



Agenda

Commercial Ventures Executive Sub- Committee

Thursday, 24 March 2022 at 7.00 pm

New Council Chamber, Town Hall, Reigate



This meeting will take place in accordance with Government guidance. The Committee will assemble at the Town Hall, Reigate. Members of the public, Officers and Visiting Members may attend remotely.

Please wear a face covering at all times in the chamber, except when you are speaking, or, if you are seated at least 2 metres distance from others.



Members of the public may observe the proceedings live on the Council's [website](#).

Members:

T. Archer (Chair)

M. A. Brunt (Leader)

T. Schofield

V. H. Lewanski

Mari Roberts-Wood
Head of Paid Service

For enquiries regarding this agenda;

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Published 18 March 2022

Reigate & Banstead
BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate

1. Apologies for absence

To receive any apologies for absence.

2. Minutes of the previous meeting

(Pages 5 - 8)

To approve the minutes of the previous meeting as a correct record.

3. Declarations of interest

To receive any declarations of interest.

4. Companies Performance Update - Autumn 2021

(Pages 9 - 86)

To note the Autumn 2021 Companies Performance Update and the observations of the Overview & Scrutiny Committee discussed at the meeting on 21 October 2021.

5. Shareholder Actions - RBBC Housing - Independent Living

(Pages 87 - 98)

To approve the accounts of Shareholder Actions for RBBC Housing – Independent Living for the period 1 April 2021 to its dissolution date, 30 September 2021.

6. Exempt business

RECOMMENDED that members of the Press and public be excluded from the meeting for the following item of business under Section 100A(4) of the Local Government Act 1972 on the grounds that:

- i. it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act; and
- ii. the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

7. COMPANIES PERFORMANCE UPDATE - AUTUMN 2021 EXEMPT

8. Any other business

To consider any other urgent business.



Our meetings

As we would all appreciate, our meetings will be conducted in a spirit of mutual respect and trust, working together for the benefit of our Community and the Council, and in accordance with our Member Code of Conduct. Courtesy will be shown to all those taking part.



Streaming of meetings

Meetings are broadcast live on the internet and are available to view online for six months. A recording is retained for six years after the meeting. In attending any meeting, you are recognising that you may be filmed and consent to the live stream being broadcast online, and available for others to view.



Accessibility

The Council's agenda and minutes are provided in English. However, the Council also embraces its duty to anticipate the need to provide documents in different formats, such as audio, large print or in other languages. The Council will provide such formats where a need is identified prior to publication or on request.



Notice is given of the intention to hold any part of this meeting in private for consideration of any reports containing "exempt" information, which will be marked accordingly.

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Minutes of a meeting of the **Commercial Ventures Executive Sub-Committee** held at the **New Council Chamber - Town Hall, Reigate** on **Thursday, 30 September 2021 at 7.00 pm.**

Present: Councillors Archer (Chairman), M. Brunt, T. Schofield and V. H. Lewanski (Vice-Chair)

13 Minutes of the previous meeting

RESOLVED to approve the minutes of the previous meeting as a correct record.

14 Apologies for absence

There were no apologies for absence.

15 Declarations of interest

There were no declarations of interest.

16 Shareholder Actions - Accounts and Auditor appointment

The Sub-Committee considered two reports in respect of shareholder actions for Greensand Holdings Limited, a company 100% owned by the Council; and, Horley Business Park Development LLP, a company which was part-owned by the Council.

The first report related to Greensand Holdings Limited, which recommended that the Shareholder Representative for Greensand received Greensand's accounts to 31 December 2020; and approve the re-appointment of Kreston Reeves as auditor and authorise the Directors of the Company to fix the auditors' remuneration; and authorise the signing of the shareholder ordinary resolution for the record; and

The second report related to Horley Business Park Development LLP, which recommended that the Council's Partnership Representative receive its accounts to 31 December 2020; and directed the Council's Board Representatives for the Company to approve those accounts and approve the re-appointment of Moore Kingston Smith as auditor and fix the auditors' remuneration.

The recommendations, as set out in the reports, allowed the companies to meet their obligations under the Companies Act 2006 and their constitutions.

RESOLVED, as shareholder representative for Greensand Holdings Limited (the Company), a company 100% owned by RBBC:

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Commercial Ventures Executive Sub-Committee, Thursday, 30th September, 2021

- i. To receive the Company's Directors' Report and Audited Financial Statements for the year ended 31 December 2020 set out in the exempt report of the agenda;
- ii. To approve the re-appointment of Kreston Reeves LLP as auditor for Greensand Holdings Limited for the year to 31 December 2021;
- iii. For the auditor appointed to Greensand Holdings Limited in (ii) above, to authorise the Directors of the Company to fix the auditors' remuneration for the year to 31 December 2021 as set out in the exempt report of the agenda;
- iv. To authorise the Portfolio Holder for Investment and Companies to sign on behalf of the shareholder, RBBC, the shareholder ordinary resolution confirming (i.) to (iii.) above as set out in the exempt report of the agenda.

RESOLVED, as partner representative for Horley Business Park Development LLP (the Company), a company part-owned by Reigate and Banstead Borough Council (RBBC):

- v. To receive the Horley Business Park Development LLP's Annual Report and Financial Statements for the year ended 31 December 2020, set out in the exempt report of the agenda;
- vi. To direct the RBBC Board Representatives of the Company to approve the Annual Report and Financial Statements for the year to 31 December 2020;
- vii. To authorise the RBBC Board Representatives of the Company to approve the reappointment of Moore Kingston Smith LLP as auditor for Horley Business Park Development LLP (the Company) for the year to 31 December 2021; and
- viii. For the auditor appointed to Horley Business Park Development LLP in (vii) above, authorise the RBBC Board Representatives of the Company to fix the auditors' remuneration for the year to 31 December 2021, as set out in the exempt report of the agenda.

17 Shareholder Actions - RBBC Housing - Independent Living re AGM

The Sub-Committee considered a report which recommended shareholder actions in respect of the Council's Community Benefit Society to ensure it was governed correctly, met its statutory requirements, and be dissolved due to inactivity and no identified ambition to utilise it.

RESOLVED, as shareholder representative for Reigate and Banstead Borough Council, in respect of RBBC Housing – Independent Living:

- i. To note that an annual general meeting (AGM) for RBBC Housing – Independent Living was required to be held within six calendar months after the close of its financial year and consent to short notice of that AGM and authorise the Portfolio Holder for Investment and Companies to sign on behalf of Reigate & Banstead Borough Council, the Consent to Short Notice letter (Annex A);
- ii. To vote in favour of the following resolutions being proposed at RBBC Housing – Independent Living's AGM, as set out in Notice of AGM (Annex B):

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Commercial Ventures Executive Sub-Committee, Thursday, 30th September, 2021

- a. In light of RBBC Housing – Independent Living’s zero turnover and assets, to exercise the power under section 84 of the Co-operative and Community Benefit Societies Act 2014 (the Act) to disapply section 83 of the Act and remove the duty to appoint an auditor for the financial year ended 31 March 2021.
 - b. To receive and adopt RBBC Housing – Independent Living’s unaudited Financial Statements for the period ended 31 March 2021 (Annex C).
 - c. To receive and adopt the Directors’ report on the affairs of RBBC Housing – Independent Living (Annex D).
 - d. The dissolution of RBBC Housing – Independent Living be approved.
 - e. THAT, pursuant to and in accordance with Article G12 of the RBBC Housing – Independent Living’s rules and Section 119 of the Cooperative and Community Benefit Societies Act 2014 (“the Act”) the instrument of dissolution in the format prescribed by the FCA and containing all information required by section 119(2) of the Act to be further endorsed by at least three fourths of the Members to testify their consent to the dissolution of the Association (ANNEX E set out in the Exempt part of the report) be approved; and
- iii. The Portfolio Holder for Investment and Companies as the Corporate Representative for Reigate and Banstead Borough Council to attend and vote on the above resolutions at the RBBC Housing – Independent Living AGM be approved.

18 Exempt business

RESOLVED that members of the Press and public be excluded from the meeting for the following items of business under Section 100A(4) of the Local Government Act 1972 on the grounds that:

- i. it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act; and
- ii. the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

19 Shareholder Actions - Accounts and Auditor appointment (Exempt)

The Sub-Committee noted the exempt information within the exempt reports and no questions or concerns were raised.

20 Any other business

There was no other business.

