

Gentoo Developments Limited

Financial statements for the year ended 31 March 2019

Registered number: 06192887

Contents

STRATEGIC REPORT	3
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019	5
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS	6
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENTOO DEVELOPMENTS LIMITED.....	7
STATEMENT OF COMPREHENSIVE INCOME	10
STATEMENT OF FINANCIAL POSITION	11
STATEMENT OF CHANGES IN EQUITY.....	12
NOTES TO THE FINANCIAL STATEMENTS.....	13

Strategic report

Principal activities

The Company's principal activities during the year were the delivery of private property development schemes for sale on the open market on behalf of Gentoo Group using Gentoo Homes to deliver the programme. Both companies are subsidiary companies of Gentoo Group.

Business review and results

The main focus of Gentoo Developments is the provision of high quality market sale homes in the Sunderland Area. The product offer ranges from starter homes allowing opportunities for a route into affordable home ownership, through to higher middle market level homes.

We have enjoyed another successful year, delivering 68 new homes. Demand for new homes in the region has remained consistently strong in spite of uncertainty over Brexit and increases in interest rates. A wide range of mortgage products continue to be available to customers and the recent extension of the Government's Help to Buy scheme has been welcomed.

Despite the Bank of England's decision to raise the base rate to 0.75% in August 2018, we have not seen a noticeable effect on sales or reservations, and reservation rates remain on track to achieve the sales target for 2019/20. It is anticipated that the base rate will increase further over the next two years and we continue to closely monitor economic indicators and consumer demand.

Results for the year

The profit before taxation for the year is £2,624k (2018: £3,173k profit). In accordance with the Group's strategy, the net profits will be gift aided to the parent company within nine months of the year end.

Key Performance Indicators (KPIs)

There are some inherent high level risks within house building which the Company has to manage on an ongoing basis. The Company continues to review its range of KPI's and Business Metrics which are used to manage the overall risk profile and to benchmark the Company's performance. The Company KPI's categorised into the key components of our business are as follows:

Financials

Schemes are assessed to ensure that targets for internal rate of return and gross profit margin are achieved.

Sales

The Company has weekly targets for reservations, exchanges and completions.

Customer satisfaction

Customer satisfaction during the year has averaged 85.6% which represents a Home Builders Federation 4 star builder rating. Improvement in our customer journey has been identified as a priority, and we aspire to become a 5 star developer with a minimum 4 star rating.

Construction stage programme

Programme performance is considered in four main areas, namely, start on site, live scheme updates, health and safety review and NHBC stage inspections.

Principal risks and uncertainties

The major risk to the performance of the Company is property sales. We control the build out of new housing schemes to reflect market demand and manage the number of stock units held.

Control of costs and delivering schemes on programme and to the right quality is also critical to the Company's success. Labour and material costs have continued to be driven upwards due to increased competition for resources. Additionally, further supply chain risks are posed by Brexit. To mitigate this the Company is

Strategic Report (continued)

Principal risks and uncertainties (continued)

continuing to adopt a partnering approach which has helped manage both the labour supply and rates with key partners.

The Group continues to work with the Government in offering 'Help to Buy' funding and the confirmation of the scheme's extension into 2023 for first time buyers brings a welcome degree of certainty to the availability of funding for house buyers.

Further information is contained in the Gentoo Group Limited Strategic Report.

By order of the board



Colin Blakey
Director
17 July 2019

Directors' report for the year ended 31 March 2019

The directors present their report and the audited financial statements of Gentoo Developments Limited for the year ended 31 March 2019.

Directors

The directors who held office during the year are stated as follows:

Louise Bassett
Colin Blakey
Brian Spears
Paul Stewart (resigned 14 May 2018)
Frank Nicholson (appointed 30 January 2019)

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

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, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board:



Colin Blakey
Director
17 July 2019

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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 Developments Limited

Opinion

We have audited the financial statements of Gentoo Developments Limited ("the company") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including

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

the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; 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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

The purpose of our audit work and to whom we owe our responsibilities

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.



Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

Quayside House

110 Quayside

Newcastle upon Tyne

NE1 3DX

18 July 2019

Statement of comprehensive income
 for the year ended 31 March 2019

	Note	2019 £'000	2018 £'000
Turnover	2	14,553	15,535
Cost of sales		(11,208)	(11,316)
Gross profit		3,345	4,219
Administrative expenses		(631)	(771)
Operating profit		2,714	3,448
Interest payable and similar charges	5	(90)	(275)
Profit before taxation		2,624	3,173
Taxation on profit	6	(499)	(603)
Profit for the financial year		2,125	2,570
Other comprehensive income		-	-
Total comprehensive income for the year		2,125	2,570

Statement of financial position
 at 31 March 2019

	Note	2019 £'000	2018 £'000
Current assets			
Stock	7	3,666	8,093
Debtors	8	33	269
Cash at bank and in hand		10	11
		<u>3,709</u>	<u>8,373</u>
Creditors: amounts falling due within one year	9	(3,596)	(4,355)
Total assets less current liabilities		<u>113</u>	<u>4,018</u>
Creditors: amounts falling after more than one year	10	(74)	(3,979)
Net assets		<u>39</u>	<u>39</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account		39	39
Shareholder's funds		<u>39</u>	<u>39</u>

These financial statements were approved by the board of directors on 17 July 2019 and were signed on its behalf by:



Colin Blakey
 Director
 Registered number: 06192887

Statement of changes in equity

	Called up share capital	Profit and loss account	Total equity
	£'000	£'000	£'000
Balance at 1 April 2017.	-	39	39
Total comprehensive income for the year	-	2,570	2,570
Gift aid payment	-	(3,173)	(3,173)
Current tax credit	-	603	603
Balance at 31 March 2018	-	39	39
Balance at 1 April 2018	-	39	39
Total comprehensive income for the year	-	2,125	2,125
Gift aid payment	-	(2,624)	(2,624)
Current tax credit	-	499	499
Balance at 31 March 2019	-	39	39

Notes to the financial statements
for the year ended 31 March 2019

1. Accounting policies

Legal status

Gentoo Developments Limited (the "Company") is a company incorporated, domiciled and registered in England in the UK. The registered number is 06192887 and the registered address is Emperor House, 2 Emperor Way, Doxford International Business Park, Sunderland, SR3 3XR.

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"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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 the Company Secretary, 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 end of the period; and
- Cash Flow Statement and related notes.

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

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

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 to 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 approval of these financial statements, and thereafter for the foreseeable future. The Company's forecasts and projections show that the Company should be able to operate within the level of its current facilities and no matters have been drawn to its attention to suggest that future funding may not be forthcoming on acceptable terms. 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 2019

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.

1.5. Stock

Completed properties for outright sale and property under construction are stated at the lower of cost and estimated selling price less costs to complete and sell, and are included within stock. Cost comprises materials, direct labour and direct development overheads.

1.6 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.

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

1. Accounting policies (continued)

1.6 Impairment excluding stock and deferred tax assets (continued)

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. 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.

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 had been recognised.

1.7. Turnover

Revenue on property sales is recognised upon legal completion of title to the customer.

Turnover represents amounts derived from the provision of goods and services which fall within the Company's principal activities after deduction of discounts and value added tax.

1.8. Expenses

Interest payable

Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

1.9. 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.

1.10. Gift aid payment

Gift aid payments are only recognised as a liability at the year end to the extent that they have been paid prior to the year end, there is a deed of covenant prior to the end or a Companies Act s288 written resolution has been approved by the shareholder in the year to pay the taxable profit for the year to its parent by a certain payment date. These are presented in the Statement of Changes in Equity.

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

Accounting policies (continued)

1.11. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgments and estimates. The judgments and estimates which have the most significant impact on amounts recognised in the financial statements are set out in below.

Valuation of work in progress and land held for development.

