

Linden Wates (Cranleigh) Limited

Unaudited annual report and financial statements

For the year ended 31 December 2020

Registered Number: 08179165

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Linden Wates (Cranleigh) Limited

Contents

Page

Directors and professional advisors	1
Strategic Report	2
Directors' Report.....	3
Income statement	5
Statement of comprehensive income	6
Balance sheet.....	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10

Linden Wates (Cranleigh) Limited
Directors and professional advisors

Directors

D Maddox
N J Flint
A Norton
D Brocklebank
D Bowen

Company Secretary

Vistry Secretary Limited

Registered Office

11 Tower View
Kings Hill
West Malling
Kent
England
ME19 4UY

Bankers

HSBC Bank plc
55 Above Bar Street
Southampton
Hampshire
SO14 7DZ

Solicitors

Cripps LLP
Number 22 Mount Ephraim
Tunbridge Wells
Kent
TN4 8AS

Linden Wates (Cranleigh) Limited

Strategic report for the year ended 31 December 2020

The directors present their strategic report for Linden Wates (Cranleigh) Limited ("the Company"), for the year ended 31 December 2020.

The company is a private company limited by shares.

Review of business

The Company's principal activity is the building and selling of residential apartments and houses in Cranleigh.

The site at Bookhurst Lane was acquired in September 2012. The site development completed in April 2017.

The company did not trade during the year ended 31 December 2020 or the prior year. The results for the year relate to costs relating to customer care.

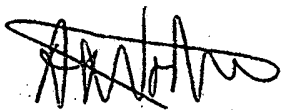
Principal risks, uncertainties and key performance indicators

The business and the execution of the Company's strategy are subject to a number of risks and uncertainties. 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.

General

The Company's loss for the financial year was £111,000 (2019: £130,000), which has been deducted from reserves. The company has net liabilities of £1,887,000 (2019: £1,776,000) as at 31 December 2020.

On behalf of the board



A Norton

Director

27 September 2021

Linden Wates (Cranleigh) Limited

Directors' report for the year ended 31 December 2020

The directors present their report and unaudited financial statements of Linden Wates (Cranleigh) Limited ("the Company"), registered number 08179165 for the year ended 31 December 2020.

Future developments

The company has completed the development of its site as set out in the strategic report. Unless any further sites are acquired, the Company will then cease to trade.

Brexit

The UK's separation from the EU on 1 January 2021 has not had any significant impact on the business. We continue to keep this complex matter under review.

COVID-19

During 2020, the Covid-19 pandemic did not significantly impact the business as the Company did not trade.

The UK Government has shown commitment to support the housebuilding industry through the national crisis and the Company will seek to utilise this support where appropriate and available to our business.

Dividends

The directors do not recommend the payment of a dividend (2019: £nil).

Financial risk management

The Company's operations expose it to a variety of financial risks, including the effects of credit risk, liquidity risk, cash flow risk and interest rate risk. The potential impact of these financial risks is monitored by directors during board meetings.

The rates of interest earned or paid on the cash balances and loans and overdrafts are monitored on an ongoing basis with regular reviews of the banking arrangements. Deposits, loans and overdrafts are made with reference to these facilities, in conjunction with projections of future cash requirements.

Directors

The present directors of the Company are set out on page 1, all of whom served throughout the year and up to the date of signing the financial statements, except for the below:

N Flint, D Maddox, J Chalmers and A Hammond were appointed as directors of the Company on 26 February 2020.

A Norton was appointed as a director of the Company on 19 November 2020.

D Allen, A Modle and C Saunders resigned as directors of the Company on 26 February 2020.

A Duxbury, A Hammond and J Chalmers resigned as a director of the Company on 3 January 2020, 31 July 2020 and 21 October 2020 respectively.

Galliford Try Secretariat Services Limited resigned as Company Secretary and M Palmer was appointed as Company Secretary of the Company on 26 February 2020.

M Palmer resigned as Company Secretary and Vistry Secretary Limited was appointed as Company Secretary of the Company on 25 June 2021.

Linden Wates (Cranleigh) Limited

Directors' report for the year ended 31 December 2020 (Continued)

Going concern

The financial statements have been prepared on a going concern basis, which assumes that for the foreseeable future the Company will be able to meet its liabilities as they fall due.

The Company believes that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the shareholders.

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 international accounting standards in conformity with the requirements of the Companies Act 2006.

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:

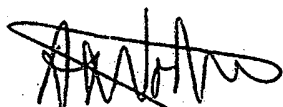
In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 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.

The directors' report was approved by the board of directors on 27 September 2021 and signed on its behalf by:



A Norton
Director

Linden Wates (Cranleigh) Limited

Income statement for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cost of sales		(111)	(130)
Gross loss		(111)	(130)
Operating loss		(111)	(130)
Loss before taxation		(111)	(130)
Tax on loss	3	–	–
Loss for the year		(111)	(130)

There are no recognised gains and losses other than those shown in the income statement above.

