

COMPANY REGISTRATION NUMBER: 09323682

Sunningdale House Developments Limited
Financial Statements
31 December 2021



BURGESS HODGSON LLP
Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

Sunningdale House Developments Limited

Financial Statements

Year ended 31 December 2021

Contents	Page
Strategic report	1
Director's report	3
Independent auditor's report to the members	5
Consolidated statement of income and retained earnings	10
Company statement of income and retained earnings	11
Consolidated statement of financial position	12
Company statement of financial position	13
Consolidated statement of cash flows	14
Notes to the financial statements	15

Sunningdale House Developments Limited

Strategic Report

Year ended 31 December 2021

Introduction

The director presents his strategic report for the year ended 31 December 2021.

Principle activities

The company is an multi award winning residential developer building bespoke, high quality multi-occupancy schemes, waterfront, and family housing developments throughout the South East of England.

Financial Performance Indicators

The group achieved a profit of £2,549,837 (2020: £206,274).

The 115 unit completions was slightly lower than the 119 achieved in the prior year, however turnover increased dramatically by £18,729,683 from £42,917,079 in 2020 to £61,646,762 in 2021. This shows the strength of demand for the high-quality housing stock held.

The group work in progress has decreased from £131,830,434 to £112,123,222. Which is due to a significant number of projects nearing the final stages of completion and the increased sales in the year.

The group's bank loans and overdrafts falling due within one year has reduced from £70,314,984 to £60,549,265 with £3,779,566 falling due after more than one year compared to £3,849,132 in the prior year.

Future Developments

The number of homes sold in 2021 was 115, an decrease of 3.4% from the prior year.

The group still holds a significant quantity of land with either outline or detailed planning consents with further units held under option agreements. The group plans to build on the current year by continuing its work on existing projects through to completion whilst seeking out new opportunities wherever they may present themselves.

Principal risks and uncertainties

The directors have continued the analysis into the potential business impact of COVID-19 on costs and revenues and how these might also be managed and mitigated and are comfortable that any potential impact is controlled and will not affect the going concern of the company. The directors have also considered the impact of the events in Ukraine with particular reference to how these may disrupt their business model, strategy and operations. It is clear that there is a worldwide impact on the cost of particular goods, to include fuel, which in turn has increased the base costs of consumables in the business. The directors have considered the effect and believe that this will not impact the ability to trade or going concern. Another uncertainty is the impact of rising interest rates as the Bank of England attempts to tackle inflation. Rising interest rates could impact property prices negatively and thus the gross development values projected, as well as increasing the cost of borrowing which funds development.

Financial

The director believes that the company is in a strong position to continue to be profitable going forward despite the impacts of coronavirus, Ukraine and rising rates as the residential housing market continues to prove robust and more of the projects being completed or in the final phases of construction and thus more attractive to potential buyers.

The main creditor of the business, also a shareholder, continues to be supportive and has provided additional assurance that loans will not be recalled within the next 12 months.

Liquidity

The business has managed creditors to ensure liquidity throughout the year and expects to improve on this position as a significant percentage of the 115 units delivered during the year were done so via non-profit making S106 agreements this will enhance profit margins in subsequent years from

Sunningdale House Developments Limited

Strategic Report *(continued)*

Year ended 31 December 2021

continuing development projects.

This report was approved by the board of directors on 21/12/2022 and signed on behalf of the board by:



Mr D R Pownceby
Director

Registered office:
Camburgh House
27 New Dover Road
Canterbury
Kent
United Kingdom
CT1 3DN

Sunningdale House Developments Limited

Director's Report

Year ended 31 December 2021

The director presents his report and the financial statements of the group for the year ended 31 December 2021.

