

Company registration number 03520556 (England and Wales)

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022



WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	G Watkin Jones Mrs J A Watkin Jones M Watkin Jones J N T Browne
Secretary	J N T Browne
Company number	03520556
Registered office	Unit 6 Lllys Castan Parc Menai Business Park Bangor Gwynedd LL57 4FH
Auditor	Jackson Stephen LLP James House Stonecross Business Park Yew Tree Way Warrington Cheshire WA3 3JD

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

CONTENTS

	Page
Chairman's statement	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Group statement of comprehensive income	7
Group balance sheet	8
Company balance sheet	9
Group statement of changes in equity	10
Company statement of changes in equity	11
Group statement of cash flows	12
Notes to the financial statements	13 - 30
Group detailed trading and profit and loss account	

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The chairman presents his statement for the year.

Trading

Watkin Property Ventures Developments Limited is a group of companies that acts as a trading group looking for development and construction opportunities. The development companies add value by way of asset management and/or planning gain including in some cases the short-term holding of assets whilst markets improve before being sold in rising markets. The construction activities focus on low risk opportunities with trusted clients and saw a turnover of £1,178,258 (FY21: £556,676) and a gross profit of £56,273 (FY21: £28,641).

In the year ending 30 September 2022, the group sold two properties held in stock being Plas Penrhos, Bangor, at a selling price of £800,000, realising a profit on sale of £646,238 and Heritage Park, Cannock, at a selling price of £620,000, realising a profit on sale of £209,393.

The group made a profit before tax of £3,749,843 (FY21: £2,160,665) on a turnover of £6,326,920 (FY21: £4,826,881) and includes a surplus on revaluation of its derivatives amounting to £1,958,026 (FY21: £971,270).

Balance sheet and funding

Net assets have increased from £34,906,518 to £37,867,096.

All debt in the group with the exception of the debt on our student accommodation in Brighton (£4,875,000 at 30 September 2022) comes from related parties and those parties are fully supportive of the group's strategy to act as a trading group as described above.

Future prospects

The prospects facing the group are good. I believe that there will be some significant opportunities for the group in the markets we operate in aided by our track record and access to funding facilities.

The environment

By their nature the group's redevelopment activities impact on the environment. We take our responsibilities in this regard seriously and are committed to taking action which protect and enhance the environment at large and which mitigate against any possible adverse impacts. Our procedures are designed to ensure that our contractors comply with the requirements of relevant legislation and adopt best practice wherever possible.

Employees

Our success is only achieved through the hard work, dedication and resilience of our staff. Our priority in the short term is the health and safety of our colleagues and we have implemented home working in accordance with Government guidelines. The initiative we took in ordering IT equipment and setting up our colleagues remotely prior to the lock down has meant there has been no interruption to our business operations. I would like to thank all our employees for their contribution in taking on the home working in these unprecedented times and ensuring the continued success of the group.



G Watkin Jones
Chairman

27 January 2023

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their annual report and financial statements for the year ended 30 September 2022.

Principal activities

The principal activity of the group in the year under review was that of property development and investment. The principal activity of the company is a dormant holding company.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

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

G Watkin Jones
Mrs J A Watkin Jones
M Watkin Jones
J N T Browne

Qualifying third party indemnity provisions

The group has arranged a qualifying third party indemnity for all of its directors.

Auditor

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

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable 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 group and company, and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

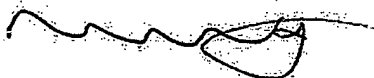
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board



M Watkin Jones
Director

27 January 2023

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of Watkin Property Ventures Developments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2022 and of the group's profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company 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 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 group's and parent 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.

Opinions on other matters prescribed by the Companies Act 2006

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

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, included in the directors' report, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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 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 and 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.

Based on our understanding of the company and sector, we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to, the Companies Act 2006, UK tax, employment, pension and health and safety legislation and 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.

