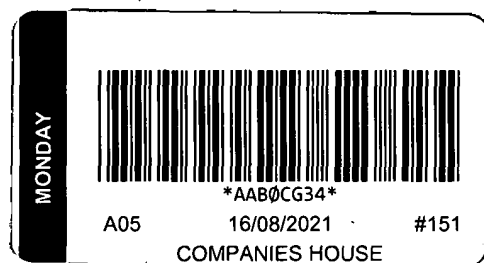


# Willsgrove Developments Limited

Directors' report and financial statements

Year ended 31 December 2020

Registered number: 02594369



# Willsgrove Developments Limited

## Directors' report and financial statements

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# Willsgrove Developments Limited

## Directors and other information

### Directors

M. Bailey  
A. Gleeson (Resigned 01/03/2021)

### Secretary

M. Bailey  
A. Gleeson (Resigned 01/03/2021)  
Y. Bailey (Appointed 01/03/2021)

### Registered office

Martin Kaye LLP  
The Foundry  
Euston Way  
Telford  
Shropshire  
United Kingdom  
TF3 4LY

### Auditor

KPMG  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

### Bankers

NAMA  
Treasury Dock  
North Wall Quay  
Dublin 1  
D01 A9T8  
Ireland

Allied Irish Bank  
Direct Banking  
PO Box 73306  
London  
W5 9PB  
United Kingdom

### Solicitors

Martin Kaye LLP  
The Foundry  
Euston Way  
Telford  
Shropshire  
United Kingdom  
TF3 4LY

### Registered number

02594369

# Willsgrove Developments Limited

## Directors' report

The director presents his report and the audited financial statements of the Company for the year ended 31 December 2020.

### Principal activities, business review and future developments

The principal activity of the Company is to carry on the business of builders, property developers and lessors and dealers in land and buildings. The director does not expect this to change in the future. Turnover increased to £16.20 million in the year (2019: £16.49 million). The Company made a profit before tax of £4.57 million in the year (2019: £2.46 million).

### Principal risks and uncertainties

The director considers the principal risks for the business to be a downturn in the economy and a lack of finance available for development projects and uncertainty due to Brexit.

Attention is drawn to the risks and uncertainties associated with preparation of the accounts on a going concern basis (see below) and with the valuation of property assets, particularly under current market conditions. The director has considered the valuation of each of the significant property assets reflected in the financial statements as at 31 December 2020, and, where appropriate, has adjusted the carrying value of these property assets.

### Going concern

The Company's loan facilities with the National Asset Management Agency ("NAMA") have expired and have not been formally renewed. Notwithstanding this fact NAMA has continued to provide financial support to the Company but there is a material uncertainty about whether the loans will be formally renewed. The Company had net current liabilities and net liabilities at 31 December 2020. The ability of the Company to continue as a going concern is dependent on the continued support of NAMA. The Company has been in ongoing discussions with NAMA. The director is confident that these discussions will be satisfactorily concluded. The director is also confident that subsequent to the COVID-19 pandemic, NAMA will provide continued support to the Company.

While progress has been made during the year, these conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. On the basis of the information outlined in the preceding paragraph, the director has prepared the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

### Results and dividends

The results for the year are set out in statement of profit and loss and other comprehensive income below. The director does not recommend payment of a dividend (2019: £Nil).

### Interests of directors and secretary

The directors who served during the year and their interests in the Company are as stated below:

	'A' Ordinary shares 31 December 2020	'A' Ordinary shares 31 December 2019
Michael F. Bailey	2	2
Anne Gleeson (Resigned 01/03/2021)	-	-
Yvonne Bailey (Appointed Secretary 01/03/2021)	-	-

# Willsgrove Developments Limited

## Directors' report *(continued)*

### Political and charitable contributions

The Company made no political or charitable contributions in the year (2019: £Nil).

### Disclosure of information to auditor

The director who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Post balance sheet events

Refer to note 18 for details.

### Strategic report

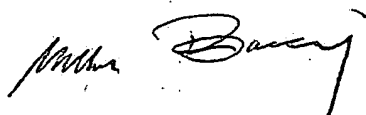
In preparing the directors' report, the director has taken the small companies exemption under Section 414(B) of the Companies Act 2006, (Strategic Report and Directors' Report) Regulations 2013, not to prepare a strategic report for the presentation with these financial statements.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG will therefore continue in office.