Director

The director who served the company during the year was as follows:

Mr D R Pownceby

Dividends

The director does not recommend the payment of a dividend.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

Auditor

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


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

Sunningdale House Developments Limited

Director's Report *(continued)*

Year ended 31 December 2021

This report was approved by the board of directors on 21/12/2022 and signed on behalf of the board by:



Mr D R Pownceby
Director

Registered office:
Camburgh House
27 New Dover Road
Canterbury
Kent
United Kingdom
CT1 3DN

Sunningdale House Developments Limited

Independent Auditor's Report to the Members of Sunningdale House Developments Limited

Year ended 31 December 2021

Opinion

We have audited the financial statements of Sunningdale House Developments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty in respect of going concern

We draw your attention to note 3 (going concern accounting policy) which details there is financial reliance on an associated entity. As stated in the note, this matter indicates that material uncertainty may exist that may cause doubt over the company's ability to continue as a going concern.

Our opinion is not modified in respect of this.

Sunningdale House Developments Limited

Independent Auditor's Report to the Members of Sunningdale House Developments Limited *(continued)*

Year ended 31 December 2021

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 director is responsible for the other information. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters 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 strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Sunningdale House Developments Limited

Independent Auditor's Report to the Members of Sunningdale House Developments Limited *(continued)*

Year ended 31 December 2021

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the group's and the parent 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 director either intends to liquidate the group or the parent company or to cease operations, or has 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.

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 identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered; the nature of the industry, control environment and business performance.

We also consider the results of our enquiries of management, relating to their own identification and assessment of the risks of irregularities and possible related fraud. This includes reviewing available documentation on their policies and procedures and performing tests of controls to evidence their effectiveness.

Throughout the audit testing we are considering the incentives that may exist within the organisation for fraud. Key areas include timing of recognising income around the year end, posting of unusual journals and manipulating the company's performance measures to meet bank covenants. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We ensure we have an understanding of the relevant laws and regulations and remain alert to possible non-compliance throughout the audit.

Despite proper planning and audit work in accordance with auditing standards there are inherent limitations and unavoidable risk that we may not detect some irregularities and material misstatements in the financial statements. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Sunningdale House Developments Limited

Independent Auditor's Report to the Members of Sunningdale House Developments Limited *(continued)*

Year ended 31 December 2021

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Sunningdale House Developments Limited

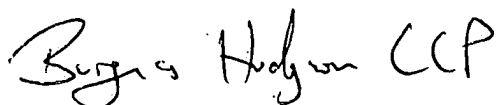
Independent Auditor's Report to the Members of Sunningdale House Developments Limited *(continued)*

Year ended 31 December 2021

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Handwritten signature of Andrew Collyer in black ink, reading "Burgess Hodgson LLP".

Andrew Collyer (Senior Statutory Auditor)

For and on behalf of
Burgess Hodgson LLP
Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

21/12/2022

Sunningdale House Developments Limited
Consolidated Statement of Income and Retained Earnings
Year ended 31 December 2021

	Note	2021 £	2020 (restated) £
Turnover	4	61,646,762	42,917,079
Cost of sales		58,313,546	40,966,359
Gross profit		<u>3,333,216</u>	<u>1,950,720</u>
Administrative expenses		783,379	1,744,446
Operating profit	5	<u>2,549,837</u>	<u>206,274</u>
Profit before taxation		<u>2,549,837</u>	<u>206,274</u>
Tax on profit	8	<u>—</u>	<u>—</u>
Profit for the financial year and total comprehensive income		<u>2,549,837</u>	<u>206,274</u>
Retained losses at the start of the year		(3,125,314)	(3,331,588)
Retained losses at the end of the year		<u>(575,477)</u>	<u>(3,125,314)</u>

All the activities of the group are from continuing operations.

The notes on pages 15 to 25 form part of these financial statements.

Sunningdale House Developments Limited
Company Statement of Income and Retained Earnings

Year ended 31 December 2021

	2021	2020 (restated)
	£	£
Profit for the financial year and total comprehensive income	(2,304,244)	(550,160)
Retained losses at the start of the year	(1,713,085)	(1,162,925)
Retained losses at the end of the year	<u>(4,017,329)</u>	<u>(1,713,085)</u>

The notes on pages 15 to 25 form part of these financial statements.

