

Montclare Limited

Annual report and financial statements

For the year ended 31 December 2021

Registered number: 08013673



Montclare Limited

Annual report and financial statements for the year ended 31 December 2021

Contents	Page
Directors' report	1
Statement of directors' responsibilities	3
Independent auditor's report	4
Statement of income and retained earnings	8
Balance sheet	9
Notes to the financial statements	10

Montclare Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2021.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The directors have also taken the exemption from preparing a Strategic report as the Company is small.

Principal activity

The Company's principal activity is that of residential property development. There has not been any significant change in the Company's activities during the year.

Business review

The Company is a wholly owned subsidiary of Fairview New Homes Limited within the Fairview Holdings Limited group (the "Group").

Detailed results are set out in the statement of income and retained earnings on page 7.

Directors

The directors holding office during the year and to date, except where noted, are set out below.

M Calladine
R B Davies
S J Garrett
G A Malton
D L McCormack
J A Spring
M R Walker (resigned 30 April 2021)
R K Williams

Directors' indemnities

The Company had in place during the year qualifying third party indemnity provisions for the benefit of its directors. These remain in force at the date of this report.

Dividends

Dividends of £300,000 (2020: £nil) were paid during the year.

Going concern

The principal risks and uncertainties affecting the Company, including the ability to remain a going concern, are inextricably linked to those affecting the Group. The directors believe that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. Further details of the going concern basis are given in note 1b.

Montclare Limited

Directors' report (continued)

Auditor

Each of the persons who are directors at the date of approval of this report confirm that:

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

Deloitte LLP have indicated their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed.

Approved by the Board and signed on its behalf by:



R K Williams
Director

27 June 2022

Registered office:
50 Lancaster Road
Enfield. EN2 0BY

Montclare Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 '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 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 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 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.

Montclare Limited

Independent auditor's report to the members of Montclare Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Montclare Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 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.

We have audited the financial statements of the Company which comprise:

- the statement of income and retained earnings;
- the balance sheet; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Montclare Limited

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

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation and;
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included environmental regulations, planning and health and safety law.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Montclare Limited

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

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report 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 have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report and from the requirement to prepare a Strategic report.

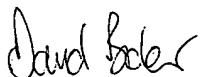
We have nothing to report in respect of these matters.

Montclare Limited

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

Use of our report

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.



David Bicker (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom

27 June 2022

Montclare Limited

Statement of income and retained earnings Year ended 31 December 2021

	Note	2021 £'000	2020 £'000
Cost of sales		<u>21</u>	<u>6</u>
Gross profit		21	6
Interest receivable	5	<u>-</u>	<u>6</u>
Profit before taxation	3	21	12
Tax on profit	6	<u>-</u>	<u>304</u>
Profit for the financial year		21	316
Retained profits at 1 January		765	449
Dividends paid		<u>(300)</u>	<u>-</u>
Retained profits at 31 December		<u><u>486</u></u>	<u><u>765</u></u>

All amounts relate to continuing operations and are wholly attributable to the equity shareholders of the Company.

There are no other comprehensive income or expenses in either year other than as stated above. Accordingly no statement of comprehensive income has been presented.

Montclare Limited

Balance sheet 31 December 2021

	Note	2021 £'000	2020 £'000
Current assets			
Debtors	8	486	965
		<u>486</u>	<u>965</u>
Creditors: amounts falling due within one year	9	-	(200)
		<u>-</u>	<u>(200)</u>
Net current assets		<u>486</u>	<u>765</u>
Total assets less current liabilities		<u>486</u>	<u>765</u>
Net assets		<u>486</u>	<u>765</u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	10	486	765
		<u>-</u>	<u>765</u>
Shareholder's funds		<u>486</u>	<u>765</u>

The financial statements of Montclare Limited (registered number 08013673) were approved by the board of directors and authorised for issue on 27 June 2022. They were signed on its behalf by:



R K Williams
Director

Montclare Limited

Notes to the financial statements Year ended 31 December 2021

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

a. General information and basis of accounting

Montclare Limited is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 2. The nature of the company's operations and its principal activities are set out in the Directors' report on page 1.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Montclare Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Montclare Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

b. Going concern basis

The Company's business activities together with the factors likely to affect its future development, performance and position are set out in the Directors' report on page 1.

As stated in the Directors' report the principal risks and uncertainties affecting the Company are inextricably linked to those affecting the Group.

The Company meets its day to day working capital requirements through an intra-group facility provided by Fairview New Homes Limited which allocates group funding to subsidiaries for the purposes of individual development projects.

The Group regularly updates its trading and financial projections, which make allowance for anticipated market conditions. In preparing the projections, the Directors have considered the ability of customers to secure mortgage funding and note that the Help to Buy scheme is a significant benefit to potential customers in accessing the market and mortgage finance.