On behalf of the board

M. Bailey  
Director



3rd August

2021

## Willsgrove Developments Limited

### Statement of directors' responsibilities in respect of the directors' report and the financial statements

The director is responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

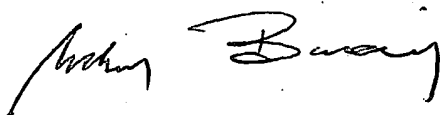
Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board

M. Bailey  
Director



3rd August 2021



**KPMG**  
**Audit**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
D02 DE03  
Ireland

## **Independent auditor's report to the members of Willsgrove Developments Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Willsgrove Developments Limited ("the Company") for the year ended 31 December 2020 set out on pages 9 to 21, which comprise the statement of profit and loss and other comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

#### **Material uncertainty related to going concern**

We draw attention to note 1 to the financial statements which indicates that the Company has outstanding bank loans which are repayable on demand. The directors are in ongoing discussions with NAMA, its funding provider. While progress has been made during the period, the loans have not yet been formally renewed. As stated in note 1, these events and conditions, along with the other matters explained in note 1, constitute a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. As set out in note 1 in the financial statements, they have also concluded that there is a material uncertainty that could cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period"). In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.



## **Independent auditor's report to the members of Willsgrove Developments Limited** *(continued)*

### **Report on the audit of the financial statements** *(continued)*

#### **Material uncertainty related to going concern**

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

#### **Emphasis of matter – valuation of stock**

We also draw attention to note 17 of the financial statements concerning the material valuation uncertainty in respect of the estimated value of the Company's owned stocks at 31 December 2020, which principally comprise lands and associated works and which are stated at the lower of cost or net realisable value. The external valuers reports were based on 'material valuation uncertainty' on the basis of uncertainties in the general property market caused by the Covid-19 pandemic. This results in a greater level of uncertainty in the determination of the recoverable amount of the Company's owned stock value of £480,000.

Our opinion is not modified in respect of this matter.

#### **Detecting irregularities including fraud**

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud; using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the director. In addition, our risk assessment procedures included: inquiring with the director as to the Company's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the director has knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Company's regulatory and legal correspondence; and reading board minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team. The Company is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the director and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.





## **Independent auditor's report to the members of Willsgrove Developments Limited** *(continued)*

### **Report on the audit of the financial statements** *(continued)*

#### **Detecting irregularities including fraud** *(continued)*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

#### **Other information**

The director is responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

#### **Opinions on other matters prescribed by the Companies Act 2006**

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2006.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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
- 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.



**Independent auditor's report to the members of Wills Grove Developments Limited**  
(continued)

**Respective responsibilities and restrictions on use**

***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set out on page 4, the director is responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company 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, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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. A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

***The purpose of our audit work and to whom we owe our responsibilities***

Our 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.

Patricia Carroll (Senior Statutory Auditor)  
for and on behalf of KPMG, Statutory Auditor  
Chartered Accountants  
1 Stokes Place, St. Stephen's Green, Dublin 2

5 August 2021

# Willsgrove Developments Limited

## Statement of profit and loss and other comprehensive income for the year ended 31 December 2020

	Note	2020 £	2019 £
<b>Turnover</b>	2	<b>16,196,705</b>	16,494,676
Cost of sales			
- ongoing		(9,043,351)	(10,068,401)
- write down in stock	9	(264,497)	(819,228)
<b>Gross profit</b>		<b>6,888,857</b>	5,607,047
Administrative expenses		(252,787)	(337,268)
Write down of value of unlisted investment	8	(68,829)	(11,823)
Reversal of write downs in debtors		9,429	216,315
<b>Operating profit</b>	3	<b>6,576,670</b>	5,474,271
Interest payable and similar charges	4	(2,007,981)	(3,015,835)
Interest receivable and similar income		710	488
<b>Profit on ordinary activities before taxation</b>		<b>4,569,399</b>	2,458,924
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial year</b>		<b>4,569,399</b>	2,458,924
Other comprehensive income		-	-
<b>Total comprehensive profit for the year</b>		<b>4,569,399</b>	2,458,924

The accompanying notes are an integral part of these financial statements.