The meeting finished at 7.07 pm

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SIGNED OFF BY	Head of Paid Service
AUTHOR	Tom Borer, Policy Officer
TELEPHONE	Tel: 01737 276717
EMAIL	tom.borer@reigate-banstead.gov.uk
TO	Commercial Ventures Executive Sub-Committee
DATE	Thursday, 18 November 2021
EXECUTIVE MEMBER	Portfolio Holder for Investment and Companies

KEY DECISION REQUIRED	N
WARDS AFFECTED	(All Wards);

SUBJECT	Companies Performance Update - Autumn 2021
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Recommendations
1. To note the Autumn 2021 Companies Performance Update, and the observations of the Overview & Scrutiny Committee, as set out in the report.
Reasons For Recommendations
To consider the performance of companies owned or part-owned by the Council, as of Autumn 2021
Executive Summary
<p>This report provides an overview of the performance of the companies currently owned, or part-owned, by the Council.</p> <p>The operational companies currently consist of Greensand Holdings Limited, Horley Business Park Development LLP, and Pathway for Care Limited.</p> <p>Two additional companies, RBBC Limited and RBBC Housing – Independent Living (the Council’s Community Benefit Society) are inactive.</p> <p>A new company, Camelia Close (Tadworth) Residents Management Company was established in May 2021. This company is not a Council-owned company, however it relates to a council project therefore is included in this report for completeness.</p> <p>Greensand Holdings is considered to be performing in line with expectations, Horley Business Park Development LLP is not currently considered to be performing in line with</p>

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expectations, and judgement is pending on the performance of Pathway for Care Limited. It is as yet considered to be too soon to offer a judgement Camelia Close Residents Management Company due to its recent establishment, but there are not anticipated to be any issues at this time.

The Overview & Scrutiny Committee considered this report at its meeting of 21 October 2021, and its observations are set out below.

Additional commercially sensitive supporting information is detailed in the exempt report set out in the Part 2 section of this agenda.

The Commercial Ventures Executive Sub-Committee has the authority to approve the above recommendation.

Statutory Powers

1. Section 1 of the Localism Act 2011 gives local authorities a general power of competence that enables them to do anything that a private individual is entitled to do, as long as it is not expressly prohibited by other legislation. Section 4 of the same Act directs that anything which is done for purely commercial purposes should be done through a company structure.
2. Companies and LLPs are governed by the Companies Act 2006; The Limited Liability Partnerships Act 2000; and The Limited Liability Partnerships Regulations 2001 (as amended principally by the Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009 and Community Benefit Societies are also governed by Co-operative and Community Benefit Societies Act 2014.

Background

3. Local Authorities face ongoing financial challenges in recent years, due to a combination of reductions in central government funding, and increasing demand on services in many areas. Whilst Reigate and Banstead Borough Council has maintained a generally strong financial position, it remains essential for the Council to generate income in addition to its statutory share of business rates and council tax funding, if it is to continue to deliver and maintain the high level of services it currently provides and has planned to continue to provide as part of the Corporate Plan 2020-2025.
4. Whilst the Council pursued commercial activities before 2019, there was a Commercial Governance Review in 2018. Following that review, the activities have been overseen by the Commercial Ventures Executive Sub-Committee, and integrated within the Council's wider Service and Financial Planning.
5. These activities take place within financial limits set out as part of the Council's approved revenue budget and capital programme.
6. The Council's holdings in companies represent one element of this commercial and investment activity, governed by the established commercial framework, along with relevant company regulations.
7. To support good governance of the Council's companies, the Overview and Scrutiny Committee and the Commercial Ventures Executive Sub-Committee receive regular updates on the performance of these companies.

8. The last full update was considered in Spring 2021.

Key Information

9. As identified in the Executive Summary, the Council currently owns or part-owns, or has an interest in four operational companies. These are Greensand Holdings Limited, Horley Business Park Development LLP, Pathway for Care Limited, and Camelia Close (Tadworth) Residents Management Company Limited.
10. Greensand Holdings Limited is currently considered to be performing overall in line with the Council's objectives and expectations. Additional information is currently being sought from Pathway for Care Limited and the decision on the adequacy of its performance is undetermined, pending receipt of that information. Horley Business Park Development LLP is not currently considered to be performing in line with the Council objectives due to activity being limited by matters currently being resolved with the joint venture partners. No assessment has been undertaken on the performance of Camelia Close (Tadworth) Residents Management Company due to its recent establishment and the expectation that the Council's involvement will be short term.
11. More detail of the current status and performance of the Council's interest in each company is set out below.

Greensand Holdings Limited

12. Greensand Holdings Limited is a property investment and development company, established to facilitate the Council's property investment activities. It is wholly owned by the Council. The creation of the company was authorised by the Executive on 15 September 2016.
13. The company was initially funded through a loan from the Council. It generates an income from one of its property holdings and provides an income stream to the Council through the payment of interest on the loan.
14. As of 31 March 2021, the company had received £13.258m in loan funding from the Council comprising
 - £2.270m in 2016/17 for the purchase of office premises; and
 - £10.988m in 2019/20 for the purchase of a plot of land for development.
15. The office building provides a rental income sufficient for the company to pay interest on the loan to the Council.
16. The development land provides a negligible income stream; £1.152m loan interest has been accrued as of 31 March 2021 pending a decision on its future development. This sum is impaired in the Council's accounts to reflect uncertainty regarding timing of loan repayment.
17. The current Directors of the company are William Pallett, Derek Beck and Councillor R. Michalowski.
18. The company, from a shareholder perspective, is currently performing in line with the Council's objectives. The performance of the investment in the development site will be dependent on future decisions made regarding said development.
19. The draft Directors' Report and Audited Financial Statements for the year ended 31

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December 2020 for Greensand Holdings Limited are provided as Annex 1 to this report, pending final auditor signature at time of writing.

20. Additional details are available in the exempt report set out in the Part 2 section of this agenda.

Horley Business Park Development Limited Liability Partnership

21. Horley Business Park Development LLP is a joint venture which was set up to bring forward planning, and subsequent development, of employment land in the Horley area. The creation of the company was authorised by the Executive on 15 October 2015, and a joint venture with Millhill Properties (Horley) Limited and Berwick Hill Properties Limited was established in 2016.
22. The partnership is funded through loans from the Council and its partners. It does not currently generate a profit, but is working towards the future development of the proposed Horley Business Park as a long term project.
23. As of 31 March 2021, the company had received £0.602m in loan funding from the Council (plus £0.276m accrued interest) to fund set up and working capital expenses. This sum is impaired in the Council's accounts to reflect uncertainty regarding timing of loan repayment.
24. The Council is currently working to resolve a number of matters regarding its relationship with the partners to the LLP with regard to both parties' engagement with the joint venture. In order to ensure we do not prejudice the current discussions we cannot publish additional information, but an update will be provided once it is possible to do so.
25. As identified in the Spring 2021 report, following the felling of a number of trees without the Council's knowledge on land owned by Millhill the Council is continuing to enforce the Tree Preservation process, and cooperate with the relevant authorities.
26. Due to the limitations placed on the joint venture's operation by the matters we are working to resolve, the company is not currently considered to be performing in line with Council objectives. Once a resolution is reached, an approach will be agreed for how to move forward in a way which aligns with the Council's objectives.
27. The draft Annual Report and Financial Statements for the year ended 31 December 2020 for Horley Business Park Development LLP are provided as Annex 2 to this report. Due to these accounts not yet being confirmed, they are presented as a confidential annex at this time.
28. Additional details are available in the exempt report set out in the Part 2 section of this agenda.

Pathway for Care Limited

29. Pathway for Care Limited provides supporting living facilities and support for their residents at a number of sites in the borough and surrounding areas. The creation of a predecessor company was authorised by the Executive on 14 July 2016; the current company was subsequently established in April 2018.
30. The Council is a minority shareholder in the company, with the majority shareholding held by Transforming Healthcare Group Limited. The Council has the right to appoint a director to the board of the company.

31. The Council currently holds £1.1m redeemable preference shares in the company, redeemable in April 2023, which were converted from a £1.1m loan to the predecessor company in 2018. When redeemed, these will provide a capital receipt for the Council, subject to the company holding sufficient funds to honour the redemption at that time.
32. The Council also stands to receive income from any dividends paid by the company. Total dividends are stipulated to be 50% of net profits generated by the company, subject to cash flow. Since 2018 the company has been investing in growing its services, and during 2020/21, it reported that it had reduced voids, revised its operating model, and consistently generated a monthly profit. However, it has not yet declared a dividend income to the Council or any tangible plans for redemption of the preference shares.
33. During 2020 Pathway for Care Limited changed its accounting reference date from 31 July to 31 December and lodged Financial Statements for the period ended 31 December 2020 with Companies House, see attached Annex 3.
34. The current Directors of the company are Mr. Oleksandr Vrublevskyi, Mr. James Ford; and Councillor V. Lewanski, the Council appointed Director. Mr. Paul Green and Mr. Warren Richards were previously directors of the company but resigned as of 6 October 2021.
35. The Council is currently awaiting information the company's most recent accounts and internal performance measures, and a judgement on the performance of the company is therefore subject to this information being received.
36. Additional details are available in the exempt report set out in the Part 2 section of this agenda.

RBBC Limited

37. RBBC Limited was incorporated on 30 September 2020 following the dissolution of the original RBBC Limited. It was created for the purpose of preserving the name to allow the Council to use the company name in the future. The directors, appointed for incorporation purposes, are the Director of People and the Director of Place. The company is inactive and has not undertaken any activity in the current year.