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 judgements and the risk of fraud in revenue recognition.

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management about actual and potential litigation and claims; their policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- obtaining an understanding of provisions and holding discussions with management to understand the basis of recognition or non-recognition of tax provisions;
- reviewing lease agreements for investment properties and performing revenue cut off testing;
- reviewing and assessing the basis of valuation for investment properties;
- reviewing the basis of valuation for stock and reviewing post year end activity to determine the net realisable value; and
- in addressing the risk of fraud through management override of controls: testing the appropriateness of journal entries; assessing whether the accounting estimates, judgements and decisions made by management are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

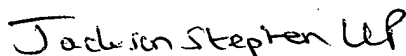
We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Christopher Moss BSc F.C.A. (Senior Statutory Auditor)
For and on behalf of Jackson Stephen LLP

Date: 7 February 2023

Chartered Accountants
Statutory Auditor

James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2022

		2022	2021
	Notes	£	£
Turnover	3	6,326,920	4,826,881
Cost of sales		(1,686,353)	(721,780)
Gross profit		4,640,567	4,105,101
Administrative expenses		(1,785,507)	(1,570,394)
Other operating income	4	21,609	92,798
Operating profit	5	2,876,669	2,627,505
Interest receivable and similar income	9	12,613	7,709
Interest payable and similar expenses	10	(1,097,465)	(1,445,819)
Profit on revaluation of derivatives		1,958,026	971,270
Profit before taxation		3,749,843	2,160,665
Tax on profit	11	(789,265)	(315,323)
Profit for the financial year		2,960,578	1,845,342

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12	73,326		80,953	
Investment property	13	23,029,040		23,029,040	
Investments	14	749,170		749,170	
		<u>23,851,536</u>		<u>23,859,163</u>	
Current assets					
Stocks	16	465,819		981,951	
Debtors falling due after more than one year	17			111,825	
Debtors falling due within one year	17	26,638,055		19,861,936	
Cash at bank and in hand		1,800,345		7,260,327	
		<u>28,904,219</u>		<u>28,216,039</u>	
Creditors: amounts falling due within one year	18	(3,545,076)		(3,268,196)	
Net current assets		<u>25,359,143</u>		<u>24,947,843</u>	
Total assets less current liabilities		<u>49,210,679</u>		<u>48,807,006</u>	
Creditors: amounts falling due after more than one year	19	(9,286,691)		(12,219,717)	
Provisions for liabilities	21	(2,056,892)		(1,680,771)	
Net assets		<u>37,867,096</u>		<u>34,906,518</u>	
Capital and reserves					
Called up share capital	25	100,000		100,000	
Other non-distributable reserve	26	2,507,457		2,456,786	
Profit and loss reserve	26	35,259,639		32,349,732	
Total equity		<u>37,867,096</u>		<u>34,906,518</u>	

The financial statements were approved by the board of directors and authorised for issue on 27 January 2023 and are signed on its behalf by:



M Watkin Jones
Director

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

COMPANY BALANCE SHEET


AS AT 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
Fixed assets			
Investments	14	<u>100,000</u>	<u>100,000</u>
Capital and reserves			
Called up share capital	25	<u>100,000</u>	<u>100,000</u>

As permitted by s408 of the Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £Nil (2021: £Nil)

These financial statements have been prepared 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 27 January 2023 and are signed on its behalf by:


M Watkin Jones
Director

Company Registration No. 03520556

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital £	Other non- distributable reserve £	Profit and loss reserve £	Total £
Balance at 1 October 2020	100,000	2,660,743	30,300,433	33,061,176
Year ended 30 September 2021:				
Profit for the year	-	-	1,845,342	1,845,342
Other comprehensive income:				
Deferred tax on fair value gain on investment property	-	(203,957)	203,957	-
Total comprehensive income for the year	-	(203,957)	2,049,299	1,845,342
Balance at 30 September 2021	100,000	2,456,786	32,349,732	34,906,518
Year ended 30 September 2022:				
Profit for the year	-	-	2,960,578	2,960,578
Other comprehensive income:				
Deferred tax on prior year fair value losses on investment property	-	50,671	(50,671)	-
Total comprehensive income for the year	-	50,671	2,909,907	2,960,578
Balance at 30 September 2022	100,000	2,507,457	35,259,639	37,867,096