Sunningdale House Developments Limited

Consolidated Statement of Financial Position

31 December 2021

	Note	2021 £	2020 (restated) £
Fixed assets			
Tangible assets	9	7,403,041	10,575
Current assets			
Stocks	11	112,123,222	131,208,434
Debtors	12	5,938,278	4,414,759
Cash at bank and in hand		695,215	657,083
		<u>118,756,715</u>	<u>136,280,276</u>
Creditors: amounts falling due within one year	13	122,955,634	135,567,000
Net current (liabilities)/assets		<u>(4,198,919)</u>	<u>713,276</u>
Total assets less current liabilities		<u>3,204,122</u>	<u>723,851</u>
Creditors: amounts falling due after more than one year	14	3,779,566	3,849,132
Net liabilities		<u>(575,444)</u>	<u>(3,125,281)</u>
Capital and reserves			
Called up share capital	17	4	4
Profit and loss account		<u>(575,477)</u>	<u>(3,125,314)</u>
Equity attributable to the owners of the parent company		<u>(575,473)</u>	<u>(3,125,310)</u>
Non-controlling interests		<u>29</u>	<u>29</u>
		<u>(575,444)</u>	<u>(3,125,281)</u>

These financial statements were approved by the board of directors and authorised for issue on 21/12/2022, and are signed on behalf of the board by:



Mr D R Pownceby
Director

Company registration number: 09323682

The notes on pages 15 to 25 form part of these financial statements.

Sunningdale House Developments Limited

Company Statement of Financial Position

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	9	8,041	10,575
Investments	10	665	665
		<u>8,706</u>	<u>11,240</u>
Current assets			
Stocks	11	3,338,300	2,778,999
Debtors	12	46,567,043	60,138,643
Cash at bank and in hand		694,870	269,593
		<u>50,600,213</u>	<u>63,187,235</u>
Creditors: amounts falling due within one year	13	<u>54,626,244</u>	<u>64,911,556</u>
Net current liabilities		<u>4,026,031</u>	<u>1,724,321</u>
Total assets less current liabilities		<u>(4,017,325)</u>	<u>(1,713,081)</u>
Net liabilities		<u>(4,017,325)</u>	<u>(1,713,081)</u>
Capital and reserves			
Called up share capital	17	4	4
Profit and loss account		<u>(4,017,329)</u>	<u>(1,713,085)</u>
Shareholders deficit		<u>(4,017,325)</u>	<u>(1,713,081)</u>

The loss for the financial year of the parent company was £2,304,244 (2020: £550,160).

These financial statements were approved by the board of directors and authorised for issue on 21/12/2022, and are signed on behalf of the board by:



Mr D R Pownceby
Director

Company registration number: 09323682

The notes on pages 15 to 25 form part of these financial statements.

Sunningdale House Developments Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2021

	2021	2020 (restated)
	£	£
Cash flows from operating activities		
Profit for the financial year	2,549,837	206,274
<i>Adjustments for:</i>		
Depreciation of tangible assets	2,681	—
Fair value adjustment of investment property	(739,508)	—
Accrued (income)/expenses	(361,931)	533,233
<i>Changes in:</i>		
Stocks	19,085,212	5,604,857
Trade and other debtors	(1,523,519)	(2,199,743)
Trade and other creditors	(1,700,280)	(326,647)
Cash generated from operations	17,312,492	3,817,974
Interest paid	(374,035)	—
Tax paid	—	(829)
Net cash from operating activities	<u>16,938,457</u>	<u>3,817,145</u>
Cash flows from investing activities		
Purchase of tangible assets	(6,655,639)	(2,724)
Net cash used in investing activities	<u>(6,655,639)</u>	<u>(2,724)</u>
Cash flows from financing activities		
Proceeds from borrowings	(10,244,686)	(3,690,789)
Net cash used in financing activities	<u>(10,244,686)</u>	<u>(3,690,789)</u>
Net increase in cash and cash equivalents	38,132	123,632
Cash and cash equivalents at beginning of year	<u>657,083</u>	<u>533,451</u>
Cash and cash equivalents at end of year	<u>695,215</u>	<u>657,083</u>

The notes on pages 15 to 25 form part of these financial statements.

