

## **Cliffarch Limited**

**Unaudited Financial Statements**

**Year Ended**

**31 December 2021**

**Company Number 05835304**

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**Cliffarch Limited**  
Registered number: 05835304

**Statement of financial position**  
**As at 31 December 2021**

	Note		2021 £	2020 £
<b>Fixed assets</b>				
Tangible assets	5		877	-
			<u>877</u>	<u>-</u>
<b>Current assets</b>				
Work in progress	6	11,283	3,344,304	
Debtors: amounts falling due within one year	7	44,484	447,255	
Cash at bank and in hand		16,583	2,056,522	
		<u>72,350</u>	<u>5,848,081</u>	
Creditors: amounts falling due within one year	8	(3,441)	(5,832,694)	
<b>Net current assets</b>			<u>68,909</u>	<u>15,387</u>
<b>Total assets less current liabilities</b>			<u>69,786</u>	<u>15,387</u>
<b>Net assets</b>			<u>69,786</u>	<u>15,387</u>
<b>Capital and reserves</b>				
Called up share capital	9	1,000	1,000	
Profit and loss account		68,786	14,387	
			<u>69,786</u>	<u>15,387</u>

**Cliffarch Limited**  
**Registered number: 05835304**

**Statement of financial position (continued)**  
**As at 31 December 2021**

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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 year in question in accordance with section 476 of the 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: 18/08/2022

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

# Cliffarch Limited

## Statement of changes in equity For the Year Ended 31 December 2021

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 January 2020</b>	<b>1,000</b>	<b>20,376</b>	<b>21,376</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(5,989)	(5,989)
<b>At 1 January 2021</b>	<b>1,000</b>	<b>14,387</b>	<b>15,387</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	54,399	54,399
<b>At 31 December 2021</b>	<b>1,000</b>	<b>68,786</b>	<b>69,786</b>

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

# **Cliffarch Limited**

## **Notes to the financial statements For the Year Ended 31 December 2021**

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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 year ended 31 December 2021 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 year 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 accounts have been prepared on a going concern basis having regard to the future trading performance of the Company and continued financial support from its shareholders.

The directors continually monitor the financial conditions of the Company and have, in their opinion, made available sufficient funding to enable the Company to trade through 12 months from signing the accounts.

The directors of the Company continue to assessing the impact of COVID-19. The Company successfully transitioned to full working from home with no impact to productivity, whilst the development of Company's properties continued.

# Cliffarch Limited

## Notes to the financial statements For the Year Ended 31 December 2021

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### 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.

#### 2.4 Taxation

Tax is recognised in profit or loss 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.

# Cliffarch Limited

## Notes to the financial statements For the Year Ended 31 December 2021

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### 2. Accounting policies (continued)

#### 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, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 25% straight line
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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 profit or loss.

#### 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.

#### 2.10 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

# **Cliffarch Limited**

## **Notes to the financial statements For the Year Ended 31 December 2021**

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

#### **2.10 Financial Instruments (continued)**

third parties, loans to related parties and investments in ordinary shares.

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.

### **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.

### **4. Employees**

The average monthly number of employees, including directors, during the year was 2 (2020 - 2).



# Cliffarch Limited

## Notes to the financial statements For the Year Ended 31 December 2021

### 5. Tangible fixed assets

	Plant and machinery £
<b>Cost or valuation</b>	
Additions	1,169
At 31 December 2021	<u>1,169</u>
<b>Depreciation</b>	
Charge for the year	292
At 31 December 2021	<u>292</u>
<b>Net book value</b>	
At 31 December 2021	<u>877</u>
At 31 December 2020	<u>-</u>

### 6. Work in progress

	2021 £	2020 £
Work in progress	11,283	3,344,304
	<u>11,283</u>	<u>3,344,304</u>

### 7. Debtors

	2021 £	2020 £
Trade debtors	-	447,255
Other debtors (see note 10)	44,380	-
VAT recoverable	104	-
	<u>44,484</u>	<u>447,255</u>

# Cliffarch Limited

## Notes to the financial statements For the Year Ended 31 December 2021

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

	2021 £	2020 £
Corporation tax	891	-
Other taxation and social security	-	19,607
Other creditors (see note 10)	-	5,810,887
Accruals and deferred income	2,550	2,200
	<u>3,441</u>	<u>5,832,694</u>

### 9. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
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 Year Ended 31 December 2021

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### 10. Related party transactions

#### (i) Directors' current account

Included in other debtors (2020: other creditors) due within one year, is an amount of £44,380 (2020: £2,855,620) owed to (2020: owed by) the company by the directors in relation to money loaned to finance the company's development projects. The loan is unsecured and repayable on demand. The overdrawn loan account has been repaid since the year end.

#### (ii) Family loans

At the balance sheet date, £Nil (2020: £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.