Stock is carried at the lower of cost and net realisable value. Net realisable value represents the estimated selling price (in the ordinary course of business) less all estimated costs of completion and overheads. Valuations of site/phase work in progress are carried out at regular intervals and estimates of the cost to complete a site/phase and estimates of anticipated revenues are required to enable a development profit to be determined. Management are required to employ considerable judgement in estimating the profitability of a site/phase and in assessing any impairment provisions which may be required. For both financial years, a full review of stock has been performed with no impairment being considered necessary. Estimated selling prices have been reviewed on a site by site/phase by phase basis and have been amended based on local management and the Board's assessment of current market conditions. For the years ended 31 March 2018 and 31 March 2019 no exceptional charge has resulted from the review.

Gross profit recognition

Gross profit for completed house sales is recognised based on the latest whole site/phase gross margin which is an output of the site/phase valuation. These valuations, which are updated at frequent intervals throughout the life of the site/phase, use actual and forecast selling prices, land costs and construction costs and are sensitive to future movements in both the estimated cost to complete and expected selling prices. Forecast selling prices are inherently uncertain due to changes in market conditions.

2. Turnover

The turnover, all of which arises in the UK, is attributable to the sale of open market properties.

3. Expenses and auditor's remuneration

	2019	2018
	£'000	£'000
<i>Included in profit is the following:</i>		
<i>Auditor's remuneration:</i>		
Audit of these financial statements	8	7

4. Staff numbers and costs

The Company has no employees other than the directors, who did not receive any remuneration for their services to the Company (2018: £nil). They are remunerated via Gentoo Group Limited, the parent company.

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

5. Interest payable and similar charges

	2019	2018
	£'000	£'000
Interest payable on intercompany loan	90	239
Interest payable on other loans	-	36
	<u>90</u>	<u>275</u>

6. Taxation

Total tax expense recognised in the statement of comprehensive income, other comprehensive income and equity

	2019	Total	2018	Total
	Current	tax	Current	Total
	tax	tax	tax	tax
	£'000	£'000	£'000	£'000
Recognised in Profit and loss account	499	499	603	603
Recognised directly in equity	(499)	(499)	(603)	(603)
Total tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Reconciliation of effective tax rate

	2019	2018
	£'000	£'000
Profit for the financial year	2,125	2,570
Total tax expense	499	603
Profit excluding taxation	<u>2,624</u>	<u>3,173</u>
Tax using the UK corporation tax rate of 19% (2018: 19%)	499	603
Total tax expense included in profit or loss	<u>499</u>	<u>603</u>

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) was 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 2019

7. Stock

	2019	2018
	£'000	£'000
Properties under construction	1,502	6,640
Completed properties	1,846	1,453
Properties held for resale	318	-
	<u>3,666</u>	<u>8,093</u>

8. Debtors

	2019	2018
	£'000	£'000
Trade debtors	10	4
Prepayments and accrued income	23	265
	<u>33</u>	<u>269</u>

9. Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Amounts owed to group undertakings (see note 11)	3,575	4,242
Other creditors	14	107
Accruals and deferred income	7	6
	<u>3,596</u>	<u>4,355</u>

10. Creditors: amounts falling after more than one year

	2019	2018
	£'000	£'000
Amounts owed to group undertakings (see note 11)	74	3,979
	<u>74</u>	<u>3,979</u>

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

11. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, being amounts owed to group undertakings.

	2019 £'000	2018 £'000
Creditors falling due after more than one year		
Amounts owed to group undertakings	<u>74</u>	<u>3,979</u>
	2019 £'000	2018 £'000
Creditors falling due within one year		
Amounts owed to group undertakings	<u>3,575</u>	<u>4,242</u>

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 including the interest charge which may fluctuate in accordance with changes in LIBOR.

12. Called up share capital

	2019 £	2018 £
Allotted, and called up		
1 ordinary share of £1	<u>1</u>	<u>1</u>

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.

13. Related parties

Identity of related parties with which the Company has transacted

The Company is a wholly owned subsidiary of Gentoo Group Limited (see Note 14).

	Creditors outstanding	Creditors outstanding
	2019 £'000	2018 £'000
Gentoo Group Limited	2,789	7,412
Gentoo Homes Limited	860	809
	<u>3,649</u>	<u>8,221</u>

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

14. Ultimate parent company

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.