Sunningdale House Developments Limited

Notes to the Financial Statements

Year ended 31 December 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Camburgh House, 27 New Dover Road, Canterbury, Kent, CT1 3DN, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

In assessing the going concern basis for the group the directors have considered their ability to repay loans as they fall due. There are currently loans with an associated company for £44,715,985 and the subsidiary companies have loans containing charges over the assets of the group of £64,328,831.

Interest on third party loans accrue and agreements state that there is no intention to seek repayment until sales of properties are made, supporting cash flow. Despite this a number of the loans are still repayable on demand which carries a going concern risk. In addition some loans became payable in 2022 and are currently on a rolling basis, while others become payable over the next 12 months. The directors expect that refinancing will be obtained as the group holds £112,123,222 of WIP, in relation to property under construction, and £7,295,000 of freehold property against which security will be given.

The loans from associated parties are also payable on demand, although the unwritten understanding is this would not be done until a time this would be possible without causing financial distress to the group.

If the loans are not renewed then there would be material uncertainty in respect of going concern. There is also material uncertainty at a group level if the associated funding is not continued. The directors believe that loans will be renewed on a company level and that there is continued support to the parent.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Sunningdale House Developments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Consolidation

The financial statements consolidate the financial statements of Sunningdale House Developments Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Any losses expected on projects currently being undertaken are offset against the carrying value of the work in progress at the year end, even when the builds are not yet complete.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Sunningdale House Developments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the amount of current tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures and fittings	- 25% straight line
Equipment	- 25% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stock and work in progress

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Sunningdale House Developments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

3. Accounting policies *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Short term debtors and creditors are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2021	2020 <i>(restated)</i>
	£	£
Sale of goods	<u>61,646,762</u>	<u>42,917,079</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021	2020 <i>(restated)</i>
	£	£
Depreciation of tangible assets	2,681	–
Fair value adjustments to investment property	(739,508)	–
Impairment of trade debtors	<u>–</u>	<u>4,340</u>

Sunningdale House Developments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

6. Auditor's remuneration

	2021	2020 <i>(restated)</i>
	£	£
Fees payable for the audit of the financial statements	<u>34,350</u>	<u>33,850</u>

7. Staff costs

The average number of persons employed by the group during the year, including the director, amounted to:

	2021 No.	2020 No.
Production staff	5	5
Administrative staff	3	3
Management staff	7	7
Number of sales staff	10	11
	<u>25</u>	<u>26</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020 <i>(restated)</i>
	£	£
Wages and salaries	1,028,630	744,824
Social security costs	112,106	79,027
Other pension costs	19,978	10,260
	<u>1,160,714</u>	<u>834,111</u>

8. Tax on loss

Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020 <i>(restated)</i>
	£	£
Profit on ordinary activities before taxation	<u>2,549,837</u>	<u>206,274</u>
Profit on ordinary activities by rate of tax	484,469	53,236
Effect of capital allowances and depreciation	481	(518)
Utilisation of tax losses	<u>(484,950)</u>	<u>(52,718)</u>
Tax on loss	<u>-</u>	<u>-</u>

All items have been calculated using 19%. It is noted that the government announced that for the tax year starting 1 April 2023 there will be an increase to tax rates to 25% for higher profit making entities. This will have an impact on the recognition of deferred tax assets and liabilities within Sunningdale House Developments Limited. No deferred tax asset has been recognised due to the uncertainty of having sufficient future taxable profits to offset the losses incurred to date. The unrecognised deferred tax asset as at 31 December 2021 stands at £268k (2020: £711k).

