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Registered number: 05835304

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CLIFFARCH LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2018

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	5		252		1,236
			252		1,236
Current assets					
Work in progress	6	3,390,884		5,280,406	
Debtors: amounts falling due within one year	7	10,298		33,910	
Cash at bank and in hand	8	3,231,887		92,247	
		6,633,069		5,406,563	
Creditors: amounts falling due within one year	9	(6,393,714)		(5,580,538)	
Net current assets/(liabilities)			239,355		(173,975)
Total assets less current liabilities			239,607		(172,739)
Net assets/(liabilities)			239,607		(172,739)
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss account			238,607		(173,739)
			239,607		(172,739)

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2018

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 year 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: 24/4/19

The notes on pages 4 to 11 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2016	**1,000**	**(139,553)**	**(138,553)**
Comprehensive income for the year			
Loss for the year	**-**	**(34,186)**	**(34,186)**
At 1 July 2017	**1,000**	**(173,739)**	**(172,739)**
Comprehensive income for the year			
Profit for the year	**-**	**412,346**	**412,346**
At 30 June 2018	**1,000**	**238,607**	**239,607**

The notes on pages 4 to 11 form part of these financial statements.

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 year ended 30 June 2018 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

No material uncertanties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors. The company continues to receive the support of the directors.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. *Accounting policies (continued)*

2.4 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.

2.5 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.

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2. Accounting policies (continued)

2.10 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

4. Employees

The average monthly number of employees, including directors, during the year was 2 *(2017 - 2)*.

5. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost or valuation			
At 1 July 2017	**15,889**	**975**	**16,864**
Disposals	**(13,779)**	**(557)**	**(14,336)**
At 30 June 2018	**2,110**	**418**	**2,528**
Depreciation			
At 1 July 2017	**14,742**	**886**	**15,628**
Charge for the year on owned assets	**71**	**14**	**85**
Disposals	**(12,914)**	**(523)**	**(13,437)**
At 30 June 2018	**1,899**	**377**	**2,276**
Net book value			
At 30 June 2018	**211**	**41**	**252**
At 30 June 2017	*1,147*	*89*	*1,236*

6. Work in progress

	2018 £	*2017* £
Work in progress	**3,390,884**	*5,280,406*
	3,390,884	*5,280,406*

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

7. Debtors

	2018 £	*2017 £*
VAT recoverable	**8,427**	*32,039*
Prepayments and accrued income	**1,871**	*1,871*
	10,298	*33,910*

8. Cash and cash equivalents

	2018 £	*2017 £*
Cash at bank and in hand	**3,231,887**	*92,247*
	3,231,887	*92,247*

9. Creditors: Amounts falling due within one year

	2018 £	*2017 £*
Other creditors	**6,391,714**	*5,578,538*
Accruals and deferred income	**2,000**	*2,000*
	6,393,714	*5,580,538*

10. Financial instruments

	2018 £	*2017 £*
Financial assets		
Financial assets measured at fair value through profit or loss	**3,231,887**	*92,247*

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

11. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
1,000 Ordinary shares shares of £1.00 each	**1,000**	*1,000*

12. Related party transactions

(i) Directors' current account
At 30 June 2018 and included within other creditors due within one year, is an amount of £3,275,620 (2017: £3,160,620) 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 (2017: £2,355,267) 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.

13. Controlling party

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