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital £
Balance at 1 October 2020	100,000
Year ended 30 September 2021:	
Profit and total comprehensive income for the year	-
Balance at 30 September 2021	100,000
Year ended 30 September 2022:	
Profit and total comprehensive income for the year	-
Balance at 30 September 2022	100,000

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	29		(3,161,034)		14,918,066
Tax paid			(239,351)		(66,010)
Net cash (outflow)/inflow from operating activities			(3,400,385)		14,852,056
Investing activities					
Purchase of tangible fixed assets		(9,235)		(7,025)	
Interest received		12,613		7,709	
Net cash generated from investing activities			3,378		684
Financing activities					
Repayment of loans		(975,000)		(17,325,000)	
Interest paid		(1,087,975)		(1,429,418)	
Net cash used in financing activities			(2,062,975)		(18,754,418)
Net decrease in cash and cash equivalents			(5,459,982)		(3,901,678)
Cash and cash equivalents at beginning of year			7,260,327		11,162,005
Cash and cash equivalents at end of year			1,800,345		7,260,327

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Company information

Watkin Property Ventures Developments Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 6 Llys Castan, Parc Menai Business Park, Bangor, Gwynedd, LL57 4FH.

The group consists of Watkin Property Ventures Developments Limited and all of its subsidiaries.

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.

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 investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption, under FRS102, not to disclose related party transactions with wholly owned subsidiaries within the group.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

The consolidated group financial statements consist of the financial statements of the parent company Watkin Property Ventures Developments Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 September 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

The group's business activities are set out in the Directors' Report. The group meets its funding requirements through a mixture of retained earnings, the provision of loans from related undertakings, bank loans and other loans as set out in the notes to the financial statements. Accordingly the directors continue to adopt the going concern basis in preparing the financial statements.

1.4 Turnover

Turnover represents rent receivable on investment property, which is recognised on a straight-line basis over the term of the relevant lease, the sales of property held in stock that have legally competed during the year, and management fees, valuation fees and contract income receivable, and is shown exclusive of VAT.

Other operating income comprises rent receivable on property held in stock, which is recognised on a straight-line basis over the term of the relevant lease, exclusive of VAT.

1.5 Tangible fixed assets

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

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

Leasehold property improvements	10% per annum on a straight line basis
Office equipment	10%/33 1/3% per annum on a straight line basis

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 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

The valuation is derived by the directors following a detailed review of the property portfolio. The directors are assisted in this assessment, by the sales of similar properties. The directors will also consider occupancy levels, length of leases, quality of tenant, proposed refurbishments and any other significant factors in forming an appropriate valuation.

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.7 Fixed asset investments

In the parent company financial statements, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Unlisted investments are stated at cost, where the fair value cannot be measured reliably.

1.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the loan using the effective interest rate method, so that the amount charged is at a constant rate on the carrying amount.

1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

1.10 Stocks

The property held in stock is available for sale, although it may take more than one year to sell the property due to current market conditions. Property yield rates support the carrying value.

Stock is valued at the lower of cost and net realisable value. Cost includes all direct expenditure. Provision is made for foreseeable losses where appropriate. No element of profit is included in the valuation of stock.

Net realisable value is derived by the directors following detailed review of the company's property portfolio. The directors are assisted in this assessment by the sale of similar properties.

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.11 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.

1.12 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

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 group 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.

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 group after deducting all of its liabilities.

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.13 Equity instruments

Equity instruments issued by the group 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 group.