Sunningdale House Developments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

9. Tangible assets

Group	Freehold property £	Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2021 (as restated)	–	7,851	2,724	10,575
Additions	6,655,492	147	–	6,655,639
Revaluations	739,508	–	–	739,508
At 31 December 2021	7,395,000	7,998	2,724	7,405,722
Depreciation				
At 1 January 2021	–	–	–	–
Charge for the year	–	2,000	681	2,681
At 31 December 2021	–	2,000	681	2,681
Carrying amount				
At 31 December 2021	7,395,000	5,998	2,043	7,403,041
At 31 December 2020	–	7,851	2,724	10,575
Company		Fixtures and fittings £	Equipment £	Total £
Cost				
At 1 January 2021 and 31 December 2021		7,998	2,724	10,722
Depreciation				
At 1 January 2021		–	–	–
Charge for the year		2,000	681	2,681
At 31 December 2021		2,000	681	2,681
Carrying amount				
At 31 December 2021		5,998	2,043	8,041
At 31 December 2020		7,998	2,724	10,722

10. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 January 2021 as restated and 31 December 2021	665
Impairment	
At 1 January 2021 as restated and 31 December 2021	–

Sunningdale House Developments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

10. Investments *(continued)*

Company	Shares in group undertakings £
Carrying amount	
At 1 January 2021 and 31 December 2021	<u>665</u>
At 31 December 2020	<u>665</u>

Sunningdale House Developments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

10. Investments *(continued)*

Sunningdale House Developments (Evans Fields) Limited was part of the group in 2019 by virtue of control over the share capital of the company. In 2020 a commercial deal was undertaken whereby beneficial ownership was transferred to a third party. This has therefore been treated as a disposal in the current year.

Subsidiaries, associates and other investments

Details of the investments in which the group and parent company have an interest of 20% or more are as follows:

Subsidiary undertakings where 100% of ordinary share capital is held

Cliffside Drive Management Company Limited
Connaught House Bagshot Management Company Limited
Hannover House Management Company Limited
Heritage Farm Two Management Company Limited
Howard Place (Weybridge) Management Limited
Sandgate Pavilion Management Company Limited
Sunningdale House (Cliffside Drive) Limited
Sunningdale House (Heritage Farm Three) Limited
Sunningdale House (Heritage Farm Two) Limited
Sunningdale House (Heritage Farm) Limited
Sunningdale House Developments (Ascot Three) Limited
Sunningdale House Developments (Ascot Two) Limited
Sunningdale House Developments (Ascot) Limited
Sunningdale House Developments (Baxter Farm) Limited
Sunningdale House Developments (Baxter Farm) Management Limited
Sunningdale House Developments (Bisley) Limited
Sunningdale House Developments (Dartford) Limited
Sunningdale House Developments (Dover Road Walmer) Limited
Sunningdale House Developments (Eastry) Limited
Sunningdale House Developments (High Halden) Limited
Sunningdale House Developments (Hill Farm) Limited
Sunningdale House Developments (Larkey Wood Farm) Limited
Sunningdale House Developments (Maidstone) Limited
Sunningdale House Developments (Minster) Limited
Sunningdale House Developments (Minster) Management Limited
Sunningdale House Developments (North Foreland) Limited
Sunningdale House Developments (North Foreland) Management Limited
Sunningdale House Developments (Plover Road) Limited
Sunningdale House Developments (Plover Road) Management Limited
Sunningdale House Developments (Sandgate) Limited
Sunningdale House Developments (Shadoxhurst) Limited
Sunningdale House Developments (St Nicolas) Limited
Sunningdale House Developments (St Nicolas) Management Limited
Sunningdale House Developments (Tuckingmill) Limited
Sunningdale House Developments (TW One) Limited
Sunningdale House Developments (Walmer Management Company) Limited
Sunningdale House Developments (Walmer) Limited
Winchfield Crescent Management Company Limited
Wrecclesham Hill (Ancient Forest) Management Company Limited
Wrecclesham Hill (The Grove) Management Company Limited

