Company Number: 3902049

REDHOUSE HOLDINGS LIMITED

REPORT OF THE DIRECTORS AND UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

Registered Number: 3902049

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Company Information

For the Year Ended 30 June 2022

Directors

J E Maddy

Cromwell Director Limited

Company Secretary

Cromwell Corporate Secretarial Limited

Registered Office

1st Floor
Unit 16
Manor Court Business Park
Scarborough
North Yorkshire
YO11 3TU

Report of the Directors for the Year Ended 30 June 2022

The directors present their annual report and the audited consolidated financial statements of the group and company for the year ended 30 June 2022. The report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities and business review including future developments

The principal activity of the Group was the development of land and property. The principal activity of the company is that of a holding company. The development activity of its subsidiary has now been completed but still has ongoing obligations to complete infrastructure works which are expected to complete in the near future.

Results and dividends

The loss of the Group for the year was £30,050 (2021: loss £6,205) and the net current assets as at the balance sheet date were £2,338,200 (2021: £2,368,245). No dividend was paid during the year (2021 – £nil). The directors do not recommend the payment of a final dividend (2021 - £Nil).

Directors

The directors who held office during the year and up to the date of this report were as follows:

- R S Jones (resigned 8 October 2021)
- J E Maddy (appointed 8 October 2021)
- Cromwell Director Limited

Principal risks and uncertainties

Now that the Group has completed all the development and sale of its land, the principal risks and uncertainties relate to unforeseen costs of satisfying its remaining obligation to complete the infrastructure works. The Group has mitigated these risks by retaining sufficient cash reserves from profit distributions to cover the expected cost of these works. These risks and uncertainties are managed by the joint venture partners.

Going concern

The directors have considered the net liability position of the Company balance sheet as at the year end date. The directors are comfortable that the Group is sufficiently profitable and cash flow solvent in the near term for the financial statements to be prepared on a going concern basis. The financial statements are prepared on a going concern basis which assumes that the group will be able to meet its liabilities as they fall due for the foreseeable future. The directors have prepared cash flow forecasts which indicate that the group will have sufficient resources to meet its obligations as they fall due for at least the next twelve months. The company has also obtained confirmation from both joint venture partners that they will not seek repayment of the loans for at least one year from the date of signing of these financial statements or until the company is able to do so.

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Political donations and expenditure

Political donations and contributions to non-EU political parties during the year were £nil (2021: £nil).

Report of the Directors for the Year Ended 30 June 2022 (continued)

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Approved by the Board and signed on its behalf by:

J E Maddy
Director
24 March 2023

Consolidated Profit and Loss account

for the year ended 30 June 2022

	Note	Year Ended 30 June 2022 £	Year Ended 30 June 2021 £
TURNOVER		-	-
Cost of Sales		-	-
GROSS PROFIT		-	-
Administrative expenses		(30,050)	(5,087)
OPERATING (LOSS)/PROFIT	4	**(30,050)**	**(5,087)**
Interest receivable and similar income	6	-	-
(LOSS)/PROFIT BEFORE TAXATION		**(30,050)**	**(5,087)**
Tax on profit	7	-	(1,118)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		**(30,050)**	**(6,205)**

The above results derive from continuing operations throughout the year.

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2022

	Year Ended 30 June 2022 £	*Year Ended 30 June 2021* £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(30,050)	(6,205)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(30,050)**	**(6,205)**

Group Balance Sheet

As at 30 June 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Intangible assets	8	-	-
		-	-
CURRENT ASSETS			
Debtors	10	2,398,434	2,523,037
Cash at bank and in hand		111,690	316,269
		2,510,124	2,839,306
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(171,924)	(471,061)
NET CURRENT ASSETS		2,338,200	2,368,245
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,338,200**	**2,368,245**
CAPITAL AND RESERVES			
Called up share capital	12	1,000	1,000
Profit and loss account		2,337,200	2,367,245
TOTAL SHAREHOLDERS' FUNDS		**2,338,200**	**2,368,245**

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The Financial Statements on pages 4 to 16 were approved by the Board on 24 March 2023 and signed on its behalf by:

J E Maddy
Director

Company Balance Sheet

As at 30 June 2022

	Note	2021 £	2020 £
FIXED ASSETS			
Investments	9	-	-
		-	-
CURRENT ASSETS			
Debtors	10	2,219,984	2,340,000
		2,219,984	2,340,000
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(2,270,122)	(2,390,138)
NET CURRENT LIABILITIES		(50,138)	(50,138)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(50,138)**	**(50,138)**
CAPITAL AND RESERVES			
Called up share capital	12	1,000	1,000
Profit and loss account brought forward		(51,138)	(51,138)
Loss for the year		-	-
TOTAL SHAREHOLDERS' DEFICIT		**(50,138)**	**(50,138)**

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The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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J E Maddy
Director