1.14 Derivatives

The company uses derivative financial instruments to manage its exposure to interest rate cash flow risk on its variable rate debt. These derivatives are measured at fair value at each reporting date and the resulting gain or loss is recognised in the Statement of Comprehensive Income.

1.15 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 if, and only if, there is 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.

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.16 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date, in respect of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. Payments, when made, are charged to the provision carried in the Balance sheet.

1.17 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.

1.18 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.19 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.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

In preparing these financial statements the directors have made the following judgements:

1. Determine whether there are indicators of impairment of the group's fixed asset investments and amounts due from related undertakings. When assessing the impairment factors, the directors have taken into consideration the financial position and expected future financial performance of those entities.

2. Determine whether there are indicators of impairment of the group's property held in stock. Factors taken into consideration are occupancy levels, length of leases, quality of tenant and proposed refurbishments.

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

2 Judgements and key sources of estimation uncertainty

(Continued)

Other key sources of estimation uncertainty:

Investment property

Investment property is held at open market value which is assessed annually and can vary depending on a number of factors such as occupancy levels, length of leases, quality of tenant and proposed refurbishments.

Lifecycle maintenance costs

Estimation of lifecycle maintenance costs on an investment property, to be incurred over the period of the lease with the tenant, which is based on the directors' knowledge and experience of the construction sector.

3 Turnover

	2022	2021
	£	£
Turnover analysed by class of business		
Property sales	1,420,000	290,000
Property investment	2,317,180	2,235,032
Property management	1,246,122	1,609,149
Contract income	1,178,258	556,676
Valuation fee income	141,000	104,450
Other income	24,360	31,574
	<u>6,326,920</u>	<u>4,826,881</u>

All turnover arose within the United Kingdom. All activities of the group are classed as continuing.

4 Other operating income

	2022	2021
	£	£
Rental income (properties held in stock)	9,862	84,706
Other income	11,747	8,092
	<u>21,609</u>	<u>92,798</u>

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

5 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	16,862	16,830

6 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	7,425	7,250
Audit of the financial statements of the company's subsidiaries	8,705	8,500
	16,130	15,750
For other services		
Accounts preparation	4,660	4,050
Taxation compliance services	3,285	3,200
	7,945	7,250

7 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Property investment and management	20	17	-	-

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	767,445	695,703	-	-
Social security costs	93,351	78,099	-	-
Pension costs	32,565	32,221	-	-
	893,361	806,023	-	-

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

8 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	187,156	176,148
Company pension contributions	5,967	5,556
	<u>193,123</u>	<u>181,704</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021: 1).

9 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Bank interest income	12,348	7,629
Other interest income	265	80
	<u>12,613</u>	<u>7,709</u>
Total income	<u>12,613</u>	<u>7,709</u>

10 Interest payable and similar expenses

	2022 £	2021 £
Bank loan interest	1,097,376	1,027,982
Bank charges	89	94
Other loans	-	413,901
Other interest costs	-	3,842
	<u>1,097,465</u>	<u>1,445,819</u>
Total finance costs	<u>1,097,465</u>	<u>1,445,819</u>

11 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	478,505	230,289
Adjustments in respect of prior periods	(144,186)	(60,681)
	<u>334,319</u>	<u>169,608</u>
Deferred tax		
Origination and reversal of timing differences	454,946	145,715
	<u>454,946</u>	<u>145,715</u>
Total tax charge	<u>789,265</u>	<u>315,323</u>

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

11 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	3,749,843	2,160,665
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	712,470	410,526
Tax effect of expenses that are not deductible in determining taxable profit	1,614	3,274
Adjustments in respect of prior years	(144,186)	(60,681)
Permanent capital allowances in excess of depreciation	(55,674)	(3,607)
Lease premium adjustment	(1,756)	(1,756)
Deferred tax charge	454,946	145,715
Derivatives adjustment	(178,149)	(178,149)
Other	-	1
Taxation charge	789,265	315,323

A UK corporation tax rate of 25% was announced in the Chancellor's Budget of 3 March 2021, and will apply from 1 April 2023. Deferred tax has been calculated at this rate.