# Willsgrove Developments Limited

## Balance sheet

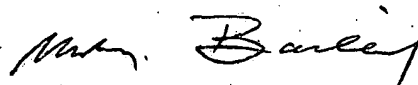
as at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	7	-	-
Unlisted investments	8	25,000	93,829
		<u>25,000</u>	<u>93,829</u>
<b>Current assets</b>			
Stocks	9	480,000	8,432,470
Debtors	10	170	15,447
Other debtors	11	1,636,280	3,219,988
Cash in hand and at bank		1,844,843	406,725
		<u>3,961,293</u>	<u>12,074,630</u>
<b>Creditors: amounts falling due within one year</b>	12	(59,799,294)	(72,550,859)
<b>Net current liabilities</b>		<u>(55,838,001)</u>	<u>(60,476,229)</u>
<b>Net liabilities</b>		<u>(55,813,001)</u>	<u>(60,382,400)</u>
<b>Capital and reserves</b>			
Called up share capital	13	3	3
Profit and loss account		(55,813,004)	(60,382,403)
<b>Shareholder's deficit</b>		<u>(55,813,001)</u>	<u>(60,382,400)</u>

The accompanying notes are an integral part of these financial statements.

These financial statements were approved by the director on 3rd August 2021.

M. Bailey  
Director  
Registered Number 0259439



# Willsgrove Developments Limited

## Statement of changes in equity for the year ended 31 December 2020

	Called up share capital £	Profit and loss account £	Total equity £
<b>Balance at 1 January 2019</b>	3	(62,841,327)	(62,841,324)
<b>Total comprehensive income for the year</b>			
Profit for the financial year	-	2,458,924	2,458,924
Total comprehensive income for the year	-	2,458,924	2,458,924
<b>Balance at 31 December 2019</b>	3	(60,382,403)	(60,382,400)
<b>Total comprehensive income for the year</b>			
Profit for the financial year	-	4,569,399	4,569,399
Total comprehensive income for the year	-	4,569,399	4,569,399
<b>Balance at 31 December 2020</b>	3	(55,813,004)	(55,813,001)

The accompanying notes are an integral part of these financial statements.

# Willsgrove Developments Limited

## Cash flow statement

for the year ended 31 December 2020

	2020 £	2019 £
Profit for the year	4,569,399	2,458,924
<i>Adjustments for:</i>		
Stock write down	264,497	819,228
Write down on investments	68,829	11,823
Interest payable	2,007,981	3,015,835
Interest receivable	(710)	(488)
Write back intercompany	(9,429)	(216,315)
Disposal of financial assets	-	7
<b>Changes in</b>		
Decrease/(increase) in trade and other debtors	1,608,413	(2,814,357)
Decrease in stocks	7,687,973	9,790,259
(Decrease)/increase in trade and other creditors	(669,450)	2,220,629
<b>Net cash from operating activities</b>	<b>15,527,503</b>	<b>15,285,545</b>
<b>Cash flows from investing activities</b>		
Interest received	710	488
Interest paid	(489,946)	(889,166)
<b>Net cash from investing activities</b>	<b>(489,236)</b>	<b>(888,678)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(13,600,149)	(15,154,277)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,438,118</b>	<b>(757,410)</b>
Cash and cash equivalents at beginning of year	406,725	1,164,135
<b>Cash and cash equivalents at end of year</b>	<b>1,844,843</b>	<b>406,725</b>

# Willsgrove Developments Limited

## Notes

*forming part of the financial statements*

### 1 Accounting policies

Willsgrove Developments Limited ("the Company") is a private company limited by shares and incorporated, registered and domiciled in the United Kingdom. The registered number is 02594369 and the registered address is Martin Kaye LLP, The Foundry, Euston Way, Telford, Shropshire, TF3 4LY.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The key judgements in these accounts relates to the use of the going concern assumption and the valuation of stocks.

#### **Going concern**

The ability of the Company to continue as a going concern is dependent on the continued support of its parent company (Bovale Developments Unlimited Company) and its lender, the National Asset Management Agency ("NAMA"). Bovale Developments Unlimited Company's loan facilities have expired and have not been formally renewed. Notwithstanding this fact NAMA has continued to provide financial support to Bovale Developments Unlimited Company but there is a material uncertainty about whether the loans will be formally renewed. The directors of the Company's parent are confident that these discussions will be satisfactorily concluded. The directors of the Company's parent are also confident that subsequent to the COVID-19 pandemic NAMA will provide continued support to the Group.

While progress has been made during the year, these conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. On the basis of the information outlined in the preceding paragraphs, the director has prepared the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

#### **Basic financial instruments**

##### ***Trade and other debtors/creditors***

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

##### ***Interest-bearing borrowings classified as basic financial instruments***

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### ***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances and call deposits.

# Willsgrove Developments Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### Basic financial instruments (continued)

##### Interest receivable and interest payable

Interest receivable and similar income include interest receivable on funds invested.

Interest payable and similar charges includes interest payable which is recognised in the profit and loss account.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method.

##### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell and complete. Stocks comprise of lands held for development.

##### Financial assets

Investments in subsidiary and other related undertakings are carried at cost less impairment.

##### Foreign currency

Transactions in foreign currencies (those which are denominated in a currency other than the functional currency) are translated at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the foreign exchange rate at the statement of financial position date. Exchange gains and losses related to trade receivables and payables, other financial assets and payables, and other operating receivables and payables are separately presented on the face of the income statement.

Exchange rate differences on translation to functional currency are reported in profit or loss, except when reported in other comprehensive income for the translation of intra-group receivables from, or liabilities to, a foreign operation that in substance is part of the net investment in the foreign operation.

##### Tangible fixed assets

Tangible fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of tangible fixed assets that had been revalued to fair value on or prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Full depreciation is charged to the profit and loss account. Land is not depreciated.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the group expects to consume an asset's future economic benefits.



# Willsgrove Developments Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### Turnover

Turnover represents rental income and income generated from sales of land. Land sales are recognised based on the fair value of consideration receivable for goods and services exclusive of Value Added Tax and other sales taxes delivered to third party customers during the year and are recognised once the significant risks and rewards are transferred to the customer. Rental income is recognised on a straight line basis over the life of the lease, adjusted for any lease incentives.

#### Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

#### Consolidation

The Company is exempt by virtue of small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group

### 2 Turnover

The total turnover of the Company for the financial year and previous financial period can be analysed as follows:

	2020 £	2019 £
Rental income	3,705	62,676
Land sales	16,193,000	16,432,000
	<hr/>	<hr/>
	16,196,705	16,494,676
	<hr/>	<hr/>

# Willsgrove Developments Limited

## Notes (continued)

<b>3 Operating profit</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
The operating profit is stated after charging:		
Depreciation of tangible fixed assets owned by the Company	-	-
Auditor's remuneration	8,324	9,600
Directors' remuneration	10,000	10,000
	<hr/>	<hr/>

<b>4 Interest payable and similar charges</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest payable on loans repayable within one year	2,007,891	3,015,835
	<hr/>	<hr/>

<b>5 Employees and remuneration</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Staff costs	38,366	76,510
	<hr/>	<hr/>
	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Employees	Nil	1
	<hr/>	<hr/>

The staff costs includes Directors fees of £10,000 (2019: £10,000) and external staff costs recharges from other group companies £28,366 (2019: £62,100).

<b>6 Tax on profit on ordinary activities</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
The tax charge based on the profit for the financial year is made up as follows:		
<i>Current tax expense</i>		
Corporation tax on profit in the period	-	-
Adjustments in respect of prior periods	-	-
	<hr/>	<hr/>
<b>Corporation tax (credit)/charge</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>

# Willsgrove Developments Limited

## Notes (continued)

### 6 Tax on profit on ordinary activities (continued)

The corporation tax credit for the period is made up as follows:	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before taxation	<b>4,569,399</b>	<b>2,458,924</b>
Profit on ordinary activities at standard corporation tax rate of 19% (2019: 19%)	<b>868,186</b>	<b>467,195</b>
Effects of:		
Expenses not deductible for tax purposes	<b>12,916</b>	<b>195,205</b>
Movement in unprovided deferred tax asset	<b>(881,102)</b>	<b>(662,400)</b>
<b>Total current tax (credit)</b>	<b>-</b>	<b>-</b>

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023 for companies with taxable profits in excess of £0.25m. This will have a consequential effect on the company's future tax charge.

Due to the uncertainty of the recoverability of the tax losses, a deferred tax asset of circa £8,151,682 (2019: £8,081,965) has not been recognised.

### 7 Tangible fixed assets

	<b>Plant and equipment</b>
	<b>£</b>
<b>Cost</b>	
At 31 December 2019	<b>41,987</b>
Obsolete -written off during the year	<b>(41,987)</b>
<b>At 31 December 2020</b>	<b>-</b>
<b>Depreciation</b>	
At 31 December 2019	<b>41,897</b>
Written off during the year	<b>(41,987)</b>
<b>At 31 December 2020</b>	<b>-</b>
<b>Net book value</b>	
At 31 December 2020	<b>-</b>
At 31 December 2019	<b>-</b>

# Willsgrove Developments Limited

## Notes (continued)

### 8 Fixed asset investments

	2020 £	2019 £
Unlisted investments – Intercard Limited	25,000	93,829

Intercard Limited is a private limited company with its registered office address at 2 Maylands Wood, Hall Road, Hemel Hempstead, Hertfordshire, HP2 7BH. The initial cost of this investment was £200,000. The Company holds 17.6% of the ordinary share capital of the entity (2019: 17.6%). In the financial year ended 31<sup>st</sup> December 2020, the director obtained an independent valuation of the Company's investment which valued the investment at £25,000. Considering this, the director decided to write down this investment by £68,829 from its prior year valuation.

