

COMPANY REGISTRATION NUMBER: 09323682

Sunningdale House Developments Limited

Financial Statements

31 December 2019

Sunningdale House Developments Limited

Financial Statements

Year ended 31 December 2019

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Sunningdale House Developments Limited

Strategic Report

Year ended 31 December 2019

Introduction The directors present their strategic report for the year ended 31 December 2019. Principle activities The company is an multi award winning residential developer building bespoke, high quality multi-occupancy schemes, waterfront, and family housing developments throughout the South East of England. Financial Performance Indicators The group achieved a loss of £3,878,526 (2019: Profit of £13,725) from 51 unit sales completions, however this loss was predominantly due to the underperformance of one subsidiary's site, accountable for £2,923,796 of the loss. The 51 unit completions was significantly higher than the 34 achieved in the prior year, hence turnover increased dramatically by £15,149,934, from £5,864,361 in 2018 to £21,014,295 in 2019. This shows the strength of demand for the high-quality housing stock held. The group work in progress grew significantly from £69,125,479 to £136,813,291. This represents an increase 97.9% (£67,687,812) which is due to a significant number of projects nearing the final stages of completion. The groups bank loans and overdrafts falling due within one year has grown dramatically from £1,931,578 to £78,838,624 predominantly due to many projects being refinanced after the year end, and as a result the group has also seen a reduction in the bank loans and overdrafts falling due after more than one year of £29,968,516. The remaining increase is due to the significant increase in land secured for development. Future Developments The number of homes sold in 2019 was 51, an increase of 50% from the prior year. Land owned by the group with either outline or detailed planning consents equates to 845 units with a further 422 units held under option agreements. The group plans to build on the current year by continuing its work on existing projects through to completion whilst seeking out new opportunities wherever they may present themselves. Principal risks and uncertainties COVID-19 The COVID-19 pandemic continues to have widespread, rapidly evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. The government have required and may in the future require measures to contain the virus, including social distancing, travel restrictions, limitations on public gatherings, work from home, supply chain logistical changes, and closure of non-essential businesses at times also. However, the residential housing market and the associated outsourced construction has been allowed to remain open throughout most of the pandemic and the business has put procedures in place to ensure it can continue safely and efficiently. The extent to which the COVID-19 pandemic impacts our business going forward will depend on numerous evolving factors we cannot reliably predict, including the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity including the possibility of recession or financial market instability. Financial The directors are disappointed to report a substantial loss for the year, but as mentioned earlier this is largely due to the underperformance of one site in one subsidiary that was met with unforeseen costs and was accountable for £2,923,796 of the total loss. This has led to a build and cost management review of all other sites and subsidiaries to ensure the detailed appraisals prepared for each development are not affected by any such issue going forward. The directors believe that the company is in a strong position to recover the loss and become profitable going forward despite the impacts of coronavirus as the residential housing market continues to prove robust with little downturn and high demand combined with more of the projects being completed or in the final phases of construction and thus more attractive to potential buyers, as borne out by post year-end sales. The main creditor of the business, also a shareholder, continues to be supportive and has provided additional funding during 2020. Liquidity The business has managed creditors to ensure liquidity throughout the year and expects to improve on this position as various non-profit making S106 agreements near completion releasing more advantageous future reserves from continuing development projects. Political Management are aware of the risks Brexit poses and continues to monitor various policies which can drive the housing markets such as the help to buy scheme and the current stamp duty holiday.

This report was approved by the board of directors on 21 May 2021 and signed on behalf of the board by:

Mr D R Pownceby

Director

Registered office:

Camburgh House

27 New Dover Road

Canterbury

Kent

United Kingdom

CT1 3DN

Sunningdale House Developments Limited

Director's Report

Year ended 31 December 2019

The director presents his report and the financial statements of the group for the year ended 31 December 2019 .

Directors

The directors who served the company during the year were as follows:

Mr D R Pownceby

Mr T C le Maistre

Mr T C Le Maistre resigned as a director after the balance sheet date, on 17 November 2020 .

Dividends

The director does not recommend the payment of a dividend.