RBBC Housing – Independent Living

38. This company is currently inactive, and has not undertaken any substantive activity in the current year.
39. The company is currently being dissolved, as approved by the Commercial Ventures Executive Sub-Committee.

Camelia Close (Tadworth) Residents Management Company Limited

40. This company was incorporated in May 2021, as a company limited by guarantee. It is not a Council owned company however its directors are Richard Robinson, the Council's Head of Housing and Penny Craig, the Council's Senior Development Manager.
41. The company was established to ensure that the ownership and management of the freehold can successfully be passed over to the residents upon the sale of the last

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property, reducing the Council's longer-term liability. It is a requirement that any Resident Management Company (RMC) is set up prior to the first sale. At the point of final property sale, the Council officers will resign their appointments.

42. In line with the company's Memorandums and Articles, following the granting of the lease of the last flat, or transfer of the last house on the scheme, RBBC, as Developer, will transfer the freehold of the remainder of the site to the RMC. A specialist resident management company is currently appointed to handle all aspects of leasehold management (estate cleaning services, service charge collection etc.), and upon transfer to the RMC, the residents can chose to continue this appointment, chose another company, or run the estate management themselves. 22 out of the 25 homes on the site have been reserved or sold, and all units are anticipated to be sold by the end of this year/early next.

Forthcoming Business

43. The Council is currently developing Part 2 of its Commercial Strategy. This will help set out the Council's approach to future commercial activity, including regarding its interests and objectives around companies.
44. In April 2021, the Commercial Ventures Executive Sub-Committee reviewed and noted the approach to the implementation of investment and company governance agreed in January 2020. As further matters relating to companies are considered and agreed, these will be reported in line with the agreed performance reporting approach.
45. Where future arrangements regarding the Council's interests in companies emerge from this strategy, these will be reflected in future reporting on company performance.
46. Work is also currently underway to explore the opportunity for the establishment of a housing company.

Observations of the Overview & Scrutiny Committee

47. The Overview & Scrutiny Committee considered this report at its meeting of 21 October 2021. Questions, observations and responses provided were captured in the minutes of the meeting, and are set out below for the awareness of the Commercial Ventures Executive Sub-Committee.
48. Members asked questions and made the following observations:
- **Business rates collection** – it was identified that long-standing proposals to reform business rates were still under consideration by the Government. The Council received around £50m through business rates and retained approximately £2m. *Note: since the meeting of the Committee, additional updates to business rates were announced in the Autumn 2021 national budget.*
 - **Gatwick Airport 'strategic gap'** – this was identified to be Surrey County Council-owned land between the proposed Horley Business Park development site and the M23 spur road. The emerging plans presented by Gatwick Airport proposed that some of this land be used as a site compound temporarily to aid with other proposed construction work at the airport.

- **Greensand Holdings Limited rental income** – Members asked for clarification on rental income and loan interest. It was confirmed that modest rental income was received on land owned by the company at Fishers Farm (part of the Horley Business Park development land). A loan to the company accrued loan interest of £1.152m as of 31 March 2021. The office building held by the company provided rental income sufficient for the company to pay interest on the loan to the Council.
- **Replanting trees** – as set out in the Companies Performance Update report to the Committee on 18 March 2021, a number of trees on land owned by Millhill Properties were felled in November 2020 without the knowledge or approval of the Council. Members asked about replanting oak woodland and Tree Preservation Orders. It was confirmed that this was land not owned by the Council and was subject to an ongoing investigation by the Forestry Commission.
- **Pathway to Care Ltd** – Members asked about income from this company. It was confirmed that majority shareholder, Transforming Healthcare Group, had not yet declared a dividend income to the Council.

49. The Commercial Ventures Executive Sub-Committee is requested to consider and note these observations.

Options

50. **Option 1:** To note the Autumn 2021 Companies Performance Update, and the observations of the Overview and Scrutiny Committee. **This is the recommended option** as it will support the effective consideration of the performance of companies owned, or part-owned, by the Council as of Autumn 2021.
51. **Option 2:** To not note the Autumn 2021 Companies Performance Update, and the observations of the Overview and Scrutiny Committee. **This is not the recommended option** as it will not support the effective consideration of the performance of companies owned, or part-owned, by the Council as of Autumn 2021.

Legal Implications

52. There are no direct legal implications arising from this report.
53. Where decisions are made which effect the Council's companies, the legal implications of these decisions will be considered as part of the decision making process in each case.

Financial Implications

54. There are no direct financial implications arising from this report. The Council's annual statement of accounts incorporates the financial position of its companies as part of its group financial statements.
55. Where decisions are made which impact the Council's companies, the financial implications of these decisions will be considered as part of the decision making process in each case.

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Equalities Implications

56. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
 - Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - Foster good relations between people who share those characteristics and people who do not.
57. The three parts of the duty applies to the following protected characteristics: age; disability; gender reassignment; pregnancy/maternity; race; religion/faith; sex and sexual orientation. In addition, marriage and civil partnership status applies to the first part of the duty.
58. There are no direct equalities implications of this report, however an awareness of the Council's obligations with respect to these duties should form part of the consideration of this report.
59. Where decisions are made which effect the Council's companies, the equalities implications of these decisions will be considered as part of the decision making process in each case.
60. The Commercial Ventures Executive Sub-Committee shall generally have regard to the obligations of the Equality Act (2010) in conducting its role as the representative of the Council as a shareholder or partner in companies owned or part-owned by the Council.

Communication Implications

61. There are no direct communication implications as a result of this report. However, as identified in the Commercial Governance Framework, the Commercial Ventures Executive Sub-Committee shall have regard for the Local Authorities (Companies) Order 1995, which sets out the rights for authorities and individual Members to receive company specific information.

Risk Management Considerations

62. All commercial ventures and investment activities contain an element of risk, and the Commercial Ventures Executive Sub-Committee shall consider these as part of the decision making process for any future decisions relating to companies owned or part-owned by the Council.
63. In monitoring the performance of companies owned or part-owned by the Council, the Commercial Ventures Executive Sub-Committee has regard to the fiduciary duty the Council owes to its rate and local tax payers, to the public law requirements to exercise the general power of competence for a proper purpose, and the

requirements of the Commercial Governance Framework which forms part of the terms of reference of the sub-committee.

Environmental Sustainability Considerations

64. There are no direct environmental sustainability implications arising from this report.
65. Where decisions are made which effect the Council's companies, the environmental implications of these decisions will be considered as part of the decision making process in each case.

Policy Framework

66. The recommendations of this report are consistent with the Council's Policy Framework.
67. All actions undertaken by the Council in respect of commercial activity (including company activity) will be undertaken for the purpose of contributing to the achievement of the 'Funding our Services' objective within the Council's Corporate Plan and supporting policy framework, unless otherwise specified by statute.

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Registered number
10508302

GREENSAND HOLDINGS LIMITED
DIRECTORS' REPORT AND AUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

GREENSAND HOLDINGS LIMITED

COMPANY INFORMATION

Directors

W Pallett
D Beck
R S Michalowski (appointed 6 October 2020)

Independent auditor

Kreston Reeves LLP
Springfield House
Springfield Road
Horsham
West Sussex
RH12 2RG

Registered office

Town Hall
Castlefield Road
Reigate
Surrey
RH2 0SH

Registered number

10508302

GREENSAND HOLDINGS LIMITED

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GREENSAND HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and audited financial statements for the year ended 31 December 2020.

Principal activities

The company's principal activity during the year was that of commercial property investment and development.

Directors

The directors who served during the year were as follows:

J Jory (resigned 31 July 2020)

W Pallett

D Beck

R S Michalowski (appointed 6 October 2020)

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

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 International Financial Reporting Standards (IFRSs) (as adopted by the European Union) and applicable UK 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;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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. 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.

Disclosure of information to the auditor

The directors confirm that:

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

Small company special provisions

The report of the directors has been prepared taking advantage of the small companies exemption in Part 15 of the Companies Act 2006.

This report was approved by the board on 16/09/2021 and signed on behalf of the board by

W Pallett
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF GREENSAND HOLDINGS LIMITED

Opinion

We have audited the financial statements of Greensand Holdings Limited (the "company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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.

Emphasis of matter

We draw attention to note 5 in the financial statements and the section on investment properties. This sets out the basis on which the independent valuation of investment properties has been undertaken in the prior year. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF GREENSAND HOLDINGS LIMITED

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare and the Directors' Report in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are 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 directors determine 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF GREENSAND HOLDINGS LIMITED

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to Landlord and Tenant legislation and health and safety. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and taxation legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of investment properties and inventories, and revenue recognition. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud; and
- Assessment of identified fraud risk factors; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Reviewing contracts to ensure that revenue recognition was appropriate; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF

GREENSAND HOLDINGS LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgement 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 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 Auditors' 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 Auditors' report. However, future events or conditions may cause the 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.