Subsidiary undertakings where 75% of ordinary share capital is held

Bisley Management Company Limited

Sunningdale House Developments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

10. Investments *(continued)*

Subsidiary undertakings where 71% of ordinary share capital is held

Heritage Farm Management Company Limited

11. Stocks

	Group		Company	
	2021	2020 <i>(restated)</i>	2021	2020 <i>(restated)</i>
	£	£	£	£
Work in progress	<u>112,123,222</u>	<u>131,208,434</u>	<u>3,338,300</u>	<u>2,778,999</u>

12. Debtors

	Group		Company	
	2021	2020 <i>(restated)</i>	2021	2020 <i>(restated)</i>
	£	£	£	£
Trade debtors	115,723	69,533	115,723	69,533
Prepayments and accrued income	2,886,073	6,900,301	2,886,073	6,900,301
Corporation tax repayable	21,934	21,934	21,934	21,934
Other debtors	<u>2,914,548</u>	<u>(2,577,009)</u>	<u>43,543,313</u>	<u>53,146,875</u>
	<u>5,938,278</u>	<u>4,414,759</u>	<u>46,567,043</u>	<u>60,138,643</u>

13. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020 <i>(restated)</i>	2021	2020 <i>(restated)</i>
	£	£	£	£
Bank loans and overdrafts	60,549,265	70,314,984	45,323	50,000
Trade creditors	6,535,577	15,484,301	6,535,577	15,484,301
Accruals and deferred income	188,825	924,791	172,400	534,331
Social security and other taxes	1,680,739	653,422	1,680,739	653,422
Director loan accounts	997,544	1,406,945	997,544	1,406,945
Other creditors - desc in a/cs	41,104	—	—	—
Other creditors	<u>52,962,580</u>	<u>46,782,557</u>	<u>45,194,661</u>	<u>46,782,557</u>
	<u>122,955,634</u>	<u>135,567,000</u>	<u>54,626,244</u>	<u>64,911,556</u>

There are fixed and floating charges held over the land, freehold property and undertaking of the group. The land and freehold property are within the work in progress.

14. Creditors: amounts falling due after more than one year

	Group		Company	
	2021	2020 <i>(restated)</i>	2021	2020 <i>(restated)</i>
	£	£	£	£
Bank loans and overdrafts	<u>3,779,566</u>	<u>3,849,132</u>	<u>—</u>	<u>—</u>

Sunningdale House Developments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

There are fixed and floating charges held over the land, freehold property and undertaking of the group. The land and freehold property are within the work in progress.

15. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £19,978 (2020: £10,260).

16. Prior period adjustments

There has been a reduction of £622k in costs included in the prior year and closing working in progress. These amounts were due back to the group and as such are included in debtors. As the costs were included in closing working in progress there has been no effect of the profit and loss.

17. Called up share capital

Issued, called up and fully paid

	2021		2020 (restated)	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

18. Analysis of changes in net debt

	At 1 Jan 2021	Cash flows	At 31 Dec 2021
	£	£	£
Cash at bank and in hand	657,083	38,132	695,215
Debt due within one year	(71,721,929)	10,175,120	(61,546,809)
Debt due after one year	(3,849,132)	69,566	(3,779,566)
	<u>(74,913,978)</u>	<u>10,282,818</u>	<u>(64,631,160)</u>

19. Related party transactions

Company

At the year end the company owed £997,544 (2020: £1,406,945) to a director.

At the year end the company owed £44,715,985 (2020: £45,062,695) to an associated company.

At the year end the company was owed £729,768 (2020: £785,990) by a company related by virtue of shared key management personnel.

At the year end the company owed £7,767,917 (2020: £4,653,145) to a company related by virtue of shared key management personnel.

Sunningdale House Developments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

20. Controlling party

There is no single controlling party of Sunningdale House Developments Limited.