### 9 Stocks

	2020 £	2019 £
<i>Work in progress</i>		
Balance at start of year	8,432,470	19,041,957
Transferred to cost of sales	(7,687,973)	(9,790,259)
Write down in stock	(264,497)	(819,228)
Balance at end of year	480,000	8,432,470

### 10 Debtors: amounts due within one year

	2020 £	2019 £
Trade debtors	-	510
Other	170	14,937
	170	15,447

### 11 Other debtors

	2020 £	2019 £
Other debtors	1,636,280	3,219,988

Other debtors of £1,636,280 (2019: £3,219,988) consists of monies held on deposit by a solicitor on behalf of the Company.

# Willsgrove Developments Limited

## Notes (continued)

<b>12 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans and accrued interest (i)	<b>56,564,490</b>	68,438,614
Trade creditors	<b>1,357</b>	54,195
Amounts owed to related parties (ii) (note 14)	<b>96,660</b>	150,069
Loans from directors (note 14)	<b>251,124</b>	251,124
Other creditors including tax accrual	<b>2,885,663</b>	3,656,857
	<b>59,799,294</b>	72,550,859

(i) The loans from NAMA are secured by unlimited personal guarantees from the Company's director, M.F Bailey, and by fixed legal charges over the assets acquired with the funds advanced and a floating charge over all the Company's assets. The loans attract an interest rate of approximately 3.32% and are repayable on demand.

(ii) Amounts owed to related parties are unsecured, interest free and fall due on demand.

<b>13 Share capital</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
999 ordinary A shares of £1 each	<b>999</b>	999
1 ordinary B shares of £1 each	<b>1</b>	1
	<b>1,000</b>	1,000
<b>Allotted, called up and fully paid</b>		
2 Ordinary A shares of £1 each	<b>2</b>	2
1 Ordinary B share of £1	<b>1</b>	1
	<b>3</b>	3

# Willsgrove Developments Limited

## Notes (continued)

### 14 Related party transactions

By virtue of 1 Ordinary B Share issued to it on 25 January 2012, Bovale Developments Unlimited Company (an unlimited company registered in the Republic of Ireland) has the sole power to appoint and remove the directors of the Company. The rights to appoint and remove the directors of the company were transferred to the Ordinary A shareholder on 3 February 2021 following the passing of a special resolution.

The Company owed £Nil (2019: £53,409) and £96,660 (2019: £96,660) to Bovale Developments and CT Partnership respectively at 31 December 2020, included within amounts owed to related parties.

The Company is a party to a joint venture known as Castle Farm Telford LLP ('CFT LLP') and is owed £Nil by CFT LLP (2019: £Nil).

M F Bailey, who is a director of the Company, is owed £251,124 by the Company at 31 December 2020 (2019: £251,124).

### 15 Ultimate parent

The ultimate parent is Bovale Developments Unlimited Company. Bovale Developments Unlimited Company's shares are owned by M F Bailey who is a resident of the Republic of Ireland.

### 16 Contingent liabilities and contingent liabilities

The Company had no capital commitments and contingent liabilities at the balance sheet date.

### 17 Accounting estimates and judgements

#### Critical accounting judgements in applying the group's accounting policies

A key uncertainty in these financial statements is in relation to the use of the going concern assumption. For further details on this, see note 1.

#### Key sources of estimation uncertainty

The valuation of stocks is also a key source of estimation uncertainty. The stocks have been valued by the director at 31 December 2020 based on lower of cost or net realisable value, and current values from selling agents where possible. In the current year the property on hand is underpinned by external valuations or external bids recorded which have been approved for acceptance by NAMA, the director, and their consultants. Due to the COVID-19 pandemic, the external valuer's reports were based on 'material valuation uncertainty'. The inclusion of the 'material valuation uncertainty' declaration does not mean that the valuation cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. It is the Company's policy to keep all valuations under frequent review.

## Willsgrove Developments Limited

### Notes (continued)

#### 18 Post balance sheet events

Other than those events described in note 14, there have been no post balance sheet events.

#### 19 Approval of financial statements

The financial statements were approved by the board of director on 3<sup>rd</sup> August 2021.