

## **Cliffarch Limited**

**Unaudited Financial Statements**

**Period Ended**

**31 December 2019**

**Company Number 05835304**

**SATURDAY**



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**19/12/2020**

**#189**

**COMPANIES HOUSE**

**Cliffarch Limited**  
Registered number: 05835304

**Statement of financial position**  
**As at 31 December 2019**

			31 December 2019 £	30 June 2019 £
	Note			
<b>Fixed assets</b>				
Tangible assets	5		141	189
			<u>141</u>	<u>189</u>
<b>Current assets</b>				
Work in progress	6	3,728,372	3,728,372	
Debtors: amounts falling due within one year	7	8,419	1,329	
Cash at bank and in hand		2,202,113	2,487,496	
		<u>5,938,904</u>	<u>6,217,197</u>	
Creditors: amounts falling due within one year	8	(5,917,669)	(6,032,715)	
<b>Net current assets</b>			<u>21,235</u>	<u>184,482</u>
<b>Total assets less current liabilities</b>			<u>21,376</u>	<u>184,671</u>
<b>Net assets</b>			<u>21,376</u>	<u>184,671</u>
<b>Capital and reserves</b>				
Called up share capital	9		1,000	1,000
Profit and loss account			20,376	183,671
			<u>21,376</u>	<u>184,671</u>

**Cliffarch Limited**  
Registered number: 05835304

**Statement of financial position (continued)**  
**As at 31 December 2019**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with 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:

  
J B Sparrow  
Director

Date: 16/12/2020

The notes on pages 4 to 10 form part of these financial statements.

# Cliffarch Limited

## Statement of changes in equity For the Period Ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 July 2018</b>	<b>1,000</b>	<b>238,607</b>	<b>239,607</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(54,936)	(54,936)
<b>At 1 July 2019</b>	<b>1,000</b>	<b>183,671</b>	<b>184,671</b>
<b>Comprehensive income for the period</b>			
Loss for the period	-	(43,295)	(43,295)
Dividends: Equity capital	-	(120,000)	(120,000)
<b>At 31 December 2019</b>	<b>1,000</b>	<b>20,376</b>	<b>21,376</b>

The notes on pages 4 to 10 form part of these financial statements.

# **Cliffarch Limited**

## **Notes to the financial statements For the Period Ended 31 December 2019**

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### **1. General information**

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which all of the company's transactions are denominated. They comprise the financial statements of the company for the period ended 31 December 2019 and are presented to the nearest pound.

The company has determined that the (GBP) is its functional currency, as this is the currency of the economic environment in which the company predominantly operates.

The principal activity of the company during the period continued to be that of real estate development.

The company is a United Kingdom company limited by shares. It is both incorporated and domiciled in England and Wales. The registered office address is 60 High Street, Otford, Kent, TN14 5PH.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### **2.2 Going concern**

The directors of the Company are currently assessing the impact of COVID-19. The situation is evolving rapidly and it is not possible at this stage to determine with any certainty the impact on the Company, its customers, employees and suppliers. The directors are continually reviewing their plans and forecasts and directors believe that the going concern basis is appropriate, however depending on the severity and length of the crisis there is a risk that the Company could require further funding or support.

# Cliffarch Limited

## Notes to the financial statements For the Period Ended 31 December 2019

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### 2. Accounting policies (continued)

#### 2.3 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 operates and generates income.

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

- 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

#### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	- 25% reducing balance
Office equipment	- 25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

# **Cliffarch Limited**

## **Notes to the financial statements For the Period Ended 31 December 2019**

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### **2. Accounting policies (continued)**

#### **2.5 Stocks and work in progress**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress represents costs associated with the purchase of land, associated acquisition costs and development costs for property development projects that have not been completed at the year end.

Work in progress is valued at the lower of cost and net realisable value.

#### **2.6 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.

#### **2.7 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.

#### **2.8 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.

# **Cliffarch Limited**

## **Notes to the financial statements For the Period Ended 31 December 2019**

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### **2. Accounting policies (continued)**

#### **2.9 Financial instruments**

Financial instruments are recognised in the Statement of Financial Position when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. Subsequent to initial recognition, they are measured as set out below. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

##### **Classification**

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter 11 of FRS 102.

##### **Subsequent measurement**

Loans and receivables are measured at amortised cost, using the effective interest method. Trade debtors and trade payables are recognised at the undiscounted amount owed by the customer or to the supplier, which is normally the invoice amount.

#### **2.10 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Due to the simplicity of the Company's transaction streams and year-end financial position, the directors consider there to be no critical judgements, estimates or assumptions in the preparation of these financial statements.



# Cliffarch Limited

## Notes to the financial statements For the Period Ended 31 December 2019

### 4. Employees

The average monthly number of employees, including directors, during the period was 2 (2019 - 2).

### 5. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
<b>Cost or valuation</b>			
At 1 July 2019	2,110	408	2,518
At 31 December 2019	2,110	408	2,518
<b>Depreciation</b>			
At 1 July 2019	1,952	377	2,329
Charge for the period on owned assets	40	8	48
At 31 December 2019	1,992	385	2,377
<b>Net book value</b>			
At 31 December 2019	118	23	141
At 30 June 2019	158	31	189

### 6. Work in progress

	31 December 2019 £	30 June 2019 £
Work in progress	3,728,372	3,728,372
	3,728,372	3,728,372

# Cliffarch Limited

## Notes to the financial statements For the Period Ended 31 December 2019

### 7. Debtors

	31 December 2019 £	30 June 2019 £
VAT repayable	5,394	148
Subcontractor retention	1,844	-
Corporation tax repayable	1,181	1,181
	<u>8,419</u>	<u>1,329</u>

### 8. Creditors: Amounts falling due within one year

	31 December 2019 £	30 June 2019 £
Trade creditors	(331)	(785)
Other creditors	5,911,000	6,031,000
Accruals and deferred income	7,000	2,500
	<u>5,917,669</u>	<u>6,032,715</u>

### 9. Share capital

	31 December 2019 £	30 June 2019 £
<b>Allotted, called up and fully paid</b>		
1,000 (30 June 2019 - 1,000) Ordinary shares shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

# Cliffarch Limited

## Notes to the financial statements For the Period Ended 31 December 2019

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### 10. Related party transactions

#### (i) Directors' current account

Included in other creditors due within one year, is an amount of £2,955,620 (30 June 2019: £3,075,620) owed by the company to the directors in relation to money loaned to finance the company's development projects. The loan is unsecured and repayable on demand.

#### (ii) Family loans

At the balance sheet date, £2,955,267 (30 June 2019: £2,955,267) was owed by the company to family members of the directors and shareholders. The loans are included in other creditors. The total loan is unsecured, interest free and repayable on demand.

### 11. Controlling party

The company is under the control of the directors by virtue of their 100% ownership in the share capital.