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.

Graham Hunt BA FCA (Senior Statutory Auditor)

for and on behalf of Kreston Reeves LLP
Statutory Auditor, Chartered Accountants
Horsham

Date: 27 September 2021

GREENSAND HOLDINGS LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Revenue		177,833	175,780
Administrative expenses		(56,839)	(53,360)
Fair value movement on investment property		(521,900)	(210,500)
Impairment to inventories	5	(1,726,892)	-
Operating loss	6	(2,127,798)	(88,080)
Finance income		250	570
Finance costs	7	(102,221)	(102,149)
Loss before taxation		(2,229,769)	(189,659)
Tax expense	8	-	31,721
Loss for the year		(2,229,769)	(157,938)
Total comprehensive income for the year attributable to shareholders		(2,229,769)	(157,938)

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the loss for the above financial year.

The above results were derived from continuing operations.

GREENSAND HOLDINGS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020
COMPANY REGISTRATION NUMBER: 10508302

	Notes	2020		2019	
		£	£	£	£
ASSETS					
Non-current assets					
Investment property	9		1,860,100		2,382,000
Current assets					
Inventories	10		10,168,000		11,076,938
Trade and other receivables	11		3,833		57,118
Cash and cash equivalents	12		113,228		122,643
TOTAL ASSETS			<u>12,145,161</u>		<u>13,638,699</u>
LIABILITIES					
Current liabilities					
Trade and other payables	13	45,744		124,887	
Current tax liabilities	13	3,960		3,960	
		49,704		128,847	
Non-current liabilities					
Borrowings	14	14,209,380		13,394,006	
TOTAL LIABILITIES			14,259,084		13,522,853
SHAREHOLDERS' EQUITY					
Share capital	16		100		100
Revaluation reserve	17		(439,715)		82,185
Retained earnings	17		(1,674,308)		33,561
TOTAL EQUITY AND LIABILITIES			<u>12,145,161</u>		<u>13,638,699</u>

The financial statements were approved by the board and authorised for issue on 10 01 2021 and signed on behalf of the board by

W Pallett
Director

GREENSAND HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Equity attributable to equity holders of the company			
	Issued share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2020	100	82,185	33,561	115,846
Loss for the year	-	-	(2,229,769)	(2,229,769)
Transfer to revaluation reserve	-	(521,900)	521,900	-
Total comprehensive income for the year	-	(521,900)	(1,707,869)	(2,229,769)
At 31 December 2020	100	(439,715)	(1,674,308)	(2,113,923)

	Equity attributable to equity holders of the company			
	Issued share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 January 2019	100	257,004	16,680	273,784
Loss for the year	-	-	(157,938)	(157,938)
Transfer to revaluation reserve	-	(174,819)	174,819	-
Total comprehensive income for the year	-	(174,819)	16,881	(157,938)
At 31 December 2019	100	82,185	33,561	115,846

GREENSAND HOLDINGS LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
	£	£
Cash flows from operating activities		
Loss for the year	(2,229,769)	(157,938)
Adjustments to cash flows from non-cash items:		
Finance income	(250)	(570)
Finance costs	102,221	102,149
Revaluation	521,900	210,500
Corporation tax	-	3,960
Deferred tax	-	(35,681)
Operating cash flows before movements in working capital	(1,605,898)	122,420
Working capital adjustments:		
Decrease/(increase) in inventories	908,938	(11,076,938)
Increase/(decrease) in payables	(27,823)	(4,170)
Decrease/(increase) in receivables	53,285	(57,118)
	934,400	(11,138,226)
Cash used in operations	(671,498)	(11,015,806)
Income tax paid	-	(3,912)
Net cash used in operating activities	(671,498)	(11,019,718)
Investing activities		
Interest received	250	570
Net cash generated by investing activities	250	570
Financing activities		
Loan from shareholder	815,374	11,124,367
Interest paid	(153,541)	(25,239)
Net cash generated by financing activities	661,833	11,099,128
Net (decrease)/increase in cash and cash equivalents	(9,415)	79,980
Cash and cash equivalents at beginning of year	122,643	42,663
Cash and cash equivalents at end of year	113,228	122,643

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 General information

Greensand Holdings Limited is a private company limited by share capital and incorporated in the United Kingdom under the Companies Act 2006. The nature of the company's operations and its principal activities are set out in the Directors' Report.

The address of its registered office and principal place of business is:

Town Hall
Castlefield Road
Reigate
Surrey
RH2 0SH

2 Adoption of new and revised standards

During the financial year, there were no new IFRSs or IFRIC interpretations that were effective for the first time that would be expected to have a material impact on the company.

The following pronouncements have been adopted in the year and either had no impact on the financial statements or resulted in changes to presentation and disclosure only:

- Definition of a Business (Amendments to IFRS 3); effective 1 January 2020
- Definition of Material (Amendments to IAS 1 and IAS 8); effective 1 January 2020
- COVID-19 Rent Related Concessions (Amendments to IFRS 16); effective 1 June 2020
- Conceptual Framework for Financial Reporting; effective 1 January 2020

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the company, which have not been applied in these financial statements, were in issue but not yet effective:

- References to the Conceptual Framework; effective 1 January 2021
- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37); effective 1 January 2022
- Annual improvements to the IFRs Standards 2018-2020 Cycle (Amendments to IFRS 1, IFRS 9, IFRS 16); effective 1 January 2022
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); effective 1 January 2023

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial statements of the company.

3 Significant accounting policies

Statement of compliance and basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union and are consistent with the IFRSs as issued by the International Accounting Standards Board and IFRIC interpretations issued and effective at the time of preparing these financial statements and are in accordance with the Companies Act 2006.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Significant accounting policies - continued

Basis of accounting

These financial statements have been prepared on the historical cost basis as modified by the accounting policies below.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates and rounded to the nearest £.

The following principal accounting policies have been applied:

Presentation of financial statements in accordance with IAS 1 (Revised 2007)

The financial statements are presented in accordance with IAS 1 Presentation of Financial Statements (Revised 2007).

Revenue

Revenue is measured at the fair value of the consideration recoverable, net of VAT. The company's policy for the recognition of revenue from operating leases is described in the leasing policy below.

Leasing

The company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant leases.

Investment properties

Investment property, which is property held to earn rentals and/or capital appreciation, is initially recognised at cost, including associated transaction costs, and subsequently at fair value at the balance sheet date. The fair value is based on market values as determined by professionally qualified external valuers. Gains or losses arising from changes in the fair value of the investment property are included in profit or loss for the period in which they arise.

Inventories

Inventories comprise land and property held for development and resale, and are stated at the lower of cost and net realisable value. Cost includes all directly attributable expenditure necessary to bring the inventories to their existing condition and location. Costs are assigned by specific identification and include the cost of acquisition, subsequent development costs and borrowing costs during development. Net realisable value is determined by the directors.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents at the end of the reporting period comprise cash at bank and in hand.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently at amortised cost.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Significant accounting policies - continued

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the periods of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred, unless they relate to a qualifying asset in which case they are capitalised and included as part of the cost of the qualifying asset at the year end.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. The company's corporation tax liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that such taxable profits will be available, against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case deferred tax is also dealt with in equity.

Accounting for financial assets and liabilities

The company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, credit risk and liquidity risk. The directors consider that the company does not have material exposures in any of these areas and consequently does not use derivative financial instruments to manage these exposures.

The company's financial assets consist of trade and other receivables, and are summarised in note 4. Trade and other receivables are financial assets with fixed or determinable payments, none of which are quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest rate method, less provision for impairment.

Receivables are considered for impairment on a case-by-case basis when they are past due at the balance sheet date or when objective evidence is received that a specific counterparty will default.

The company's financial liabilities include borrowings, trade and other payables which are measured at amortised cost using the effective interest rate method. A summary of the company's financial liabilities is given in note 4.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Significant accounting policies - continued

Going concern

The financial statements have been prepared on a going concern basis. While the impact of Covid-19 has been assessed by the directors so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the company's trade, its tenants and suppliers. However, taking into consideration the company's planning, the nature of its long term borrowings and the continuing support of its shareholder, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

4 Financial risk management

The company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management programme focuses on the unpredictability of the marketplace and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by the Board of Directors.

Market risk

The company is exposed to market risk, primarily related to interest rates and the market value of the investment property and the net realisable value of inventories.

Interest rate risk

The company monitors interest rate cash flow exposures on its long term borrowing. The company does not use derivative financial instruments to mitigate these risks.

Credit risk

The company's exposure to credit risk is limited to the carrying value of financial assets recognised at the balance sheet date, as summarised below:

	2020	2019
	£	£
Classes of financial assets - carrying amounts		
Cash and cash equivalents	113,228	122,643
Trade and other receivables	3,833	57,118
	<u>117,061</u>	<u>179,761</u>

The maximum exposure to credit risk in relation to trade and other receivables is equivalent to the year end balance.

