors	**16,801**	17,768
Prepayments	**-**	2,916
	16,801	20,684

Notes to the financial statements (continued)
For the year ended 31 March 2017

11. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	**93**	136
Taxation and social security	**3,013**	11,227
Other creditors	**2,319**	2,130
Accruals and deferred income	**8,218**	8,120
	13,643	21,613

12. Debtors: amounts falling due after more than one year

The debtors due after more than one year are made up as follows:

	2017	2016
	£	£
HPP arrangements	**8,350,976**	9,775,895
Deferred revenue	**(1,406,406)**	(1,635,892)
	6,944,570	8,140,003

The HPP arrangements are valued at fair value. Deferred revenue relates to the difference between the cost of the property to the Company and the value it has been purchased by the customer. Deferred revenue will be released to profit or loss upon the Company no longer having a share in the property.

Whilst some of the above balance may crystallise in less than one year, it is not possible to reliably quantify, therefore, these amounts have been included in debtors falling due after more than one year.

13. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Amounts owed to group undertakings	**8,182,701**	9,467,929

The loan with the parent company carries the same terms and conditions as the loan agreement between the parent company and the Group's funders. Interest is charged at the same rate as is paid by the parent company to the respective funders and may fluctuate in accordance with changes in LIBOR.

The parent company has continued to forego interest charges in the current year, due to the change of business model.

Notes to the financial statements (continued)
For the year ended 31 March 2017

14. Called up share capital

	2017	2016
	£	£
Called up, allotted and fully paid		
250,000 ordinary shares of £1 each	**250,000**	250,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

15. Related parties

Identity of related parties with which the Company has transacted

The Company is a wholly owned subsidiary of Gentoo Group Limited. The creditors: amounts falling due after more than one year balance relates to Gentoo Group's loan to Gentoo Genie Limited.

	Creditors outstanding 2017	2016
	£	£
Gentoo Group Limited	**8,182,701**	9,467,929

16. Ultimate parent undertaking

The Company is a subsidiary undertaking of Gentoo Group Limited which is the ultimate controlling party. This is the only group in which the results of the company are consolidated. The consolidated financial statements of Gentoo Group Limited are available to the public and may be obtained from the Company Secretary, Gentoo Group Limited, Emperor House, 2 Emperor Way, Doxford International Business Park, Sunderland, SR3 3XR.