

Vanderbilt Development Finance Limited

Report and Financial Statements

Year Ended

31 December 2020

Company Number : 08599295

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Vanderbilt Development Finance Limited

Report and financial statements for the year ended 31 December 2020

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Directors

Mr C Chiles
Mr I M Brown

Company secretary and registered office

Miss J Beazley
Apollo House
Mercury Park
Wooburn Green
Buckinghamshire
United Kingdom
HP10 0HH

Company number

08599295

Auditor

BDO LLP, 55 Baker Street, London, W1U 7EU

Vanderbilt Development Finance Limited

Directors Report for the year ended 31 December 2020

Directors

The Directors of the Company during the year and subsequent to the year end were:

Mr C Chiles
Mr I M Brown

The Company Secretary of the Company during the year and subsequent to the year end were;

Miss J Beazley

Principal activity and review of business

The principal activity is that of intermediate holding company. The loss for the year is set out on page 6.

Going concern

The Group has a facility with Cheyne Capital Management (UK) Investments Limited LLP and Wolvercote Investments Limited. During the year the Company agreed to extend the term of the mezzanine loan facility with funds managed by Cheyne Capital Management (UK) LLP to 30 June 2022.

Therefore, the financial statements have been prepared on a going concern basis.

Auditors

All of the Directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the Company's auditor is unaware.

In preparing this report, the Directors have taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006.

Approval

This Directors' report was approved by order of the Board on 30-06-2021 | 2:25 PM BST

DocuSigned by:



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Miss J Beazley

Company secretary

Vanderbilt Development Finance Limited

Statement of Directors' responsibilities for the year ended 31 December 2020

Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Vanderbilt Development Finance Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VANDERBILT DEVELOPMENT FINANCE LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Vanderbilt Development Finance Limited ("the Company") for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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. In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Independence

We remain 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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

Vanderbilt Development Finance Limited

Independent auditor's report (continued)

Other Companies Act 2006 reporting

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 the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. ;or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic Report.

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.

Extent to which the audit was 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 obtained an understanding of the legal and regulatory framework that the Group operates in and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the statutory financial statements; and
- do not have a direct effect on the statutory financial statements but compliance with which may be fundamental to the Group's ability to operate or avoid a material penalty.

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

Vanderbilt Development Finance Limited

Independent auditor's report (continued)

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures to address it is described below:

- we are 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 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 risk identified included the following:

- reviewing non-statutory financial information disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the non-statutory financial statements;
- enquiring of management 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.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

Geraint Jones

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Geraint Jones (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 30 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Vanderbilt Development Finance Limited**Statement of comprehensive income
for the year ended 31 December 2020**

	Notes	2020 £'000	2019 £'000
Operating loss	3	-	-
Provision for impairment in value of investment		-	(335)
Interest payable and similar charges	4	(3,013)	(2,752)
Loss on ordinary activities before taxation		(3,013)	(3,087)
Taxation on loss on ordinary activities	6	-	-
Loss for the financial year		<u>(3,013)</u>	<u>(3,087)</u>

The notes on pages 9 - 13 form part of these financial statements.

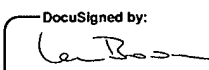
Vanderbilt Development Finance Limited**Statement of financial position
at 31 December 2020**

Company : 08599295

	Notes	2020 £'000	2019 £'000
Fixed assets			
Investments	7	<u>40,450</u>	<u>40,450</u>
		40,450	40,450
Current assets			
Debtors: amounts falling due after more than one year	8	5,000	8,872
Cash at bank		<u>-</u>	<u>352</u>
		5,000	9,224
Creditors: amounts falling due within one year	9	<u>(105)</u>	<u>(49,084)</u>
Net current assets		<u>45,345</u>	<u>585</u>
Total assets less current liabilities		45,345	585
Creditors: amounts falling due after more than one year	10	(52,093)	(4,320)
Net liabilities		<u>(6,748)</u>	<u>(3,735)</u>
Capital and reserves			
Called up share capital	11	-	-
Other reserve		28,637	28,637
Profit and loss account		(35,385)	(32,372)
Shareholder's deficit		<u>(6,748)</u>	<u>(3,735)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 30-06-2021 | 2:37 PM BST

DocuSigned by:

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 Mr I M Brown
 Director

The notes on pages 9 - 13 form part of these financial statements.