The company continuously monitors the creditworthiness of tenants and other counterparties. The company's policy is only to deal with creditworthy counterparties.

The directors consider that all the above financial assets are not impaired at the reporting date under review and are of good quality credit, based on all available financial information.

The company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics other than those debtors which are disclosed in note 11. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks with high quality external credit ratings.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Financial risk management - continued

Liquidity risk

Liquidity needs are monitored carefully on a day-to-day basis. Longer term liquidity needs are assessed through monthly, quarterly, and annual cash flow forecasts.

As of 31 December 2020, the company's liabilities have maturities which are summarised below:

	Within 6 months	6 to 12 months	2 to 5 years	Later than 5 years
	£	£	£	£
Trade and other payables	45,744	-	-	-
Borrowings	-	-	-	14,209,380
	45,744	-	-	14,209,380

This compares to the maturity of the company's financial liabilities in the previous reporting period as follows:

	<i>Within 6 months</i>	<i>6 to 12 months</i>	<i>2 to 5 years</i>	<i>Later than 5 years</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Trade and other payables	<i>124,887</i>	-	-	-
Borrowings	-	-	-	<i>13,394,006</i>
	<i>124,887</i>	-	-	<i>13,394,006</i>

Capital management policies

The company's capital management objectives are:

- to ensure the company's ability to continue as a going concern; and
- to provide an adequate return to shareholders.

Capital for the reporting period under review is summarised as follows:

	2020	2019
	£	£
Share capital	100	100
Revaluation reserve	(439,715)	82,185
Retained earnings	(1,674,308)	33,561
Borrowings	14,209,380	13,394,006
	12,095,457	13,509,852

The company has no covenant obligations with respect to capital ratios.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Critical accounting judgements

Critical judgements in applying the company's accounting policies

In the process of applying the company's accounting policies, the following judgements have had the most significant effect on the amounts recognised in the financial statements:

Investment properties

The company holds investment property with fair value of £1,860,100 at the year end (see note 9). In order to determine the fair value of investment property the company has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

As the future impact of Covid-19 is unknown, the prior year valuation provided by the independent valuer was reported on the basis of a 'material valuation uncertainty'. Consequently, less certainty and a higher degree of caution should be attached to the prior year valuation than would normally be the case.

Recoverability of inventories

Inventories of £10,168,000 (note 10) are stated at the lower of cost and net realisable value after taking into account all available information at the reporting date. The intention is to hold the inventories for development and at the balance sheet date they are not forecast to be realised in the short to medium term. The development project is still in its early stages, and this increases the estimation uncertainty as the total forecast development costs and ultimate net realisable value are subject to a number of uncertain future events including, but not limited to, the receipt of planning permission, the total build cost and fluctuations in the property market. The directors have obtained an independent, professional valuation of the development land at the balance sheet date to assist them in determining its net realisable value. Based on the stage of completion of the development, the directors are of the opinion that the current net realisable value of inventories is unlikely to be materially different from the independent valuation. This has resulted in an impairment of inventories of £1,726,892 being recognised in the Statement of Comprehensive Income during the year. The commercial viability of the development is kept under regular review by the directors to ensure that, so far as reasonably possible, inventories continue to be stated at the lower of cost and net realisable value.

6 Operating loss

	2020	2019
	£	£
This is stated after charging:		
Auditor's remuneration - audit work	4,500	4,000
Auditor's remuneration - other services	7,963	2,224
	<u>12,463</u>	<u>6,224</u>

7 Finance costs

	2020	2019
	£	£
Loan interest	<u>102,221</u>	<u>102,149</u>

In addition to loan interest included as a finance cost, during the year the company capitalised loan interest of £815,375 (2019: £135,896).

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Taxation

	2020	2019
	£	£
Analysis of tax charge/(credit) in year		
Total current tax (see below)	-	3,960
Deferred tax (see below)	-	(35,681)
	<u>-</u>	<u>(31,721)</u>

Factors affecting tax charge/(credit) for year

The charge/(credit) for the year can be reconciled to the loss in the statement of comprehensive income as follows:

	2020	2019
	£	£
Loss before tax on continuing operations	<u>(2,229,769)</u>	<u>(189,659)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(423,656)	(36,035)
Effects of:		
Fair value movement not taxable	99,161	39,995
Deferred tax asset not recognised	<u>324,495</u>	<u>-</u>
Total current tax (see above)	-	3,960
Total deferred tax (see above)	-	(35,681)
Total tax charge/(credit) for the year	<u>-</u>	<u>(31,721)</u>

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Investment property

	Freehold property £
Fair value	
At 1 January 2020	2,382,000
Revaluation	(521,900)
At 31 December 2020	1,860,100
Fair value	
At 31 December 2020	1,860,100
At 31 December 2019	2,382,000

Investment property with a fair value of £1,860,100 was held as security against borrowings.

The company's investment property is classed as level 2, as defined by IFRS 13 Fair Value Measurement, in the fair value hierarchy as at 31 December 2020. Level 2 inputs are observable and comprise an assessment of current market conditions, recent sales prices and other relevant information for similar assets in the locality.

The fair value of the company's investment property as at 31 December 2020 was determined by an independent external valuer at that date. The valuations are in accordance with the Royal Institution of Chartered Surveyors ("RICS") valuation - Professional Standards ("The Red Book"). Fair values of investment properties are calculated using an income approach and the main assumptions supporting the valuation are in respect of rents due, extant leases and yields.

The property income earned by the company from its investment property, which is leased to tenants under non-cancellable operating leases, amounted to £177,833 for the year.

The historical cost of the investment property is £2,299,815.

10 Inventories

	2020 £	2019 £
Inventories	10,168,000	11,076,938

The cost of inventories recognised as an expense in the year amounted to £1,726,892 (2019 - £nil). This includes an amount of £1,726,892 (2019: £nil) resulting from impairment of inventories.

11 Trade and other receivables

	2020 £	2019 £
Trade receivables	1,158	22,410
Prepayments and accrued income	1,277	63
Other receivables	1,398	34,645
	3,833	57,118

All amounts are due within one year. The carrying value of receivables is considered a reasonable approximation of fair value.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	<u>113,228</u>	<u>122,643</u>

13 Current liabilities

	2020 £	2019 £
Trade payables	7,136	10,513
Accruals and deferred income	<u>38,608</u>	<u>114,374</u>
Trade and other payables	45,744	124,887
Corporation tax payable	<u>3,960</u>	<u>3,960</u>
	<u>49,704</u>	<u>128,847</u>

The fair value of the trade and other payables classified as financial instruments are disclosed in the financial instruments note. The company's exposure to market and liquidity risks, including maturity analysis relating to trade and other payables, is disclosed in the financial risk management note.

14 Non-current liabilities

	2020 £	2019 £
Borrowings	<u>14,209,380</u>	<u>13,394,006</u>

15 Borrowings

	2019 £	2019 £
Secured borrowings		
Loans and accrued interest due to shareholder	<u>14,209,380</u>	<u>13,394,006</u>
Amount due for settlement within 12 months	<u>-</u>	<u>-</u>
Amount due for settlement after 12 months	<u>14,209,380</u>	<u>13,394,006</u>

The loans from Reigate and Banstead Borough Council are denominated in sterling. The first loan carries an interest rate equivalent to the rate charged by the Public Works Loan Board plus 2% with the final repayment due on 19 February 2023. The second loan carried an interest rate of 7.4% with the final repayment due on 25 October 2034. The loans and accrued interest are secured on the freehold investment property and inventories.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Share capital

	2020 Number	2020 £	2019 Number	2019 £
Allotted and fully paid				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

17 Reserves

Revaluation reserve

Represents accumulated unrealised revaluation gains/(losses) of the investment property to its fair value.

Retained earnings

Represents accumulated realised profits less accumulated realised losses.

18 Operating lease arrangements

Property rental income earned during the year was £177,833 (2019 - £175,780). The lessees do not have an option to purchase the property at the expiry of the lease period.

At the balance sheet date the company had contracted with tenants for the following total future minimum lease receipts:

	2020 £	2019 £
Within one year	176,790	174,690
One to two years	176,790	123,563
Two to three years	176,790	98,000
Three to four years	110,057	98,000
Four to five years	76,690	32,667
In over five years	25,563	-
	<u>742,680</u>	<u>526,920</u>

19 Related party transactions

Reigate and Banstead Borough Council ("RBBC") (Shareholder)

During the year RBBC continued to provide a loan to the company of £13,258,110 (2019: £13,258,110). Interest charged on the loans in the year amounted to £917,596 (2019: £238,045). At the year end £25,590 (2019: £76,910) of unpaid interest is included in accruals and £815,375 (2019: £135,896) of unpaid interest has been added to the loan and included as part of the amount due to RBBC at the year end of £14,209,380 (2019: £13,394,006) (note 14). RBBC recharged its officer time spent dealing with company management and administration and this amounted to £7,745 (2019: £35,367). The balance outstanding at the year end is £7,136 (2019: £18,258).