Statement of Changes in Equity

For the year ended 30 June 2022

	Called Up Share Capital	*Profit and Loss Account*	*Total Shareholders' Funds*
	£	£	£
Group			
Balance at 1 July 2020	1,000	2,373,450	2,374,450
Total comprehensive income	-	(6,205)	(6,205)
Dividends paid	-	-	-
Balance at 30 June 2021	1,000	2,367,245	2,368,245
Total comprehensive income	-	(30,050)	(30,050)
Dividends paid	-	-	-
Balance at 30 June 2022	**1,000**	**2,337,200**	**2,338,200**

	Called Up Share Capital	*Profit and Loss Account*	*Total Shareholders'*
Deficit			
	£	£	£
Company			
Balance at 1 July 2020	1,000	(51,138)	(50,138)
Total comprehensive expenses	-	-	-
Dividends paid	-	-	-
Balance at 30 June 2021	1,000	(51,138)	(50,138)
Total comprehensive expenses	-	-	-
Dividends paid	-	-	-
Balance at 30 June 2022	**1,000**	**(51,138)**	**(50,138)**

Notes to the Financial Statements for the Year Ended 30 June 2022

1. General Information

Redhouse Holdings Limited is a 50:50 joint venture holding company between Clugston Estates Limited and Cromwell Development Holdings UK Limited. The group carries out the development of land at Redhouse Interchange, Doncaster, for commercial uses. It derives revenue from both the sale of developed land and from management and other fees associated with these activities.

The company is a private limited company, limited by shares, incorporated in England and Wales. The address of its registered office is 1st Floor, Unit 16, Manor Court Business Park, Scarborough, North Yorkshire, YO11 3TU.

2. Critical Accounting Estimates and Assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

i) Revenue recognition

Revenue from long term contracts is recognised in relation to the stage of completion of the contract. Fee income can be invoiced at the start of a project or at the completion of specific milestones. However it is recognised on a straight line basis over the term of contracts and projects they relate to.

3. Accounting Policies

(a) **Basis of preparation**
The financial statements have been prepared under the historical cost convention and the accounting policies set out below, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. These accounting policies have been applied consistently throughout the year.

.The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are set out above.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(b) **Financial reporting standard 102 - reduced disclosure exemptions**
The Group has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

The Group is entitled to take this exemption as it meets the requirements of a small Group.

(c) **Going concern**
The financial statements are prepared on a going concern basis which assumes that the group will be able to meet its liabilities as they fall due for the foreseeable future. The directors have prepared cash flow forecasts which indicate that the group will have sufficient resources to meet its obligations as they fall due for at least the next twelve months. The company has also obtained confirmation from both joint venture partners that they will not seek repayment of the loans for at least one year from the date of signing of these financial statements or until the company is able to do so.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

Accounting Policies (continued)

(d) **Interest income**

Interest income consists of bank interest receivable and is recognised on an accruals basis.

(e) **Interest cost**

Interest which can fairly be attributed to properties held for, or in the course of, development is considered to be part of the cost. Interest is calculated by reference to specific borrowings where relevant and otherwise by reference to the average rate paid on funding the assets employed by the company. Interest is attributed to the development for the period until substantially all activities necessary to bring the development into use have been completed.

(f) **Turnover**

Turnover which arose wholly within the United Kingdom from the continuing principal activity represents amounts invoiced, net of value added tax, in respect of amounts receivable from sales of developed land and property during the period and rental income.

(g) **Income recognition**

Proceeds received on the sale of development projects are recognised on unconditional exchange of contract. Rental income accrues on a daily basis.

(h) **Basis of consolidation**

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 30 June 2022. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

(i) **Taxation**

Current tax only includes UK corporation tax and is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(j) **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

Accounting Policies (continued)

(k) **Goodwill**
Goodwill arising on the acquisition of subsidiaries is capitalised on the balance sheet and amortised as parts of the relevant property development, to which it relates as and when those developments are sold. Goodwill is reviewed on an annual basis for changes in the circumstances relating to the particular acquisitions or underlying development.

(l) **Investments**
Investments are held at cost less provision for amounts that are not expected to be recoverable. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

(m) **Receivables**
Receivables are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due. Indicators of impairment would include financial difficulties of the debtor, likelihood of the debtor's insolvency, default in payment or a significant deterioration in credit worthiness. Any impairment is recognised in the income statement within 'administrative expenses'. When a receivable is uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against 'other operating income and expenses' in the income statement.

(n) **Trade payables**
Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(o) **Cash and cash equivalents**
Cash which is subject to restrictions, being held to match certain liabilities, is included in cash and cash equivalents in the statement of financial position.

4. Operating (Loss)/Profit

The group had no employees during the year (2021: None). None of the directors received any remuneration in the year (2021: £Nil).

5. Profit and Loss Account

Redhouse Holdings Limited has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006. The attributable result for the financial year dealt with in the financial statements of the Company is £nil (2021: £nil).

