

Linden Holdings Limited

Annual report and financial statements
for the year ended 30 June 2020
Registered number: 04040970



Linden Holdings Limited

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Linden Holdings Limited

Directors and advisers

Directors

KB Carnegie

G Prothero

E Sibley

SJ Teagle

Company Secretary

Vistry Secretary Limited

Registered office

11 Tower View

Kings Hill

West Malling

Kent

England

ME19 4UY

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

40 Clarendon Road

Watford

WD17 1JJ

Bankers

HSBC Bank

70 Pall Mall

London

SW1Y 5EZ

Linden Holdings Limited

Directors' report for year ended 30 June 2020

The Directors present their report and audited financial statements for Linden Holdings Limited ("the Company"), for the year ended 30 June 2020. The accounts have been prepared under the small companies' exemption.

Principal activities and review of the business

The Company is a non-trading entity and acts as an intermediate holding Company. The directors do not expect any change to the company's activities for the foreseeable future.

Results and dividends

The loss for the year before taxation was £10,914k (2019: £nil). A dividend of £nil was paid in the year (2019: paid: £nil). The Company has net assets of £50,885k (2019: £61,799k).

Future developments

The Directors have no further plans for the Company at this point as operations have wound down.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements are:

KB Carnegie and E Sibley were appointed as directors of the Company on 3 January 2020.

A Duxbury and A Hammond were terminated as directors of the company on 3 January and 31 July 2020 respectively.

M Palmer was appointed as Company Secretary and Galliford Try Secretariat Services Limited resigned as Company Secretary on 3 January 2020. M Palmer resigned as Company Secretary on 25 June 2021 and was replaced by Vistry Secretary Limited.

Qualifying third-party and pension scheme indemnity provisions

The Group maintains appropriate Directors' and Officers' Liability Insurance on behalf of the directors and Company Secretary. In addition, individual qualifying third-party indemnities are given to the directors and Company Secretary which comply with the provisions of Section 234 of the Companies Act 2006 and were in force throughout the year and up to the date of signing the Annual Report.

Post balance sheet events

There are no post balance sheet events.

Going Concern

The Directors have prepared a cash flow forecast for the Company covering a period of at least 12 months from the date of signing of these financial statements. The cash flow forecast incorporates the expected impact of the Covid-19 pandemic.

The forecast has been prepared using two scenarios – a likely base case including the expected impact of Covid-19 and a downside sensitivity scenario. Based on these forecasts, there is an expectation that additional funding will be required from the parent Company.

The Directors are satisfied that it is appropriate to prepare the financial statements of the Company on a going concern basis due to the continued financial support from the parent Company. The Company has received confirmation that its parent Company intends to support the Company for at least 12 months from the date of approval of these financial statements. The parent Company confirms its ability to provide the support.

Linden Holdings Limited

Directors' report for year ended 30 June 2020 (continued)

Statement of directors' responsibilities in respect of the financial statements

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 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 101, 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 company will continue in business.

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

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.

Directors' confirmations

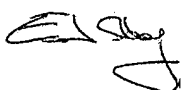
Each person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006. During the accounting year, PricewaterhouseCoopers LLP were re-appointed as external independent auditors of the Company.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006 and the Company is therefore exempt from the requirement to prepare a Strategic Report.

On behalf of the Board:



E Sibley
Director 29 June 2021

Independent auditors' report to the members of Linden Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Linden Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2020; the income statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 30 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Independent auditors' report to the members of Linden Holdings Limited (continued)

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 2 - 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

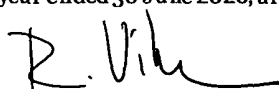
We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Other matter

The financial statements for the year ended 30 June 2019, forming the corresponding figures of the financial statements for the year ended 30 June 2020, are unaudited.



Radek Vik (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
29 June 2021

Linden Holdings Limited**Income statement for the year ended 30 June 2020**

	Note	2020 £'000	2019 £'000
Impairment of investments	7	(26,657)	–
Operating loss		(26,657)	–
Income from subsidiary undertakings	4	15,743	–
Loss before income tax		(10,914)	–
Income tax expense	6	–	–
Loss for the financial year		(10,914)	–

There are no recognised gains and losses other than those shown in the income statement above and therefore no separate statement of comprehensive income has been presented.

All results are derived from continuing operations.

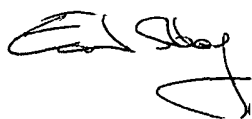
The notes on pages 9 to 14 are an integral part of these financial statements.

Linden Holdings Limited
Balance Sheet as at 30 June 2020

	Note	2020 £'000	2019 £'000
Assets			
Investments in subsidiaries	7	70,009	96,666
Total non-current assets		70,009	96,666
Current assets			
Trade and other receivables	8	–	14,908
Total current assets		–	14,908
Total assets		70,009	111,574
Liabilities			
Current liabilities			
Trade and other payables	9	(19,124)	(49,775)
Total current liabilities		(19,124)	(49,775)
Total liabilities		(19,124)	(49,775)
Net assets		50,885	61,799
Equity			
Called up share capital	10	9,033	9,033
Share premium		113	113
Other Reserves		32,087	32,087
Retained earnings		9,652	20,566
Total equity		50,885	61,799

The notes on pages 9 to 14 are an integral part of these financial statements.