W Pallett (Director)

During the year the company was charged £657 (2019: £1,552) for management services by Mr W Pallett.

D Beck (Director)

During the year the company was charged £2,880 (2019: £Nil) for management services by Mr D Beck.

GREENSAND HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Financial instruments

Categories of financial instruments

The company held the following financial assets:

	2020 £	2019 £
Trade and other receivables	2,556	57,055
Cash and cash equivalents	<u>113,228</u>	<u>122,643</u>
	<u>115,784</u>	<u>179,698</u>

The company held the following financial liabilities:

	2020 £	2019 £
Trade and other payables	45,744	106,993
Borrowings	<u>14,209,380</u>	<u>13,394,006</u>
	<u>14,255,124</u>	<u>13,500,999</u>

21 Ultimate controlling party

The company is controlled by Reigate and Banstead Borough Council which owns 100% of the company's share capital.

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Horley Business Park Development LLP

Annual Report and Financial Statements

For the year ended 31 December 2020

Limited Liability Partnership Registration No. OC407343 (England and Wales)

Horley Business Park Development LLP

Limited Liability Partnership Information

Designated members Reigate & Banstead Borough Council
Berwick Hill Properties Limited
Millhill Properties (Horley) Limited

Limited liability partnership number OC407343

Registered office Town Hall
Castlefield Road
Reigate
Surrey
RH2 0SH

Auditor Moore Kingston Smith LLP
Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Business address Town Hall
Castlefield Road

Reigate
Surrey
RH2 0SH

Horley Business Park Development LLP

Members' Report

For the year ended 31 December 2020

The members present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the Limited Liability Partnership ("LLP") continued to be the development of a business park.

Members' drawings, contributions and repayments

Each member's subscription to the capital of the LLP and its conditions for repayment are determined by the members' agreement.

Members capital is classified as a liability and on ceasing to be a member of the LLP, a member is entitled to a return of their capital.

Details of changes in members' capital in the year ended 31 December 2020 are set out in the Reconciliation of Members' Interests.

Certain members have also provided loans to the LLP in accordance with loan agreements and the members' agreement. The loans have been treated as a liability and included as 'members' capital classified as a liability' rather than as loans made to the LLP which would be included as part of creditors. The members' consider this accounting treatment more accurately reflects the substance of the loan transactions. The loans are repayable in accordance with the member's agreement. On ceasing to be a member of the LLP, a member is entitled to a return of any loan amount and interest which have not previously been repaid.

The availability of drawings is dependent on the cash requirements of the LLP. The member's agreement makes provision for certain members to receive development management fees and other service fees prior to the allocation of the remaining profits among the members. There is no requirement for the members to make good losses.

Designated members

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

Reigate & Banstead Borough Council
Berwick Hill Properties Limited
Millhill Properties (Horley) Limited

Auditor

The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Horley Business Park Development LLP

Members' Report (Continued)

For the year ended 31 December 2020

Statement of members' responsibilities

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

Each of the members in office at the date of approval of this annual report confirms that:

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor is unaware, and
- the members have taken all the steps that ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor is aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the members on 15 March 2022 and signed on their behalf by:

Reigate & Banstead Borough Council
Designated Member

Berwick Hill Properties Limited
Designated Member

Millhill Properties (Horley) Limited
Designated Member

Horley Business Park Development LLP

Independent Auditor's Report

To the Members of Horley Business Park Development LLP

Opinion

We have audited the financial statements of Horley Business Park Development LLP (the 'limited liability partnership') for the year ended 31 December 2020 which comprise the Profit And Loss Account, the Balance Sheet and notes to the financial statements, 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 limited liability partnership's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

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 limited liability partnership 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

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

We draw attention to note 1.2 in the financial statements, which comments on the ongoing proceedings initiated by various LLP members since the Balance Sheet Date and the expected length of time for the proceedings to conclude.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Horley Business Park Development LLP

Independent Auditor's Report (Continued)

To the Members of Horley Business Park Development LLP

Other information

The members are responsible for the other information. The other information comprises the information included in the members' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships regime.

Responsibilities of members

As explained more fully in the Members' Responsibilities Statement, the members are 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 members determine 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 Members' are responsible for assessing the limited liability partnership'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 Members' either intend to liquidate the limited liability partnership or to cease operations, or have 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Horley Business Park Development LLP

Independent Auditor's Report (Continued)

To the Members of Horley Business Park Development LLP

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the limited liability partnership.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the limited liability partnership and considered that the most significant are the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the Limited Liability Partnerships SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the limited liability partnership complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement 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 purposes of expressing an opinion on the effectiveness of the limited liability partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the members.
- Conclude on the appropriateness of the members' 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 limited liability partnership'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 limited liability partnership 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.

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.

Horley Business Park Development LLP

Independent Auditor's Report (Continued)

To the Members of Horley Business Park Development LLP

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Matthews (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

15 March 2022

Chartered Accountants
Statutory Auditor

Betchworth House
57-65 Station Road
Redhill
Surrey
RH1 1DL

Horley Business Park Development LLP

Profit and loss account

For the year ended 31 December 2020

	2020 £	2019 £
Administrative expenses	(10,294)	(10,088)
Interest receivable and similar income	1	54
Loss for the financial year before taxation	<u>(10,293)</u>	<u>(10,034)</u>
Loss for the financial year before members' remuneration and profit shares	<u>(10,293)</u>	<u>(10,034)</u>
Loss for the financial year before members' remuneration and profit shares	(10,293)	(10,034)
Members' remuneration charged as an expense	-	-
Loss for the financial year available for discretionary division among members	<u>(10,293)</u>	<u>(10,034)</u>

Horley Business Park Development LLP

Balance Sheet

As at 31 December 2020

	Notes	2020		2019	
		£	£	£	£
Current assets					
Stocks		1,334,023		1,218,467	
Debtors	3	20,936		21,317	
Cash and cash equivalents		10		244	
		<u>1,354,969</u>		<u>1,240,028</u>	
Creditors: amounts falling due within one year	4	<u>(203,180)</u>		<u>(201,216)</u>	
Net current assets			<u>1,151,789</u>		<u>1,038,812</u>
Represented by:					
Loans and other debts due to members within one year					
Members' capital classified as a liability			1,202,998		1,079,728
Members' other interests					
Other reserves classified as equity			(51,209)		(40,916)
			<u>1,151,789</u>		<u>1,038,812</u>
Total members' interests					
Amounts due from members			(20,100)		(20,100)
Loans and other debts due to members			1,202,998		1,079,728
Members' other interests			(51,209)		(40,916)
			<u>1,131,689</u>		<u>1,018,712</u>

These financial statements have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships' regime.

The financial statements were approved by the members and authorised for issue on 15 March 2022 and are signed on their behalf by:

Reigate & Banstead Borough Council
Designated member

Berwick Hill Properties Limited
Designated Member

Millhill Properties (Horley) Limited
Designated Member

Limited Liability Partnership Registration No. OC407343

Horley Business Park Development LLP

Reconciliation of Members' Interests

For the year ended 31 December 2020

<i>Current financial year</i>	EQUITY		DEBT		TOTAL
	Members' other interests	Loans and other debts due to members less any amounts due from members in debtors	Members' capital (classified as debt)	Other amounts	MEMBERS' INTERESTS
	Other reserves		Total		Total
	£	£	£	£	2020
					£
Amounts due to members			(20,100)		
Members' interests at 1 January 2020	(40,916)	1,079,728	(20,100)	1,059,628	1,018,712
Loss for the financial year available for discretionary division among members	(10,293)	-	-	-	(10,293)
Members' interests after loss for the year	(51,209)	1,079,728	(20,100)	1,059,628	1,008,419
Introduced by members	-	8,219	-	8,219	8,219
Interest on capital	-	115,051	-	115,051	115,051
Members' interests at 31 December 2020	(51,209)	1,202,998	(20,100)	1,182,898	1,131,689
Amounts due to members			(20,100)		
			(20,100)		

Horley Business Park Development LLP

Reconciliation of Members' Interests (Continued)

For the year ended 31 December 2020

<i>Prior financial year</i>	EQUITY		DEBT		TOTAL
	Members' other interests	Loans and other debts due to members less any amounts due from members in debtors	Members' capital (classified as debt)	Other amounts	MEMBERS' INTERESTS
	Other reserves		Total		Total
	£	£	£	£	2019 £
Amounts due to members		(20,100)			
Members' interests at 1 January 2019	(30,882)	928,146	(20,100)	908,046	877,164
Loss for the financial year available for discretionary division among members	(10,034)	-	-	-	(10,034)
Members' interests after loss for the year	(40,916)	928,146	(20,100)	908,046	867,130
Introduced by members	-	51,775	-	51,775	51,775
Interest on capital	-	99,807	-	99,807	99,807
Members' interests at 31 December 2019	(40,916)	1,079,728	(20,100)	1,059,628	1,018,712
Amounts due to members			(20,100)		
			(20,100)		

Horley Business Park Development LLP

Notes to the Financial Statements

For the year ended 31 December 2020

1 Accounting policies

Limited liability partnership information

Horley Business Park Development LLP is a Limited Liability Partnership incorporated in England and Wales. The registered office is Town Hall, Castlefield Road, Reigate, Surrey, United Kingdom, RH2 0SH.

