

Registration number: 10480182

Warndon Six Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 December 2019



Warndon Six Limited

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Warndon Six Limited

Directors' Report for the Year Ended 31 December 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the company is that of property development.

Review of the business

The directors consider that the results for the year and the financial position at the end of the year are in line with expectations due to the early stage of the current property development.

The results for the year are set out in the financial statements.

The Company's key financial and other performance indicators during the year were as follows:

	2019	2018
Profit/ (Loss) before taxation	£490,022	(£500,000)

Principal risks and uncertainties

The main risks and uncertainties affecting the company are the continued uncertainties of the property market.

Directors of the Company

The directors who held office during the year were as follows:

M F Richardson (resigned 20 November 2019)

L S Richardson (resigned 20 November 2019)

C A Richardson (resigned 20 November 2019)

K Bate (appointed 20 November 2019)

B Holmes (appointed 20 November 2019)

Dividend

The directors do not recommend the payment of a dividend (2018 - £Nil).

Directors' liabilities

The company maintains an appropriate level of directors' insurance whereby directors are indemnified against liabilities to third parties to the extent permitted by the Companies Act. The directors also benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Small company provisions

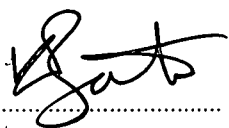
As the company qualifies as a small company the accounts are unaudited.

Warndon Six Limited

Directors' Report for the Year Ended 31 December 2019 (continued)

In preparing the directors' report the directors have taken advantage of the exemptions allowed for small companies' as set out in the Companies Act 2006.

Approved by the Board on 19 October 2020 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'K Bate', written over a dotted line.

K Bate
Director

Registered office

4 Birchley Estate
Birchfield Lane
Oldbury
B69 1DT

Warndon Six Limited

Statement of 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 financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Warndon Six Limited

Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover		-	-
Administrative expenses		-	(500,000)
Write down of intercompany loan		<u>490,022</u>	<u>-</u>
Operating profit/(loss)		<u>490,022</u>	<u>(500,000)</u>
Profit/(loss) before tax		490,022	(500,000)
Taxation	4	<u>(141,575)</u>	<u>212,500</u>
Profit/(loss) for the financial year		<u><u>348,447</u></u>	<u><u>(287,500)</u></u>

Operating profit/(loss) derives wholly from continuing operations.

Warndon Six Limited

Statement of Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Profit/(loss) for the year		<u>348,447</u>	<u>(287,500)</u>
Total comprehensive income/(loss) for the year		<u><u>348,447</u></u>	<u><u>(287,500)</u></u>

The notes on pages 8 to 12 form an integral part of these financial statements.

Warndon Six Limited

(Registration number: 10480182) Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Stocks	5	7,381,672	3,106,294
Debtors	6	<u>70,925</u>	<u>212,500</u>
		7,452,597	3,318,794
Creditors: Amounts falling due within one year	7	<u>(8,141,649)</u>	<u>(4,356,293)</u>
Net liabilities		<u>(689,052)</u>	<u>(1,037,499)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	<u>(689,053)</u>	<u>(1,037,500)</u>
Shareholder's funds		<u>(689,052)</u>	<u>(1,037,499)</u>

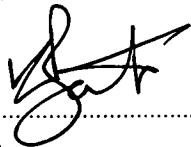
For the financial year ending 31 December 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

Approved and authorised by the Board on 19 October 2020 and signed on its behalf by:



K Bate

Director

The notes on pages 8 to 12 form an integral part of these financial statements.

Warndon Six Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £	Profit and loss account £	Total £
At 1 January 2019	1	(1,037,500)	(1,037,499)
Profit for the year	-	348,447	348,447
Total comprehensive income	-	348,447	348,447
At 31 December 2019	1	(689,053)	(689,052)

	Share capital £	Profit and loss account £	Total £
At 1 January 2018	1	(750,000)	(749,999)
Loss for the year	-	(287,500)	(287,500)
Total comprehensive loss	-	(287,500)	(287,500)
At 31 December 2018	1	(1,037,500)	(1,037,499)

The notes on pages 8 to 12 form an integral part of these financial statements.

Warndon Six Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 Accounting policies

Warndon Six Limited is a company limited by shares and incorporated in the UK.

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

Basis of preparation

These financial statements have been prepared using applicable accounting standards and in accordance with the Companies Act 2006.

The presentation currency of these financial statements is Sterling and the figures are presented in round pounds.