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations. Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period. In preparing these financial statements, the director is required to: - select suitable accounting policies and then apply them consistently; - make judgments and accounting estimates that are reasonable and prudent; - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The director is 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. He is 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

This report was approved by the board of directors on 21 May 2021 and signed on behalf of the board by:

Mr D R Pownceby

Director

Registered office:

Camburgh House

27 New Dover Road

Canterbury

Kent

United Kingdom

CT1 3DN

Sunningdale House Developments Limited

Independent Auditor's Report to the Members of Sunningdale House Developments Limited

Year ended 31 December 2019

Opinion

We have audited the financial statements of Sunningdale House Developments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We draw your attention to note 3 (going concern accounting policy) which details there is financial reliance on an associated entity. As stated in the note, this matter indicates that material uncertainty may exist that may cause doubt over the company's ability to continue as a going concern.

Our opinion is not modified in respect of this.

Emphasis of matter

The prior year financial statements were not audited.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or - the parent company financial statements are not in agreement with the accounting records and returns; or - certain disclosures of director's remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements.

We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Collyer

(Senior Statutory Auditor)

For and on behalf of

Burgess Hodgson LLP

Chartered accountants & statutory auditor

Camburgh House

27 New Dover Road

Canterbury

Kent

CT1 3DN

24 May 2021

Sunningdale House Developments Limited

Consolidated Statement of Income and Retained Earnings

Year ended 31 December 2019

		2019	Unaudited 2018 (restated)
	Note	£	£
Turnover	4	21,014,295	5,864,361
Cost of sales		24,250,676	5,653,146
		-----	-----
Gross (loss)/profit		(3,236,381)	211,215
Administrative expenses		642,046	174,629
		-----	-----
Operating (loss)/profit		(3,878,427)	36,586
Loss on impairment or disposal of operations		(99)	—
Interest payable and similar expenses	7	—	686
		-----	-----
(Loss)/profit before taxation		(3,878,526)	35,900
Tax on (loss)/profit	8	—	22,175
		-----	-----
(Loss)/profit for the financial year and total comprehensive income		(3,878,526)	13,725
		-----	-----
Retained earnings at the start of the year		581,918	568,193
		-----	-----
Retained (losses)/earnings at the end of the year		(3,296,608)	581,918
		-----	-----

All the activities of the group are from continuing operations.

Sunningdale House Developments Limited

Company Statement of Income and Retained Earnings

Year ended 31 December 2019

		2019	Unaudited 2018 <i>(restated)</i>
	Note	£	£
(Loss)/profit for the financial year and total comprehensive income		(1,761,709)	21,591
Retained earnings at the start of the year		598,784	578,426
		-----	-----
Retained (losses)/earnings at the end of the year		(1,162,925)	600,017
		-----	-----

Sunningdale House Developments Limited

Consolidated Statement of Financial Position

31 December 2019

		2019	2018
			(restated)
	Note	£	£
Fixed assets			
Tangible assets	9	7,851	—
Investments	10	434	533
		8,285	533
Current assets			
Stocks	11	136,813,291	69,125,479
Debtors	12	2,215,016	882,130
Cash at bank and in hand		533,008	1,498,100
		139,561,315	71,505,709
Creditors: amounts falling due within one year	13	142,866,184	40,955,784
Net current (liabilities)/assets		(3,304,869)	30,549,925
Total assets less current liabilities		(3,296,584)	30,550,458
Creditors: amounts falling due after more than one year	14	—	29,968,516
Net (liabilities)/assets		(3,296,584)	581,942
Capital and reserves			
Called up share capital	18	4	4
Profit and loss account		(3,296,608)	581,918
Equity attributable to the owners of the parent company		(3,296,604)	581,922
Non-controlling interests		20	20
		(3,296,584)	581,942

These financial statements were approved by the board of directors and authorised for issue on 21 May 2021 , and are signed on behalf of the board by:

Mr D R Pownceby

Director

Company registration number: 09323682

Sunningdale House Developments Limited

Company Statement of Financial Position

31 December 2019

		2019	2018
			(restated)
	Note	£	£
Fixed assets			
Tangible assets	9	7,851	—
Investments	10	433	532
		8,284	532
Current assets			
Stocks	11	1,624,858	6,865,575
Debtors	12	51,917,656	30,755,533
Cash at bank and in hand		532,979	1,498,099
		54,075,493	39,119,207
Creditors: amounts falling due within one year	13	55,246,698	38,519,718
Net current (liabilities)/assets		(1,171,205)	599,489
Total assets less current liabilities		(1,162,921)	600,021
Net (liabilities)/assets		(1,162,921)	600,021
Capital and reserves			
Called up share capital	18	4	4
Profit and loss account		(1,162,925)	600,017
Shareholders (deficit)/funds		(1,162,921)	600,021

The loss for the financial year of the parent company was £ 1,761,709 (2018: £ 21,591 profit).

