

Registered number: 12417229

**BACKHOUSE (WARMINSTER) LIMITED
UNAUDITED DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**



BACKHOUSE (WARMINSTER) LIMITED
COMPANY INFORMATION

DIRECTORS

T Hajoglou
I A Jones (appointed 29 September 2021)
W Cole (appointed 21 December 2022)

COMPANY SECRETARY

Beach Secretaries Limited

REGISTERED NUMBER

12417229

REGISTERED OFFICE

C/O DAC Beachcroft LLP
Portwall Place
Portwall Lane
Bristol
BS1 9HS

BACKHOUSE (WARMINSTER) LIMITED

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BACKHOUSE (WARMINSTER) LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The directors present their report and the financial statements for the year ended 30 June 2022.

PRINCIPAL ACTIVITY

The principal activity since incorporation has been that of property development.

DIRECTORS

The directors who served during the year were:

T Hajoglou
I A Jones (appointed 29 September 2021)
W Cole (appointed 21 December 2022)
T Backhouse (resigned 29 September 2021)
T Mirfield (resigned 27 October 2022)
S Russell (resigned 11 November 2022)
R Turner (resigned 21 December 2022)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' 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 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that 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.

SMALL COMPANIES NOTE

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

This report was approved by the board and signed on its behalf.

DocuSigned by:

C9FCE21A8B16453...
I A Jones
Director
Date: 26 June 2023

BACKHOUSE (WARMINSTER) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	£	£
Administrative expenses	(1,542)	(1,440)
Operating loss	(1,542)	(1,440)
Tax on loss	-	-
Loss for the financial year	(1,542)	(1,440)

There was no other comprehensive income for 2022 (2021:£NIL).

The notes form part of these financial statements.

BACKHOUSE (WARMINSTER) LIMITED
REGISTERED NUMBER:12417229
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Current Assets			
Stocks	5	2,338,136	1,909,552
Debtors	6	10,737	11,139
Cash at bank and in hand	7	80	698
		<u>2,348,953</u>	<u>-</u>
Creditors: amounts falling due within one year	8	<u>(64,151)</u>	<u>(61,699)</u>
Net Current Assets		<u>2,284,803</u>	<u>1,859,691</u>
Total assets less current liabilities		<u>2,284,803</u>	<u>1,859,691</u>
Creditors: amounts falling due after more than one year		<u>(2,287,785)</u>	<u>(1,861,131)</u>
Net Assets/(Liabilities)		<u><u>(2,982)</u></u>	<u><u>(1,440)</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>(2,983)</u>	<u>(1,441)</u>
		<u><u>(2,982)</u></u>	<u><u>(1,440)</u></u>

For the year ending 30 June 2022 the company was entitled to 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 in accordance with section 476 of the Companies 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the 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 were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 CE21A8B16453...
 I A Jones

Director

Date: 26 June 2023

The notes form part of these financial statements.

**BACKHOUSE (WARMINSTER) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. GENERAL INFORMATION

Backhouse (Warminster) Limited is a private company limited by shares and incorporated in England and Wales. The registered office is DAC Beachcroft LLP, Portwall Place, Portwall Lane, Bristol, BS1 9HS.

The abridged financial statements have been prepared in accordance with FRS 102 Section 1A – The Financial Reporting Standard applicable in the UK and Republic of Ireland (March 2018) and the Companies Act 2006, including the provisions permitting an abridged profit and loss account and balance sheet to be prepared.

2. ACCOUNTING POLICIES

GOING CONCERN

At the year end the company had net liabilities of £2,982. Included within creditors at the year end is a loan of £2,287,785 due to the parent company which has been used to fund property development. The directors have received confirmation that the parent company will continue to support the business and the loan is not due for repayment until December 2023.

The directors consider whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that due to the future prospects of the business it is reasonable to adopt the going concern policy.

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such a time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

STOCKS

Work in progress is carried at the lower of cost and net realisable value. Land held for development and the costs of development are initially recognised at transaction cost. The company allocates sitewide development costs between housing units on a basis that apportions the site costs between units sold on the open market and units sold to housing associations. The allocation reflects a nil margin earned on the sale of units to housing associations. Costs are carried at transactional cost until turnover in respect of the unit is recognised.

Where the outcome of the construction contract can be estimated reliably, costs are recognised by reference to the stage of completion of the contract activity at the reporting end date.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

BACKHOUSE (WARMINSTER) LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. ACCOUNTING POLICIES (continued)

CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. EMPLOYEES

The Company has no employees other than the directors, who did not receive any remuneration.

BACKHOUSE (WARMINSTER) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

4. STOCKS

	2022	2021
	£	£
Work in Progress	<u>2,338,136</u>	<u>1,909,552</u>
	<u>2,338,136</u>	<u>1,909,552</u>

5. DEBTORS

	2022	2021
	£	£
Other debtors	<u>10,737</u>	<u>11,139</u>
	<u>10,737</u>	<u>11,139</u>

6. CASH AND CASH EQUIVALENTS

	2022	2021
	£	£
Cash at bank	<u>80</u>	<u>698</u>
	<u>80</u>	<u>698</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	16,429	28,544
Accruals and deferred income	<u>47,722</u>	<u>33,155</u>
	<u>64,151</u>	<u>61,699</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Amounts owed to group undertakings	<u>2,287,785</u>	<u>1,861,131</u>
	<u>2,287,785</u>	<u>1,861,131</u>

Amounts due to group undertakings incur interest at a rate of 11% and are repayable on 31 December 2023.

**BACKHOUSE (WARMINSTER) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

9. CONTINGENT LIABILITIES

The company is party to a VAT group registration with several fellow subsidiaries of Backhouse Opportunities Limited. A potential contingent liability arises as all members of the group are jointly and severally liable for any VAT debts.

10. RELATED PARTY TRANSACTIONS

At the year end the company owes a loan of £2,287,785 (2021: £1,861,131) to its immediate parent undertaking. Interest of £226,258 (2021: £216,301) has been charged on the loan in the year.

11. CONTROLLING PARTY

Backhouse (Warminster) Limited is owned and controlled by Backhouse Opportunities Limited by virtue of a 100% shareholding. The registered address of Backhouse Opportunities Limited is DAC Beachcroft LLP, Portwall Place, Portwall Lane, Bristol, BS1 9HS.

12. EVENT AFTER THE REPORTING PERIOD

On 16 Sept 2022, the reserved matters application deadline expired. Given the outcome of the application, the work in progress is impaired. Based on an independent valuation, the market valuation of the land on 8th June 2023 was £147,000.

At 30 June 2022, the company's owed its immediate parent undertaking £2,287,785. This intercompany liability will be written down inline with the impairment on the work in progress.

The impairment is considered a non-adjusting event after the reporting period due to the planning lapsing post year end. This means that the financial statements for the year ended 30 June 2022 have not been adjusted to reflect the loss. However, we have disclosed the event in the notes to the financial statements to ensure that users of the financial statements are aware of the potential impact of the event on our financial position and results of operations.