Notes to the Financial Statements for the Year Ended 30 June 2022

(continued)

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 30 June 2021 £	*Year Ended 30 June 2020* £
Bank interest receivable	-	-
	-	-

7. TAX ON PROFIT

	Year Ended 30 June 2021 £	*Year Ended 30 June 2020* £
Current tax charge for the year	-	-
Tax in respect of prior periods	-	(5,409)
	-	(5,409)

The tax assessed for the year is higher (2022: lower) than the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%). The differences are explained below:

	Year Ended 30 June 2021 £	*Year Ended 30 June 2020* £
Profit/(loss) before taxation	(30,050)	(5,087)
Profit before taxation multiplied by the standard rate of corporation tax in the UK at 19.00% (2020: 19.00%)	(5,710)	(966)
Effects of:		
Carry forward of taxable losses	5,710	966
Adjustments to tax charge in respect of previous periods	-	1,118
Total tax (credit)/charge	-	1,118

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

8. INTANGIBLE ASSETS

Group

	Goodwill £
Cost	
Balance at 1 July 2021 and 30 June 2022	2,679,617
Accumulated impairment	
Balance at 1 July 2021	2,679,617
Impairment in the year	-
Balance at 30 June 2022	2,679,617
Net Book Value	
At 30 June 2022	-
At 30 June 2021	-

The asset represented goodwill arising on the acquisition of Redhouse Projects Limited, as all land property in Redhouse Projects Limited has been sold, the goodwill has been impaired accordingly.

9. INVESTMENTS

Company

	Shares in group undertaking £
Cost	
Balance at 1 July 2021 and 30 June 2021	2,679,330
Provision	
Balance at 1 July 2021	2,679,330
Provision in the year	-
Balance at 30 June 2021	2,679,330
Net book value	
At 30 June 2022	-
At 30 June 2021	-

The investment represents the entire shareholding of Redhouse Projects Limited, a company registered in England and Wales, and whose principal activity is the development and refurbishment of commercial and industrial properties.

As all land property in Redhouse Projects Limited has been sold, the investment has been impaired accordingly.

Notes to the Financial Statements for the Year Ended 30 June 2022 (continued)

9. INVESTMENTS - CONTINUED

The company has the following investments

Company	Country of incorporation	Principal activity	Shareholding	Registered office
Redhouse Projects Limited	England & Wales	Property Development	100%	1st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU
Redhouse Property Services Limited	England & Wales	Property Management	100%	1st Floor, Unit 16 Manor Court Business Park, Scarborough, YO11 3TU

10. DEBTORS

	2022 Group £	***2021 Group £***
Trade debtors	79,555	79,555
Other debtors	98,895	103,482
Amounts owed by joint venture partners	2,219,984	2,340,000
	2,398,494	2,549,202

	2022 Company £	***2021 Company £***
Amounts owed by joint venture partners	2,219,984	2,340,000
	2,219,984	2,340,000

The amounts owed by joint venture partners are unsecured, incur no interest and are repayable on demand.

Notes to the Financial Statements for the Year Ended 30 June 2022
(continued)

11. Creditors – Amounts falling due within one year

	2021 Group £	*2020 Group £*
Trade creditors	96,777	96,777
Corporation tax payable	-	-
Other taxation and social security	-	22,879
Accruals and deferred income	75,147	380,340
	171,924	499,996

	2021 Company £	*2020 Company £*
Trade creditors	-	-
Amounts owed to group undertakings	2,270,122	2,390,138
	2,270,122	2,390,138

The amounts owed to group undertakings are unsecured, incur no interest and are repayable on demand.

12. Called up Share Capital

	Group and Company 2021 £	*Group and Company 2020 £*
Allotted, issued and fully paid:		
500 (2020: 500) 'A' Ordinary Shares of £1 each	500	500
500 (2020: 500) 'B' Ordinary Shares of £1 each	500	500
	1,000	1,000

The 'A' and 'B' Ordinary Shares rank pari passu in all respects.

13. Controlling Parties

The share capital of Redhouse Holdings Limited is jointly owned by Cromwell Development Holdings UK Limited (50%) and Clugston Estates Limited (50%).

There is no overall controlling party.

Notes to the Financial Statements for the Year Ended 30 June 2022
(continued)

14. Related Party Transactions

The company has taken advantage of the exemptions in FRS 102 and consequently has not disclosed details of transactions with companies within the Redhouse Holdings Limited Group.

Amounts owed by joint venture partners consist of loans to Cromwell Development Holdings UK Limited of £1,170,000 (2021: £1,170,000) and Clugston Estates Limited of £1,049,984 (2021: £1,170,000). The balances due at 30 June 2022 includes no rolled up interest in the current year or prior year.

15. Financial Risk Management

The company's activities expose it to a variety of financial risks, predominantly liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

Risk management is carried out under policies approved by the board of directors. The directors identify, evaluate and hedge financial risks in close co-operation with the group's operational managers. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments and investment of excess liquidity.

Liquidity risk
The group is subject to the risk that it will not have sufficient borrowing facilities to fund its existing business and its future plan for growth. The group manages its liquidity requirements with the use of both short and long-term cash flow forecasts. These forecasts are supplemented by a financial headroom position which is used to demonstrate funding adequacy for at least a 12 month period.

The group's main source of liquidity is its property development business. Cash generation by this business is dependent upon development sales.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the directors aim to maintain flexibility in funding by keeping committed credit lines available.

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to its parent, issue new shares or sell assets to reduce debt.