In addition to the current projections the directors have considered what they believe to be a severe but plausible downside scenario incorporating a reduction in sales prices, volumes, cost increases and delays in construction activities as well as other changes.

In addressing this scenario the Directors have considerable discretion over the Group's operational commitments and any payment of future corporate bonuses, a limited overhead base and a largely subcontract workforce.

This alternative scenario, together with the baseline projections, show that the Group will be able to work within the terms and covenants of its committed borrowing facilities that run through to October 2024.

Montclare Limited

Notes to the financial statements (continued) Year ended 31 December 2021

1. Accounting policies (continued)

b. Going concern basis (continued)

The directors have a reasonable expectation that the Group, and therefore the Company, have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

d. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Montclare Limited

Notes to the financial statements (continued) Year ended 31 December 2021

1. Accounting policies (continued)

d. Impairment of assets (continued)

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

e. Taxation

Current tax 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.

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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Montclare Limited

Notes to the financial statements (continued) Year ended 31 December 2021

1. Accounting policies (continued)

f. Turnover

Turnover is stated net of VAT and discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer:

- (i) the fair value of the consideration received or receivable for the sale of properties developed by the Company and partially developed and undeveloped sites. Sales of units and undeveloped sites are recognised at the time of legal completion;
- (ii) the fair value of work performed under construction contracts. Where the outcome of a construction contract can be reliably estimated, turnover is recognised by reference to the stage of completion of the contract at the balance sheet date.

Where the outcome of a construction contract cannot be reliably estimated, turnover is recognised to the extent of contract costs incurred that it is probable will be recoverable. When it is probable that total development costs will exceed total development revenue, the expected loss is recognised as an expense immediately; and

- (iii) the fair value of consideration received or receivable for the sale of the freehold title in respect of units sold under leasehold terms. Turnover is recognised at the time of legal completion of the freehold sale.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 period 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.

Critical judgements in applying the Company's accounting policies

The directors do not consider there to have been any critical judgement in applying the Company's accounting policies.

Key sources of estimation uncertainty

The directors do not consider there to be any key sources of estimation uncertainty.

3. Profit before taxation

Auditor's fees for the audit of the Company's financial statements of £1,350 (2020: £1,150) have been borne by another group company. There were no non-audit fees paid to the Company's auditor during the current or preceding year.

4. Directors' remuneration and transactions

The Company had no employees during the current or preceding year, other than directors. None of the directors received any emoluments or other benefits during the current year or preceding year.

Montclare Limited

Notes to the financial statements (continued) Year ended 31 December 2021

5. Interest receivable

	2021 £'000	2020 £'000
Other interest receivable	-	6

6. Tax charge on profit

The tax charge comprises:

	2021 £'000	2020 £'000
Current tax on profit		
UK corporation tax at 19% (2020: 19%)	-	-
Adjustment in respect of prior years	-	304
Total tax charge on profit	-	304

There is no expiry date on timing differences, unused tax losses or tax credits.

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2021 £'000	2020 £'000
Profit before taxation	21	12
Tax charge on profit at 19% (2020: 19%)	(4)	(2)
Effects of:		
Notional interest on intra-group loans	(1)	(4)
Group relief claimed	5	6
Adjustment in respect of prior years	-	304
Total tax credit for the year	-	304

7. Dividends

During the year the Company paid dividends of £300,000 (2020: £nil).

8. Debtors

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Amounts owed by Fairview New Homes Limited		
– unsecured, interest free and repayable on demand	486	965

Montclare Limited

Notes to the financial statements (continued) Year ended 31 December 2021

9. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Accruals	-	200

10. Called-up share capital and reserves

	2021 £	2020 £
Allotted, called-up and fully paid:		
1 Ordinary Share of £1	1	1

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserve is as follows:

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

11. Related party transactions

The Company has taken advantage of the exemption granted by paragraph 33.1A of FRS 102 not to disclose related party transactions with wholly owned subsidiaries within the Group.

12. Controlling party

At 31 December 2021 the immediate parent company was Fairview New Homes (Properties) Limited and the ultimate parent company was Fairview Holdings Limited, both companies are incorporated in the United Kingdom and are registered in England and Wales at 50 Lancaster Road, Enfield, Middlesex EN2 0BY. The ultimate controlling party was the Fairview Holdings Limited Employee Benefit Trust.

The largest and smallest group of undertakings for which group accounts to 31 December 2021 are drawn up and of which the Company is a member is Fairview Holdings Limited. Copies of the group accounts may be obtained from the registered address, 50 Lancaster Road, Enfield, Middlesex EN2 0BY.