The financial statements on pages 6 to 14 were approved by the Board of directors on 29 June 2021 and signed on its behalf by:



E Sibley
Director
Registered number: 04040970
29 June 2021

Linden Holdings Limited

Statement of changes in equity for the year ended 30 June 2020

	Called up share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
As at 1 July 2018	9,033	113	32,087	20,566	61,799
Result for the financial year	–	–	–	–	–
Total comprehensive expense for the year	–	–	–	–	–
As at 30 June 2019	9,033	113	32,087	20,566	61,799
As at 1 July 2019	9,033	113	32,087	20,566	61,799
Loss for the financial year	–	–	–	(10,914)	(10,914)
Total comprehensive expense for the year	–	–	–	(10,914)	(10,914)
As at 30 June 2020	9,033	113	32,087	9,652	50,885

Further comments on the above statement line items are in the notes to the financial statements.

Linden Holdings Limited

Notes to the financial statements for the year ended 30 June 2020

1. Accounting policies

General information

Linden Holdings Limited ("Company") is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 11 Tower View, Kings Hill, West Malling, Kent, England, ME19 4UY. Refer to note 10 for details of the immediate and ultimate parent undertaking. The principal activity of the Company is set out on page 2.

The financial statements are measured and presented in pounds sterling as that is the currency of the primary economic environment in which the Company operates. The amounts stated are denominated in thousands (£'000).

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The financial statements are prepared on the historical cost basis.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 38 of IAS, 'Presentation of financial statements' - comparative information in respect of:
 - Paragraph 79(a)(iv) of IAS 1 'Share capital and reserves';
 - paragraph 73(c) of IAS 16 'Property, plant and equipment'; and
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), 10 (1), 16, 38, 40, 111, and 134-136.
- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors'.
- Paragraph 17 of IAS 24, 'Related party transactions' in respect of key management compensation.
- The requirements of IAS 24, 'Related party transactions' to disclose related party transactions entered into between two or more members of a Company.

Impact of standards and interpretations effective for the first time

The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 01 July 2019:

- IFRS 16 'Leases', effective from 1 January 2019 replaces IAS 17 'Leases', requiring all assets held by the Company under lease agreements of greater than 12 months in duration to be recognised as assets within the Balance Sheet, unless they are considered to be of low value (less than £3,000 in total payments). Similarly, the present value of future payments to be made under those lease agreements must be recognised as a liability. The Company has reviewed its leasing arrangements and the impact on reported results and financial position is not significant.

Linden Holdings Limited

Notes to the financial statements for the year ended 30 June 2020 (continued)

1. Accounting policies (continued)

Impact of standards and interpretations effective for the first time (continued)

- Amendments to IAS28 'Investments in Associates', which has not had a significant impact on reported results or position
- IFRIC23 'Uncertainty over Income Tax Treatments', which has not had a significant impact on reported results or position

None of the above had a material impact on the company.

Going Concern

The Directors have prepared a cash flow forecast for the Company covering a period of at least 12 months from the date of signing of these financial statements. The cash flow forecast incorporates the expected impact of the Covid-19 pandemic.

The forecast has been prepared using two scenarios – a likely base case including the expected impact of Covid-19 and a downside sensitivity scenario. Based on these forecasts, there is an expectation that additional funding will be required from the parent Company.

The Directors are satisfied that it is appropriate to prepare the financial statements of the Company on a going concern basis due to the continued financial support from the parent Company. The Company has received confirmation that its parent Company intends to support the Company for at least 12 months from the date of approval of these financial statements. The parent Company confirms its ability to provide the support.

Basis of consolidation

These separate financial statements contain information about Linden Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its ultimate parent, Vistry Group PLC, a listed company incorporated and domiciled in England and Wales.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not consider the judgements and estimates made in preparing the financial statement to have a significant effect on amounts recognised in the financial statements.

Linden Holdings Limited

Notes to the financial statements for the year ended 30 June 2020 (continued)

1. Accounting policies (continued)

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all of the years presented, unless stated otherwise.

Financial risk management

The Company seeks to manage its capital in such a manner that the Company safeguards its ability to continue as a going concern and to fund its future development. In continuing as a going concern, it seeks to provide returns over the housing market cycle as well as enabling repayment of its liabilities as a trading business. In the course of its business, the Company is exposed to interest rate risk, credit risk and liquidity risk.

Trade and other receivables

Trade receivables, amounts recoverable on contracts and other debtors do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the age of the outstanding amounts.

Trade and other payables

Trade payables on normal terms are not interest bearing and are stated at their nominal value.

Trade payables on extended terms, particularly in respect of land are recorded at their fair value at the date of Acquisition of the asset to which they relate. The discount to nominal value which will be paid in settling the deferred purchase terms liability is recognised over the period of the credit term and charged to finance costs using the effective interest rate method.