The Limited Liability Partnership's principal activities are disclosed in the Members' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in January 2017, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principle accounting policies adopted are set out below.

1.2 Going concern

Since the Balance Sheet date Notices of Event of Default have been issued by various LLP members. At the date of these financial statements being issued, these formal procedures have been suspended whilst the parties endeavour to negotiate an amicable settlement with the process expected to take at least twelve months to complete from the date of these financial statements being approved. The active development work has therefore been put on hold, temporarily.

The development is currently in the approval phase and has yet to reach the stage where an application can be submitted for planning consent. The members are not aware of any matters that will prevent a planning application being made although there can be no certainty in this regard.

£194,601 of the LLP's current liabilities at the Balance Sheet date are represented by a deferred government grant and will be recognised over the useful economic life of the development once complete. The LLP has met the preconditions associated with the grant and so the members do not believe the grant is repayable.

Based on all of these factors, the members therefore consider the LLP is a going concern.

Horley Business Park Development LLP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

1 Accounting policies

(Continued)

1.3 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Where members incur expenses on behalf of the LLP and then recharge those expenses to the LLP at cost, the costs are treated as administrative expenses and, if applicable, capitalised as work in progress. The recharged costs do not fall to be treated by the LLP as 'members' remuneration charged as an expense'. This accounting policy represents a departure from the SORP, which sets out the accounting principles of classifying amounts paid to members as 'members' remuneration charged as an expense'. The members consider that this accounting policy adopted represents the substance of the underlying transaction and is necessary in order that the financial statements give a true and fair view.

The profit and losses due to or from members, which have not been allocated until after the balance sheet date, are treated in these financial statements as unallocated at the balance sheet date and included within other reserves. In accordance with the members' agreement, there is no requirement for the members to make good any losses or negative balances on 'other reserves'.

1.4 Stocks

Work in progress comprises the development of a new business park. It is valued at the lower of cost and estimated net realisable value of the completed project. Cost includes all direct costs.

Borrowing costs which are directly attributable to the work in progress project are capitalised as work in progress and carried forward as an asset on the balance sheet. In the year borrowing costs of £115,051 (2019: £99,807) were capitalised in work in progress.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The LLP only has financial instruments classified as basic and measured at amortised cost. The LLP has no financial instruments that are classified as 'other' or financial instruments measured at fair value.

Horley Business Park Development LLP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs.

Horley Business Park Development LLP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

1 Accounting policies (Continued)

1.8 Taxation

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the LLP, which will be assessed on the individual member and not on the LLP.

1.9 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred it is recognised as deferred income and not deducted from the carrying value of the asset.

2 Judgements and key sources of estimation uncertainty

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Realisation of work in progress

The members estimate the net realisable value of work in progress, taking into account all available information at the reporting date. The work in progress is not forecast to be completed in the short to medium term and its ultimate successful completion may be affected by the outcome of uncertain future events. The success of the development is not currently assured. Having made appropriate enquiries, the members have a reasonable expectation that the development will progress to completion and that sufficient funding will be available to enable this to happen. On this basis, work in progress has been carried forward at cost.

3 Debtors

	2020	2019
Amounts falling due within one year:	£	£
Amounts due from members	20,100	20,100
Other debtors	836	1,217
	<u>20,936</u>	<u>21,317</u>

Horley Business Park Development LLP

Notes to the Financial Statements (Continued)

For the year ended 31 December 2020

4 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	584	-
Other creditors	202,596	201,216
	<u>203,180</u>	<u>201,216</u>

5 Loans and other debts due to members

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

6 Events after the reporting date

Since the Balance Sheet date Notices of Event of Default have been issued by various LLP members and the resolution procedures set out under the LLP's membership agreement has been initiated. At the date of these financial statements being issued there are no significant developments to be disclosed.

7 Related party transactions

All members are considered to be related parties of the LLP.

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.

Company Registration No. 10339398 (England and Wales)

PATHWAY FOR CARE LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020
PAGES FOR FILING WITH REGISTRAR

PATHWAY FOR CARE LIMITED

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PATHWAY FOR CARE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2020	
		£	£	£	£
Fixed assets					
Tangible assets	3		94,412		37,815
Current assets					
Debtors	4	998,350		1,000,362	
Cash at bank and in hand		339,292		354,542	
		<u>1,337,642</u>		<u>1,354,904</u>	
Creditors: amounts falling due within one year	5	<u>(152,649)</u>		<u>(283,996)</u>	
Net current assets			1,184,993		1,070,908
Total assets less current liabilities			<u>1,279,405</u>		<u>1,108,723</u>
Capital and reserves					
Called up share capital	6		1,100,100		1,100,100
Profit and loss reserves			179,305		8,623
Total equity			<u>1,279,405</u>		<u>1,108,723</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

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

Paul S Green
Director

Company Registration No. 10339398

PATHWAY FOR CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Pathway for Care Limited is a private company limited by shares incorporated in England and Wales. The registered office is Glebe Business Park, Lunts Heath Road, Widnes, Cheshire, WA8 5SQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements and having due regard to the impact of COVID-19 the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The financial statements are prepared for the 5 month period to 31 December 2020. The comparative amounts presented in the financial statements are for the 12 month period to 31 July 2020.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

PATHWAY FOR CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies **(Continued)**

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	33.33% Straight Line
IT Equipment	33.33% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

PATHWAY FOR CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PATHWAY FOR CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

PATHWAY FOR CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

2 Employees

The average monthly number of persons (including directors) employed by the company during the Period was:

	2020 Number	2020 Number
Total	94	97

3 Tangible fixed assets

	Fixtures and fittings £	IT Equipment £	Total £
Cost			
At 1 August 2020	7,680	50,725	58,404
Additions	-	66,100	66,100
At 31 December 2020	7,680	116,824	124,504
Depreciation and impairment			
At 1 August 2020	2,133	18,457	20,591
Depreciation charged in the Period	1,067	8,434	9,501
At 31 December 2020	3,200	26,892	30,092
Carrying amount			
At 31 December 2020	4,480	89,932	94,412
At 31 July 2020	5,547	32,268	37,815

4 Debtors

	2020 £	2020 £
Amounts falling due within one year:		
Trade debtors	616,047	666,080
Other debtors	194,464	106,214
	810,511	772,294
Deferred tax asset	187,839	228,068
	998,350	1,000,362

PATHWAY FOR CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2020

5	Creditors: amounts falling due within one year		
		2020	2020
		£	£
	Trade creditors	45,660	29,062
	Taxation and social security	45,332	53,767
	Other creditors	61,657	201,167
		<u>152,649</u>	<u>283,996</u>

6	Called up share capital				
		2020	2020	2020	2020
	Ordinary share capital	Number	Number	£	£
	Issued and fully paid				
	Ordinary A of £1 each	70	70	70	70
	Ordinary B of £1 each	30	30	30	30
		<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
		<u><u>100</u></u>	<u><u>100</u></u>	<u><u>100</u></u>	<u><u>100</u></u>
	Preference share capital	Number	Number	£	£
	Issued and fully paid				
	of £1 each	1,100,000	1,100,000	1,100,000	1,100,000
		<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>	<u>1,100,000</u>
		<u><u>1,100,000</u></u>	<u><u>1,100,000</u></u>	<u><u>1,100,000</u></u>	<u><u>1,100,000</u></u>
	Preference shares classified as equity			1,100,000	1,100,000
				<u>1,100,000</u>	<u>1,100,000</u>
	Total equity share capital			1,100,100	1,100,100
				<u>1,100,100</u>	<u>1,100,100</u>

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Robert Davies.

The auditor was Mitchell Charlesworth LLP.

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.



Signed off by	Head of Finance Head of Legal & Governance
Author	Kirsty Jane Hill, Democratic Services Officer
Telephone	Tel: 01737 276749
Email	Kirsty.J.Hill@reigate-banstead.gov.uk
To	Commercial Ventures Executive Sub-Committee
Date	Thursday 18 November 2021
Executive Member	Portfolio Holder for Investment and Companies

Key Decision Required	N
Wards Affected	(All Wards);

Subject	Shareholder Actions: RBBC Housing - Independent Living
----------------	--

Recommendations
That the Commercial Ventures Executive Sub-Committee <ol style="list-style-type: none"> 1. Receive and adopt RBBC Housing – Independent Living’s unaudited Financial Statements and Directors’ report for the period 1 April 2021 to 30 September 2021 (Annex D); and 2. To ratify the decision of the Portfolio Holder for Investment and Companies on 13 October 2021 to receive and adopt these Accounts.
Reasons for Recommendations
The Commercial Ventures Executive Sub-Committee are asked, as shareholder representative for Reigate and Banstead Borough Council, in respect of RBBC Housing – Independent Living (the Association) to receive and adopt the Association’s unaudited Financial Statements and Directors’ report for the period 1

Agenda Item 5

April 2021 to 30 September 2021 to comply with the statutory requirements as set out in the Association's Rules.