These financial statements were approved by the board of directors and authorised for issue on 21 May 2021 , and are signed on behalf of the board by:

Mr D R Pownceby

Director

Company registration number: 09323682

Sunningdale House Developments Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2019

	2019	2018
		(restated)
	£	£
Cash flows from operating activities		
(Loss)/profit for the financial year	(3,878,526)	13,725
<i>Adjustments for:</i>		
Interest payable and similar expenses	—	686
Loss on impairment or disposal of operations	99	—
Tax on (loss)/profit	—	22,175
Accrued expenses	57,818	89,116
<i>Changes in:</i>		
Stocks	(67,687,812)	(33,718,041)
Trade and other debtors	(1,332,886)	(643,588)
Trade and other creditors	25,018,105	15,542,332
Cash generated from operations	(47,823,202)	(18,693,595)
Interest paid	—	(686)
Tax (paid)/received	(72,668)	51,322
Net cash used in operating activities	(47,895,870)	(18,642,959)
Cash flows from investing activities		
Purchase of tangible assets	(7,851)	—
Acquisition of subsidiaries	—	(533)
Proceeds from sale of subsidiaries	99	—
Net cash used in investing activities	(7,752)	(533)
Cash flows from financing activities		
Proceeds from borrowings	46,938,530	20,054,883
Net cash from financing activities	46,938,530	20,054,883
Net (decrease)/increase in cash and cash equivalents	(965,092)	1,411,391
Cash and cash equivalents at beginning of year	1,498,100	86,709
Cash and cash equivalents at end of year	533,008	1,498,100

Sunningdale House Developments Limited

Notes to the Financial Statements

Year ended 31 December 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Camburgh House, 27 New Dover Road, Canterbury, Kent, CT1 3DN, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

In assessing the going concern basis for the group the directors have considered their ability to repay loans as they fall due. There are currently loans with an associated company for £52,395,695 and the subsidiary companies have loans containing charges over the assets of the group of £78,838,624. The directors have received confirmation from the associated company that the loan will not be recalled until a time where the company has the funds to repay without causing financial difficulty for the entity. Interest on third party loans accrues and does not become payable until sales of properties are made supporting cash flow. For the third party loans, however, some became payable in April 2021 and are currently being re-negotiated while others become payable over the next 12 months (having been extended in the year ended 31 December 2020). The directors expect that refinancing will be obtained as the group holds £136,813,291 of WIP, in relation to property under construction, against which security will be given. If the loans are not renewed then there would be material uncertainty in respect of going concern. There is also material uncertainty at a group level if the associated funding is not continued. The directors believe that loans will be renewed on a company level and that there is continued support to the parent, based on confirmation received, and therefore they continue to adopt the going concern basis.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Sunningdale House Developments Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Any losses expected on projects currently being undertaken are offset against the carrying value of the work in progress at the year end, even when the builds are not yet complete.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the amount of current tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively. Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stock and work in progress

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Short term debtors and creditors are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account. Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund. When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2019	Unaudited 2018 (restated)
	£	£
Sale of goods	21,014,295	5,864,361
	-----	-----

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Auditor's remuneration

	2019	Unaudited 2018 (restated)
	£	£
Fees payable for the audit of the financial statements	40,000	—

6. Staff costs

The average number of persons employed by the group during the year, including the director, amounted to:

	2019 No.	2018 No.
Production staff	1	—
Administrative staff	1	3
Management staff	4	2
Number of sales staff	10	—
	16	5

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	Unaudited 2018 (restated)
	£	£
Wages and salaries	319,988	79,802
Social security costs	33,144	1,213
Other pension costs	3,813	224
	356,945	81,239

7. Interest payable and similar expenses

	2019	Unaudited 2018 (restated)
	£	£
Other interest payable and similar charges	—	686

8. Tax on (loss)/profit

Major components of tax expense

	2019	Unaudited 2018 (restated)
	£	£
Current tax:		
UK current tax expense	—	23,000
Adjustments in respect of prior periods	—	(825)
Total current tax	—	22,175
Tax on (loss)/profit	—	22,175

Reconciliation of tax expense

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19 % (2018: 19 %).