Vanderbilt Development Finance Limited**Statement of changes in equity
for the year ended 31 December 2020**

	Share capital	Other reserves	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
01 January 2019	-	28,637	(29,285)	(648)
Loss for the year	-	-	(3,087)	(3,087)
31 December 2019	<u>-</u>	<u>28,637</u>	<u>(32,372)</u>	<u>(3,735)</u>
Loss for the year	-	-	(3,013)	(3,013)
31 December 2020	<u><u>-</u></u>	<u><u>28,637</u></u>	<u><u>(35,385)</u></u>	<u><u>(6,748)</u></u>

The notes on pages 9 - 13 form part of these financial statements.

Vanderbilt Development Finance Limited

Notes forming part of the financial statements for the year ended 31 December 2020

1 . Accounting policies

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies.

Going concern

The Company is financed by funds managed or advised by Cheyne Capital Management (UK) LLP and Wolvercote Investments Limited, during the year the group agreed to extend the term of the loans 30 June 2022.

The Directors continually monitor the Company's forecasted position and the existing facilities to ensure that the Company continues to have sufficient available finance for the foreseeable future and so the Directors have continued to adopt the going concern basis in preparing these financial statements.

Reduced disclosure

This company is a qualifying entity for the purposes of FRS102, being a member of a group where the parent of the group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group.

The Company has therefore taken advantage of the following disclosure requirements:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The financial statements of the Company are included in the consolidated financial statements of Vanderbilt Holdings Limited as at 31 December 2020, and these financial statements may be obtained from Apollo House, Mercury Park, Wooburn Green, Buckinghamshire, United Kingdom, HP10 0HH.

The Company is itself a subsidiary company and is exempt from the requirements to prepare group accounts by virtue of Section 400 of the Companies Act 2006. The financial statements therefore present information about the Company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

Debtors

Trade debtors are initially recognised at fair value and subsequently measured at fair value through profit and loss, less any appropriate provision for estimated irrecoverable amounts. A provision is established for irrecoverable amounts when there is objective evidence that amounts due under the original payment terms will not be collected. Other debtors including prepayments and accrued income are recognised at cost.

Cash at bank and in hand

Cash at bank and in hand includes all balances held in bank accounts and on operating premises and are shown at their realisable amounts.

Vanderbilt Development Finance Limited**Notes forming part of the financial statements (continued)
for the year ended 31 December 2020***Creditors*

Creditors are recognised at amortised cost.

Borrowings are initially recognised at the fair value of the proceeds, net of related transaction costs. These transaction costs, and any discount or premium on issue, are subsequently amortised under the effective yield method through the income statement as interest over the life of the loan, and added to the liability disclosed in the statement of financial position. Related accrued interest is included in accruals and deferred income.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least one year after the statement of financial position date.

Current and deferred taxation

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company's subsidiaries operate and generate taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgements:

Valuation of investments

The most critical estimates, assumptions and judgements relate to the determination of carrying value of investments at fair value through profit and loss. In determining this the Group follows the International Private Equity and Venture Capital Valuation Guidelines, applying the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

3. Operating Loss

The audit fee was borne by another Group company.

None of the Directors received any emoluments from the Company in the year. Information on emoluments received from other Group companies is disclosed in the consolidated financial statements of Vanderbilt Homes Limited.

4. Interest payable and similar charges

	2020 £'000	2019 £'000
Other loans	3,006	2,747
Other interest	7	5
	<u>3,013</u>	<u>2,752</u>

Vanderbilt Development Finance Limited**Notes forming part of the financial statements (continued)
for the year ended 31 December 2020****5. Staff numbers**

The average number of persons employed by the company (including directors) during the year was 0 (2019 : 0)

6. Taxation on loss on ordinary activities

The tax assessed for the year is lower than the standard rate of corporation tax in the UK applied to the loss before tax. The differences are explained below:

	2020 £'000	2019 £'000
Loss on ordinary activities before tax	<u>(3,013)</u>	<u>(3,087)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019: 19%)	(573)	(587)
Effects of:		
Expenses not deductible for tax purposes	-	190
Remeasurement of deferred tax for changes in tax rates	(63)	13
Deferred tax not recognised	315	-
Group relief	<u>320</u>	<u>384</u>
Total tax charge for year	<u>-</u>	<u>-</u>

7. Fixed asset investments

	2020 £	2019 £
Cost		
At 1 January 2020	40,450	40,785
Additions	-	-
Provision for impairment value	-	(335)
At 31 December 2020	<u>40,450</u>	<u>40,450</u>

The undertakings in which the Company has an interest at the year end are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
Vanderbilt Homes Limited	United Kingdom	100%	Residential Development
Vanderbilt Oxford Limited	United Kingdom	100%	Residential Development
Vanderbilt Southern Limited	United Kingdom	100%	Residential Development
Crayferm Limited	United Kingdom	100%	Residential Development
Vanderbilt Thames Valley Limited	United Kingdom	100%	Residential Development
Crayferm Homes Limited	United Kingdom	100%	Residential Development
Crayferm Homes South Coast Limited	United Kingdom	100%	Residential Development
Sunley Crayferm LLP	United Kingdom	50%	Residential Development

The registered address of all the subsidiaries listed above is Apollo House, Mercury Park, Wooburn Green, Buckinghamshire, HP10 0HH, with the exception of Sunley Crayferm LLP which is registered at 7-8 Stratford Place, London, England, W1C 1AY.

Vanderbilt Development Finance Limited**Notes forming part of the financial statements (continued)
for the year ended 31 December 2020****8. Debtors**

	2020 £'000	2019 £'000
Amounts owed by Group undertakings	5,000	8,872
	<u>5,000</u>	<u>8,872</u>

9. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Amounts owed to Group undertakings	10	-
Accruals and deferred income	95	-
Other loans (secured)	-	49,084
	<u>105</u>	<u>49,084</u>

10. Creditors: amounts falling due after more than year

	2020 £'000	2019 £'000
Other loans (secured)	52,093	-
Amounts owed to Group undertakings	-	4,233
Accruals and deferred income	-	87
	<u>52,093</u>	<u>4,320</u>

The Company is financed by funds managed or advised by Cheyne Capital Management (UK) LLP and Wolvercote Investments Limited with a fixed term until 30 June 2022.

At the year end the facility managed or advised by Cheyne Capital Management (UK) LLP stood at 49.8m including capitalised interest of 13.9m (2019: 11.1m), and is disclosed as other loans (secured). This facility accrues interest at 6% per annum (2019: 6%), and is secured by a floating charge on the assets of the Company's subsidiaries.

At the year end the facility managed or advised by Wolvercote Investments Limited stood at 2.2m including capitalised interest of 0.5m (2019: 0.4m), and is disclosed as other loans (secured). This facility accrues interest at 6% per annum (2019: 6%), and is secured by a floating charge on the assets of the Company's subsidiaries.

The maturity of sources of debt finance are as follows:

	2020 £'000	2019 £'000
In one year or less, or on demand	-	49,084
In more than one year but not more than two years	52,093	-
Between two and five years	-	-
	<u>52,093</u>	<u>49,084</u>

Vanderbilt Development Finance Limited**Notes forming part of the financial statements (continued)
for the year ended 31 December 2020****11. Share capital**

	2020	2019
	£	£
<i>Allotted, called up and fully paid</i>		
4 (2019: 4) ordinary shares of £0.01 each	0.04	0.04
	Number	£
In issue at 1 January 2020	0.04	0.04
Issued in the year	-	-
In issue at 31 December 2020	<u>0.04</u>	<u>0.04</u>

12. Controlling party

The Company is a subsidiary of Vanderbilt Holdings Limited, a company registered in England and Wales. Vanderbilt Majority Holdco Limited is the ultimate parent and controlling party of the Group. The smallest group in which these results of the Company are consolidated is that headed by Vanderbilt Holdings Limited. The largest group in which these results of the Company are consolidated is Vanderbilt Majority Holdco Limited. The consolidated financial statements are available to the public and may be obtained from Apollo House, Mercury Park, Wooburn Green, Buckinghamshire, United Kingdom, HP10 0HH.