There is no material difference between the results shown in the income statement above and their historical cost equivalents for the financial year stated above.

All results are derived from continuing operations.

Linden Wates (Cranleigh) Limited**Statement of comprehensive income for the year ended 31 December 2020**

	2020	2019
	£'000	£'000
Loss for the year	(111)	(130)
Total comprehensive expense for the year	(111)	(130)

There is no other comprehensive expense in the year. Total comprehensive expense therefore equals the loss for the year.

Linden Wates (Cranleigh) Limited

Balance Sheet as at 31 December 2020

	Note	2020 £'000	2019 £'000
Assets			
Current assets			
Developments	4	–	53
Trade and other receivables	5	11	–
Cash and cash equivalents	6	–	3
Total current assets		11	56
Total assets		11	56
Liabilities			
Current Liabilities			
Trade and other payables	7	(1,898)	(1,832)
Total current liabilities		(1,898)	(1,832)
Net current liabilities		(1,887)	(1,776)
Total liabilities		(1,898)	(1,832)
Net liabilities		(1,887)	(1,776)
Equity			
Share capital	9	–	–
Retained losses		(1,887)	(1,776)
Total equity		(1,887)	(1,776)

The notes on pages 10 to 14 are an integral part of these financial statements.


For the year ended 31 December 2020 the company was entitled to the exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and 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 5 to 14 were approved and authorised by the Board of directors on 27 September 2021 and signed on its behalf by:



A Norton
Director

Company registered number: 08179165

Linden Wates (Cranleigh) Limited**Statement of changes in equity for the year ended 31 December 2020**

	Share capital £'000	Retained losses £'000	Total equity £'000
As at 1 January 2019	–	(1,646)	(1,646)
Total comprehensive expense and loss for the year	–	(130)	(130)
As at 31 December 2019	–	(1,776)	(1,776)
Total comprehensive expense and loss for the year	–	(111)	(111)
At 31 December 2020	–	(1,887)	(1,887)

Linden Wates (Cranleigh) Limited

Statement of cash flows for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities continuing operations			
Operating loss		(111)	(130)
Net cash used in operations before changes in working capital		(111)	(130)
Decrease/(increase) in developments	4	53	(53)
(Increase)/decrease in trade and other receivables	5	(11)	52
Increase in trade and other payables	7	66	176
Net cash (used in)/generated from operations		(3)	45
Income tax paid		–	(42)
Net cash (used in)/generated from operating activities		(3)	3
Net (decrease)/increase in cash and cash equivalents		(3)	3
Cash and cash equivalents at the beginning of the year		3	–
Cash and cash equivalents at the end of the year		–	3

Linden Wates (Cranleigh) Limited

Notes to the financial statements for the year ended 31 December 2020

1. Accounting Policies

General Information

Linden Wates (Cranleigh) Limited ('the Company') is a Company incorporated and domiciled in United Kingdom (Registered number: 08179165). The address of the registered office is 11 Tower View, Kings Hill, West Malling, Kent, England, ME19 4UY.

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

These financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS') and the applicable legal requirements of the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention. The Company has consistently applied all accounting standards in accordance with the requirements of the Companies Act 2006.

New standards, amendments and interpretations

The Company has applied the following standards for the first time for its annual reporting year commencing 1 January 2020:

- Amendment to IAS 1 'Presentation of financial statements', effective 1 January 2020.
- Amendment to IAS 8 'Accounting policies, changes in accounting estimates and errors', effective 1 January 2020.
- Amendment to IFRS3, 'Definition of a business', effective 1 January 2020. These changes have not had a material impact on the Group's financial statements.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that for the foreseeable future the Company will be able to meet its liabilities as they fall due.

The Company believes that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the shareholders.

Linden Wates (Cranleigh) Limited

Notes to the financial statements for the year ended 31 December 2020 (Continued)

1. Accounting Policies (continued)

Critical accounting estimates and judgments

The preparation of the 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 judgements about the carrying value of assets and liabilities which 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 period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods. There are no critical judgements in applying the entity's accounting policy.

Dividend policy

Final dividend distribution to the Company's directors is recognised as a liability in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

Current tax

Current income tax is based on the taxable profit for the year. Taxable profit differs from profit before taxation recorded in the income statement because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or deductible. The liability for current tax is calculated using rates that have been enacted, or substantively enacted, by the balance sheet date.

The Company surrenders tax losses and other allowances by consortium relief to its members. The Company receives no reimbursement for these tax losses.

Inventories and developments

Inventories are valued at the lower of cost and net realisable value. Work in progress is valued at the lower of cost, including direct costs and directly attributable overheads, and net realisable value.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses 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 days past due. The expected loss rates are based on historical payment profiles, adjusted to reflect the current and forward-looking information.

Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at nominal value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand, including bank deposits with original maturities of three months or less. Bank overdrafts are also included as they are an integral part of the Company's cash management.

Bank deposits with an original term of more than three months are classified as short-term deposits where the cash can be withdrawn on demand and the penalty for early withdrawal is not significant.

Linden Wates (Cranleigh) Limited

Notes to the financial statements for the year ended 31 December 2020 (Continued)

1. Accounting Policies (continued)

Trade payables

Trade payables on normal terms are not interest bearing and are stated at their nominal value. Trade payables on extended terms, are recorded at their fair value at the date of acquisition of the asset to which they relate. The discount to nominal value is amortised over the period of the credit term and charged to finance costs using the effective rate. Amounts owed to joint venture partners are stated at their nominal value including accrued interest.

2. Employees and directors

There were no employees during the year (2019: nil). The directors did not receive any remuneration for their services during the year (2019: £nil).

3. Tax on loss

	2020 £'000	2019 £'000
Total tax charge	–	–

The total tax expense for the year of £nil (2019: £nil) is lower than (2019: lower than) the blended standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Loss before taxation	(111)	(130)
Loss before taxation multiplied by the blended standard rate in the UK of 19% (2019: 19%)	(21)	(25)
Group relief surrendered free of charge	21	25
Income tax credit	–	–

Factors affecting future tax change

In the 2021 Budget, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. As at the balance sheet date there was no deferred tax and therefore it has not been necessary to consider the impact of this proposed change.

4. Developments

	2020 £'000	2019 £'000
Work in progress	–	53
	–	53

5. Trade and other receivables

	2020 £'000	2019 £'000
Amounts falling due within one year:		
Recoverable value-added tax	11	–
	11	–

There was no contract assets or accrued income as at 31 December 2020 (2019: £nil).

Linden Wates (Cranleigh) Limited

Notes to the financial statements for the year ended 31 December 2020 (Continued)

6. Cash and cash equivalents

	2020 £'000	2019 £'000
Cash and cash equivalents	–	3

The effective interest rate received on cash balances is nil% (2019: nil%).

7. Trade and other payables

	2020 £'000	2019 £'000
Amounts owed in less than one year:		
Amounts owed to joint venture partners	1,840	1,779
Accrued liabilities and deferred income	58	53
	1,898	1,832

Amounts owed to joint venture partners do not bear interest are unsecured and repayable on demand.

Accruals and deferred income include £nil (2019: £nil) deferred income.

8. Financial Instruments

The business and the execution of the Company's strategy are subject to a limited number of risks and uncertainties. Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for understanding of the development, performance or position of the business.

Capital risk management

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.

Financial risk factors

(a) Market risk

(i) Foreign exchange risk

All material activities of the Company take place within the UK and consequently there is little direct exchange risk.

(ii) Price risk

The Company is not trading and therefore not exposed to any significant price risk.

(iii) Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's interest rate risk arises from movement in cash and cash equivalents and long-term amounts borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

Linden Wates (Cranleigh) Limited

Notes to the financial statements for the year ended 31 December 2020 (Continued)

8. Financial instruments (continued)

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits and borrowings with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Company has a credit risk exposure to the providers of its banking facilities. These are primarily provided by HSBC Bank plc and management does not expect any material losses from non-performance of any counter parties, including in respect of receivables not yet due.

(c) Liquidity risk

In accordance with IFRS 9 'Financial instruments: recognition and measurement', the Company has reviewed all contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. No such embedded derivatives have been identified.

Fair value of financial instruments

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables excluding prepayments, financial liabilities – amounts owed to joint venture partners, trade and other payables excluding deferred income, VAT and social security taxes. There is no difference between the book value and the fair value of the Company's financial assets and financial liabilities.

9. Share capital

	Number of Shares	Ordinary Shares £
Allotted and fully paid ordinary shares of £1		
A Ordinary share	100	100
B Ordinary share	100	100
At 31 December 2019 and 31 December 2020	200	200

The A and B shares rank *pari passu* in all respects but constitute separate classes of shares. There are no shares issued but not fully paid.

10. Related party transactions

At the end of the year, there were total loans of £1,840,104 (2019: £1,779,304) owed to both Linden Limited £920,052 (2019: £889,652) and Wates Group Limited, £920,052 (2019: £889,652).

11. Guarantees and contingent liabilities

Disputes arise in the normal course of business, some of which lead to litigation or arbitration procedures. The directors make proper provision in the financial statements when they believe a liability exists. Whilst the outcome of disputes and arbitration is never certain, the directors believe that the resolution of all existing actions will not have a material adverse effect on the Company's financial position.

12. Post balance sheet events

No matters have arisen since the year end that requires disclosure in the financial statements.

13. Controlling party

Linden Wates (Cranleigh) Limited is jointly owned by Linden Limited and Wates Group Limited with both companies sharing equal control.