	2019	Unaudited 2018 (restated)
	£	£
(Loss)/profit on ordinary activities before taxation	(3,878,526)	35,900
(Loss)/profit on ordinary activities by rate of tax	(736,920)	6,821
Adjustment to tax charge in respect of prior periods	—	(157)
Effect of capital allowances and depreciation	(1,492)	—
Unused tax losses	738,412	15,511
Tax on (loss)/profit	—	22,175

All items have been calculated using 19%. It is noted that the government announced that for the tax year starting 1 April 2023 there will be an increase to tax rates to 25% for higher profit making entities. This will have an impact on the recognition of deferred tax assets and liabilities within Sunningdale House Developments Limited . No deferred tax asset has been recognised due to the uncertainty of having sufficient future taxable profits to offset the losses incurred to date. The unrecognised deferred tax asset as at 31 December 2019 stands at £750k (2018: £17k).

9. Tangible assets

Group and company	Fixtures and fittings £
Cost	
At 1 January 2019 (as restated)	—
Additions	7,851
At 31 December 2019	7,851
Depreciation	
At 1 January 2019 and 31 December 2019	—
Carrying amount	
At 31 December 2019	7,851
At 31 December 2018	—

10. Investments

Group	Shares in group undertakings £
Cost	
At 1 January 2019 as restated	533
Disposals	(99)
At 31 December 2019	434
Impairment	
At 1 January 2019 as restated and 31 December 2019	—
Carrying amount	
At 31 December 2019	434

Company	Shares in group undertakings	£
Cost		
At 1 January 2019 as restated		532
Disposals		(99)

At 31 December 2019		433

Impairment		
At 1 January 2019 as restated and 31 December 2019		—

Carrying amount		
At 31 December 2019	433	

At 31 December 2018	532	

Subsidiaries, associates and other investments

Details of the investments in which the group and parent company have an interest of 20% or more are as follows:

Subsidiary undertakings where 100% of ordinary share capital is held

Sunningdale House Developments (Maidstone) Limited

Sandgate Pavilion Management Company Limited

Sunningdale House Developments (Walmer) Ltd

Sunningdale House Developments (Walmer Management Company) Limited Sunningdale House Developments (Eastry) Limited

Sunningdale House Developments (Tw One) Limited

Hannover House Management Company Limited

Wrecclesham Hill (The Grove) Management Company Limited Wrecclesham Hill (Ancient Forest) Management Company Limited Winchfield Crescent Management Company Limited

Howard Place (Weybridge) Management Limited

Sunningdale House Developments (North Foreland) Limited Sunningdale House Developments (Tuckingmill) Limited

Sunningdale House Developments (Ascot Three) Limited

Sunningdale House Developments (Ascot Two) Limited

Sunningdale House Developments (High Halden) Limited

Sunningdale House Developments (Minster) Limited

Sunningdale House Developments (Ascot) Limited

Sunningdale House Developments (Dover Road Walmer) Limited Sunningdale House Developments (Larkey Wood Farm) Limited Sunningdale House (Heritage Farm Three) Limited

Sunningdale House (Cliffside Drive) Limited

Sunningdale House (Heritage Farm) Limited

Sunningdale House Developments (Bisley) Limited

Sunningdale House Developments (Sandgate) Limited

Sunningdale House Developments (Plover Road) Limited

Cliffside Drive Management Company Limited

Sunningdale House Developments (Evans Fields) Limited

Sunningdale House (Heritage Farm Two) Limited

Heritage Farm Two Management Company Limited

Sunningdale House Developments (Shadoxhurst) Limited

Sunningdale House Developments (St Nicolas) Limited

Sunningdale House Developments (Hill Farm) Limited

Subsidiary undertakings where 80% of ordinary share capital is held

Sunningdale House Sales Limited - Dissolved January 2020

Subsidiary undertakings where 75% of ordinary share capital is held

Bisley Management Company Limited

Subsidiary undertakings where 71% of ordinary share capital is held

Heritage Farm Management Company Limited

11. Stocks

	Group		Company	
	2019	2018	2019	2018
		(restated)		(restated)
	£	£	£	£
Work in progress	136,813,291	69,125,479	1,624,858	6,865,575
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12. Debtors