The Committee is also asked to ratify the receipt and adoption of these Accounts by the Portfolio Holder for Investment and Companies. This was actioned by the Portfolio Holder on 13 October 2021 following a request from the Financial Conduct Authority to enable the dissolution of the Association.

The Commercial Ventures Executive Sub-Committee has authority to approve the above recommendations.

Statutory Powers

Section 1 of the Localism Act 2011 gives local authorities a general power of competence to do anything that individuals generally may do, where this is not prohibited by other legislation. This includes the power to set up alternative delivery vehicles to exercise its powers and duties.

Background

1. Following approval for the creation of a Community Benefit Society at the Commercial Ventures Executive Sub-Committee on 7 November 2019, The Association was incorporated on 7 October 2020.
2. The intention of the Association was to manage housing, including Social Housing, housing management services, associated facilities and amenities to prevent or relieve poverty and the relief of aged, disabled (whether physically or mentally) or chronically sick people and own and provide housing, including Social Housing to prevent or relieve poverty and the relief of aged, disabled (whether physically or mentally) or chronically sick people.
3. The Association has remained inactive since its creation and the Commercial Ventures Executive Sub-Committee agreed to dissolve it at its meeting on 30 September 2021.
4. Following the meeting, dissolution papers were submitted to the Financial Conduct Authority (FCA) as the body which regulates community benefit societies.

Key Information

Dissolution

5. Following receipt of the Association's Financial Statements for the period 7 October 2020 to 31 March 2021 and a dissolution application, the FCA requested a further set of Accounts for the period 1 April 2021 to 30 September 2021 in order to dissolve the Association.
6. The FCA set a deadline of 4 days to receive the additional Accounts.
7. In accordance with the Rules of the Association, shareholders are required to receive and adopt these Accounts. On the 13 October 2021, to enable

compliance of the FCA deadline, the Portfolio Holder for Investment and Companies confirmed receipt and adopted the accounts in respect of Reigate and Banstead Borough Council's shareholding in the Association.

8. The Commercial Ventures Executive Sub-Committee is now asked to ratify the Portfolio Holder's decision.

Options

Option 1 Approve the recommendations in order that RBBC Housing – Independent Living meets its statutory responsibilities.

This is the recommended option to ensure that RBBC Housing – Independent Living is governed correctly and meets its statutory responsibilities.

Option 2 If, after reviewing the recommendations and accounts, adjustments are required, the Commercial Ventures Executive Sub-Committee should request adjustments be made and approve the recommendations subject to those adjustments, in order that RBBC Housing – Independent Living is governed correctly and meets its statutory responsibilities.

Option 3 To not approve the Recommendations. This is not the recommended option as RBBC Housing – Independent Living will not be compliant with its statutory duties and risk exposure to liability for breach of its statutory obligations.

Legal Implications

9. Section 1 of the Localism Act 2011 provides local authorities with the power to do anything an individual may do, subject to a number of limitations. In exercising this power, a local authority is still subject to its general duties (such as the fiduciary duty it owes to its rate and local taxpayers and to the public law requirements to exercise the general power of competence for a proper purpose).

10. In receiving and adopting the accounts and ratifying the decision of the Portfolio Holder, the Committee is upholding these general duties including those of transparency.

Financial Implications

11. There are no specific financial implications arising from this report.

Equalities Implications

12. . There are no equality implications arising from this report.

Communication Implications

13. There are no direct communication implications arising from the recommendations of this report.

Agenda Item 5

14. However, as identified in the Commercial Governance Framework, the Commercial Ventures Executive Sub-Committee should have regard for the Local Authorities (Companies) Order 1995, which sets out the rights for authorities and individual Members to receive company specific information.

Environmental Sustainability Implications

15. There are no environmental sustainability implications arising from this report.

Risk Management Considerations

16. All commercial ventures and investment activities contain an element of risk, and the Commercial Ventures Executive Sub-Committee should consider these as part of the decision making process for any decisions relating to commercial ventures and investment activities. There are no specific risk management considerations arising from this report.

Background Powers

None.

RBBC Housing - Independent Living

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Community Benefit Society registration: 8475

Registered under the Co-operative and Community Benefit Societies Act 2014

RBBC HOUSING - INDEPENDENT LIVING

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RBBC HOUSING - INDEPENDENT LIVING

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

Board of Directors

Mari Wood		
Lucinda Mould		
Caroline Waterworth	(resigned	July 2021)
Simon Bland	(appointed	September 2021)
Simon Rosser	(appointed	September 2021)
Duane Kirkland	(appointed	September 2021)

Registered office address

Reigate and Banstead Borough Council
Town Hall
Castlefield Road
Reigate
Surrey
RH2 0SH

Secretary

Kirsty Hill

RBBC HOUSING - INDEPENDENT LIVING

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

The Board present their report and the unaudited financial statements for RBBC Housing – Independent Living for the period 1 April 2021 to 30 September 2021.

Principal Activity

RBBC Housing – Independent Living was registered on 7 October 2020. Its registration with the Financial Conduct Authority confirmed its business would be 'to manage housing, including Social Housing, housing management services, associated facilities and amenities to prevent or relieve poverty and the relief of aged, disabled (whether physically or mentally) or chronically sick people. The society may also own and provide housing, including Social Housing to prevent or relieve poverty and the relief of aged, disabled (whether physically or mentally) or chronically sick people.' RBBC Housing – Independent Living has, however, from registration to 30 September 2021, been inactive.

RBBC Housing – Independent Living's Board Members:

Simon Bland (appointed September 2021)
Duane Kirkland (appointed September 2021)
Lucinda Mould
Simon Rosser (appointed September 2021)
Caroline Waterworth (resigned July 2021)
Mari Wood

Board's responsibilities statement

The Board is responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year. The Board has elected to prepare the financial statements under the historical cost convention and in accordance with FRS 102 section 1A (the Financial Reporting Standard applicable in the UK and Republic of Ireland) and the requirements of the Co-operative and Community Benefit Societies Act 2014.

Review of the business

As it could not be used for its original purpose, RBBC Housing – Independent Living has remained inactive.

Summary of the financial position

RBBC Housing – Independent Living has £4 share capital.

This report was approved by the Board on 11 October 2021 and signed on behalf of the Board by:

M Wood
Chair

K J Hill
Secretary

RBBC HOUSING - INDEPENDENT LIVING

REVENUE ACCOUNT

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

	2021
	£
Turnover	-
Cost of sales	<u>-</u>
Gross profit	-
Administration costs	<u>-</u>
Operating surplus/(deficit)	-
Interest payable and similar charges	-
Surplus/(deficit) for the financial period	<u><u>-</u></u>

These financial statements were approved and authorised for issue by the Committee of Management on 11 October 2021.

Signed on behalf of the Committee of Management

.....
Mari Wood

Committee member

.....
Lucinda Mould

Committee member

.....
Kirsty Hill

Secretary

RBBC HOUSING - INDEPENDENT LIVING

BALANCE SHEET

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

		2021	
	Note	£	£
Current assets			
Cash in hand		<u>4</u>	
Net current assets			<u>4</u>
Net assets			<u><u>4</u></u>
Capital and reserves			
Share Capital	3	<u>4</u>	
Total capital and reserves			<u><u>4</u></u>

These financial statements were approved and authorised for issue by the Committee of Management on 11 October 2021.

Signed on behalf of the Committee of Management

.....
Mari Wood Committee member

.....
Lucinda Mould Committee member

.....
Kirsty Hill Secretary

RBBC HOUSING - INDEPENDENT LIVING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2021

1 Principal accounting policies

Basis of preparation of financial statements

The financial statements for the period 1 April 2021 to 30 September 2021 have been prepared under the historical cost convention and in accordance with FRS 102 section 1A (the Financial Reporting Standard applicable in the UK and Republic of Ireland) and the requirements of the Co-operative and Community Benefit Societies Act 2014. They are prepared in sterling and rounded to the nearest £1.

The society has been inactive since its incorporation on 7 October 2020 and the intention is for it to be wound up.

Society information

The society is a community benefit society registered in England under the Co-operative and Community Benefit Societies Act 2014 with society registration number 8475. The registered office is the address given on page 1.

2 Employees

There were no employees during the period.

3 Share capital

	2021
	£
Share Capital - £1 ordinary shares	
At start of period	4
At end of period	<u><u>4</u></u>

4 Members

	No.
At start of period	4
At end of period	<u><u>4</u></u>

5 Related party transactions

There were no related party transactions.

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