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland":

- 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 11.42 to 11.48C;
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- The requirements of Section 33 Related Party Disclosures 33.7.

Name of parent of group

Since 20 November 2019 the company has been a subsidiary of Red Harvest Limited a company incorporated in Jersey.

Prior to 20 November 2019 the company was a subsidiary of Regalhill Limited a company incorporated in the UK, and was included in the consolidated accounts of that company until that date.

Going concern

The financial statements have been prepared on a going concern basis which the directors believe is appropriate for the following reasons. Red Harvest Limited, the company's parent company, has confirmed that it will continue to provide financial support to the company if needed. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so.

Warndon Six Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

1 Accounting policies (continued)

Interest receivable and Interest payable

Interest payable and similar charges include interest payable recognised in profit or loss account using the effective interest method, and net foreign exchange recognised in the profit and loss account.

Interest income and interest payable are recognised in the profit and loss account as they accrue, using the effective interest method. Any dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit and loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

The current 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 operates and generates taxable income.

Deferred tax is recognised, without discounting, in respect of timing differences which have arisen but not reversed by the balance sheet date and is provided for if material in value. A deferred tax asset in respect of losses is not created until it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Financial assets

Financial assets, other than investments are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instruments contractual obligations, rather than the financial instruments' legal form. Financial liabilities are initially measured at transaction price (including transaction cost) and subsequently held at amortised cost.

Stocks

Stocks comprise development work in progress together with any direct borrowing costs. Stocks are stated at the lower of cost and net realisable value. Cost is determined on an actual basis and comprises land, property, materials, costs and attributable overheads. Net realisable value is based on estimated selling price less further costs anticipated to disposal.

Warndon Six Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

1 Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Judgements in applying accounting policies and key sources of estimation uncertainty

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

Determine whether there are any indicators of impairment of the company's stock. Factors taken into consideration in reaching such a decision include the economic viability and expected future performance of the asset.

2 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Administration and support	<u>3</u>	<u>3</u>

3 Directors' remuneration

No emoluments were paid to the directors during the year (2018 - £Nil).

4 Taxation

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit/(loss) before tax	<u>490,022</u>	<u>(500,000)</u>
Corporation tax at standard rate	93,104	(95,000)
Effect of revenues exempt from taxation	(93,104)	-
Effect of tax losses	-	95,000
Deferred tax	<u>141,575</u>	<u>(212,500)</u>
Total tax charge/(credit)	<u>141,575</u>	<u>(212,500)</u>

Factors that may effect future tax

The standard rate of corporation tax in the UK is to remain at 19% (effective from 1 April 2020) and was substantively enacted on 17 March 2020.

Warndon Six Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

5 Stocks

	2019 £	2018 £
Work in progress	<u>7,381,672</u>	<u>3,106,294</u>

6 Debtors

	2019 £	2018 £
Deferred tax assets	<u>70,925</u>	<u>212,500</u>

7 Creditors

	2019 £	2018 £
Due within one year		
Trade creditors	34,722	13,272
Amounts due to group undertakings	6,529,218	4,343,021
Accrued expenses	<u>1,577,709</u>	<u>-</u>
	<u>8,141,649</u>	<u>4,356,293</u>

The amounts due to group undertakings in 2019 was in respect of Red Harvest Limited. The amounts due to group undertakings in 2018 was in respect of members of Regalhill Limited group.

8 Deferred tax

Deferred tax at 31 December 2019 has been calculated at 19% (2018 - 17%).

	Deferred tax £
At 1 January 2019	212,500
Increase (decrease) in existing provisions	(85,000)
Provisions used	(71,575)
Increase (decrease) due to change in tax rate	<u>15,000</u>
At 31 December 2019	<u>70,925</u>

Warndon Six Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

9 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary share of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

10 Reserves

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

11 Related party transactions

Advantage has been taken of the exemption permitted under FRS102 Section 33.11 not to disclose transactions with entities that are 100% owned.

12 Parent and ultimate parent undertaking

Since 20 November 2019 the immediate parent was Red Harvest Limited incorporated in Jersey, prior to that date the immediate parent was Dukehill holdings Limited incorporated in the UK.

Since 20 November 2019 the ultimate parent was Anglo Securities Limited incorporated in Jersey, prior to that date the ultimate parent was Regalhill Limited incorporated in the UK.

Since 20 November 2019 the financial statements are not included in any parents publicly available consolidated financial statements, prior to that date the most senior parent entity producing publicly available consolidated financial statements was Regalhill Limited.