	Group		Company	
	2019	2018 (restated)	2019	2018 (restated)
	£	£	£	£
Trade debtors	54,738	—	54,738	—
Prepayments and accrued income	777,063	3,768	777,063	3,768
Other debtors	1,383,215	878,362	51,085,855	30,751,765
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	2,215,016	882,130	51,917,656	30,755,533
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13. Creditors: amounts falling due within one year

	Group		Company	
	2019	2018 (restated)	2019	2018 (restated)
	£	£	£	£
Bank loans and overdrafts	78,838,624	1,931,578	—	—
Trade creditors	2,458,577	4,098,430	2,458,577	4,098,430
Accruals and deferred income	57,818	89,116	34,956	73,556
Corporation tax	829	73,497	829	73,497
Social security and other taxes	15,523	1,964	15,523	1,964
Director loan accounts	423,226	—	423,226	—
Other creditors	61,071,587	34,761,199	52,313,587	34,272,271
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	142,866,184	40,955,784	55,246,698	38,519,718
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There are fixed and floating charges held over the land, freehold property and undertaking of the group. The land and freehold property are within the work in progress.

14. Creditors: amounts falling due after more than one year

	Group		Company	
	2019	2018 (restated)	2019	2018 (restated)
	£	£	£	£
Bank loans and overdrafts	—	29,968,516	—	—
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15. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 3,813 (2018: £ 224).

16. Financial instruments

The carrying amount for each category of financial instrument is as follows:

Financial assets measured at fair value through profit or loss

	Group		Company	
	2019	2018 (restated)	2019	2018 (restated)
	£	£	£	£
Trade debtors	54,738	—	—	—
Prepayments	777,063	3,768	—	—
Other debtors	1,383,215	878,362	—	—
	-----	-----	----	-----
	2,215,016	882,130	—	—
	-----	-----	----	-----

Financial liabilities measured at fair value through profit or loss

	Group		Company	
	2019	2018 (restated)	2019	2018 (restated)
	£	£	£	£
Bank loans and overdrafts	78,838,624	1,931,578	—	—
Trade creditors	2,458,577	4,098,430	—	—
Accruals	57,818	89,116	—	—
Other creditors	61,071,587	34,761,199	—	—
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	142,426,606	40,880,323	—	—
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17. Prior period adjustments

There have been the following adjustments to the prior period which have no effect on overall group profit: 1. Income has decreased by £68,354 in the parent company; 2. Costs have decreased by £195,781; 3. Closing work in progress has decreased by £195,781; 4. Intercompany debtors have decreased by £68,354 in the parent company. The income and intercompany debtor adjustments have been eliminated on consolidation.

18. Called up share capital

Issued, called up and fully paid

	2019		2018 (restated)	
	No.	£	No.	£
Ordinary shares of £ 1 each	4	4	4	4
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19. Analysis of changes in net debt

	At 1 Jan 2019		At 31 Dec 2019	
	£	Cash flows £	£	£
Cash at bank and in hand	1,498,100	(965,092)	533,008	
Debt due within one year	(1,931,578)	(77,330,272)	(79,261,850)	
Debt due after one year	(29,968,516)	29,968,516	—	
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	(30,401,994)	(48,326,848)	(78,728,842)	
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20. Related party transactions

Company

At the year end the company owed £423,226 (2018: £nil) to a director. At the year end the company owed £52,395,695 (2018: £25,190,088) to an associated company. At the year end the company was owed £785,990 by (2018: owed £4,866,218 to) a company related by virtue of shared key management personnel.

Sunningdale House Developments Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

21. Controlling party

There is no single controlling party of Sunningdale House Developments Limited .

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.