Financial instruments

Fair values

There is no material difference between the carrying value of financial instruments shown in the balance sheet and their fair value.

Investments

Investments in subsidiary undertakings are stated at cost less amounts written off.

Dividend income

Dividend income is recognised when a subsidiary entity declares and pays over to its parent a distribution of its distributable reserves.

2. Auditors' remuneration

Auditors' remuneration in respect of audit and other fees were borne and paid by Vistry Homes Limited, the immediate parent undertaking. The directors estimate the fee attributable to the Company is £1K (2019: £nil). There are no non-audit fees attributable to the Company.

3. Staff costs and employees

The company had no employees during the year. Management services are provided by the directors (2019: £nil). The remuneration for the directors was paid by Vistry Homes Limited, which makes no recharge to the Company, and these are disclosed in the financial statements of Vistry Homes Limited. The directors did not receive any emoluments from the Company for their services during the year (2019: £nil).

Linden Holdings Limited

Notes to the financial statements for the year ended 30 June 2020 (continued)

4. Income from subsidiary undertakings

During the year, the company received a dividend distribution of £15,743k (2019: £nil) from its subsidiary holding, Vistry Linden Limited.

5. Loss before taxation

The impairment during the year relates to the write down of the carrying value of the 'Investment in subsidiary undertakings' which has become impaired due to the distribution of dividend during the year. Please refer to note 7 for further details.

6. Income tax expense

	2020 £'000	2019 £'000
Total current tax	-	-
Tax on profit on ordinary activities	-	-

The tax expense for the year is higher than (2019: the same) the standard rate of corporation tax in the UK for the year ended 30 June 2020 for 19% (2019:19%).

Reconciliation of effective tax rate

The differences are explained below:

	2020 £'000	2019 £'000
Profit on ordinary activities before taxation	(10,914)	-
Profit multiplied by the standard rate of tax in the UK of 19% (2019:19%)	2,074	-
Non-taxable income	2,991	-
Non-deductible expenses	(5,065)	-
Total income tax credit / (expense)	-	-

Factors affecting future tax charge

In the 2021 Budget, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This new rate has been substantively enacted and the impact included in these financial statements.

Linden Holdings Limited

Notes to the financial statements for the year ended 30 June 2020 (continued)

7. Investments in subsidiaries

	Capital investment in subsidiary undertakings £'000	Total £'000
Cost		
As at 1 July 2019	96,666	96,666
As at 30 June 2020	96,666	96,666
Aggregate impairment		
As at 1 July 2019	–	–
Impairment during the year	(26,657)	(26,657)
As at 30 June 2020	(26,657)	(26,657)
Net book value		
As at 30 June 2020	70,009	70,009
As at 30 June 2019	96,666	96,666

The carrying value of Investments has been reviewed and directors are satisfied that apart from the £26,657k impairment charge triggered by the dividend distribution of Vistry Linden Limited during the year, no further impairment is required.

The subsidiary undertakings of the Company are:

Name	Proportion of capital held
Linden Guildford Limited	100%
Linden Midlands Limited	100%
Linden South West Limited	100%
Vistry Homes Central Limited	100%
Linden London Developments Limited	100%
Vistry Linden Homes Limited	100%

The registered address of all of the above related undertakings is 11 Tower Hill, Kings View, West Malling, Kent, ME19 4UY.

8. Trade and other receivables

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Amounts due from group undertakings	–	14,908
	–	14,908

Amounts owed by Group undertakings are non-interest bearing, unsecured, have no fixed date of repayment and repayable on demand.

Linden Holdings Limited

Notes to the financial statements for the year ended 30 June 2020 (continued)

9. Trade and other payables

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Amounts owed to group undertakings	19,124	49,775
	19,124	49,775

Amounts owed by Group undertakings are non-interest bearing, unsecured, have no fixed date of repayment and repayable on demand.

10. Called up share capital

	Number of shares	Share capital £'000
Allotted, called up and fully paid		
As at 1 July 2019	9,032,686	9,033
Issued during the year	–	–
As at 30 June 2020	9,032,686	9,033

The share capital consists of 5,850,003 'A' £1.00 ordinary shares and 3,182,683 'B' £1.00 ordinary shares.

11. Related party transactions

The Company has taken advantage of the exemptions within FRS101 not to disclose transactions and balances with Vistry Group PLC and its wholly owned subsidiaries, on the grounds that the Company itself is a wholly owned subsidiary of Vistry Group PLC, for which the consolidated financial statements are publicly available.

12. Post balance sheet events

There are no post balance sheet events.

13. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Vistry Linden Homes Limited (formerly Try Homes Limited) which is registered in England and Wales. The ultimate parent undertaking and controlling party is Vistry Group PLC (2019: Galliford Try Plc). The smallest and largest Company to consolidate these financial statements is Vistry Group PLC (2019: Galliford Try Plc). The consolidated financial statements of this Company are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.