12 Tangible fixed assets

Group	Leasehold property improvements £	Office equipment £	Total £
Cost			
At 1 October 2021	35,420	85,934	121,354
Additions	-	9,235	9,235
At 30 September 2022	35,420	95,169	130,589
Depreciation and impairment			
At 1 October 2021	10,299	30,102	40,401
Depreciation charged in the year	3,541	13,321	16,862
At 30 September 2022	13,840	43,423	57,263
Carrying amount			
At 30 September 2022	21,580	51,746	73,326
At 30 September 2021	25,121	55,832	80,953

The company had no tangible fixed assets at 30 September 2022 or 30 September 2021.

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

13 Investment property

	Group 2022 £	Company 2022 £
Fair value		
At 1 October 2021	23,029,040	-
At 30 September 2022	23,029,040	-

The fair value of the investment property has been made by the directors, on an open market value basis.

The historical cost of the investment property as 30 September 2022 is £19,742,432 (2021: £19,742,432).

14 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	15	-	-	100,000	100,000
Unlisted investments		749,170	749,170	-	-
		749,170	749,170	100,000	100,000

Movements in fixed asset investments Group

	Investments other than loans £
Cost or valuation	
At 1 October 2021 and 30 September 2022	1,964,416
Impairment	
At 1 October 2021 and 30 September 2022	1,215,246
Carrying amount	
At 30 September 2022	749,170
At 30 September 2021	749,170

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

14 Fixed asset investments

(Continued)

Movements in fixed asset investments Company

Shares in
group
undertakings
£

Cost or valuation

At 1 October 2021 and 30 September 2022

100,000

Carrying amount

At 30 September 2022

100,000

At 30 September 2021

100,000

15 Subsidiaries

Details of the company's subsidiaries at 30 September 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Carlton (North Wales) Limited	England and Wales	Property development	Ordinary	100.00	-
Falmer Student Brighton Limited	England and Wales	Property investment	Ordinary	-	100.00
Carlton (Heritage Park) Limited	England and Wales	Property development	Ordinary	-	100.00
Bangor Student Accommodation Limited	England and Wales	Property development	Ordinary	-	100.00

During the year the previously owned subsidiary Bristol Student Limited was dissolved.

16 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Land and buildings for development	465,819	582,033	-	-
Finished property available for sale	-	399,918	-	-
	<u>465,819</u>	<u>981,951</u>	<u>-</u>	<u>-</u>

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

17 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	34,481	26,236	-	-
Corporation tax recoverable	9,626	64,956	-	-
Amounts owed by related undertakings	26,338,725	19,528,413	-	-
Other debtors	10,810	7,145	-	-
Prepayments and accrued income	244,413	201,056	-	-
	<u>26,638,055</u>	<u>19,827,806</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 23)	-	34,130	-	-
	<u>26,638,055</u>	<u>19,861,936</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:				
Deferred tax asset (note 23)	-	111,825	-	-
	<u>-</u>	<u>111,825</u>	<u>-</u>	<u>-</u>
Total debtors	<u>26,638,055</u>	<u>19,973,761</u>	<u>-</u>	<u>-</u>

18 Creditors: amounts falling due within one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans	20	975,000	975,000	-	-
Trade creditors		237,526	71,197	-	-
Amounts owed to related undertakings		777,878	541,218	-	-
Corporation tax payable		269,940	230,302	-	-
Other taxation and social security		63,209	148,455	-	-
Other creditors		33,360	75,422	-	-
Accruals and deferred income		1,188,163	1,226,602	-	-
		<u>3,545,076</u>	<u>3,268,196</u>	<u>-</u>	<u>-</u>

19 Creditors: amounts falling due after more than one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Derivative financial instruments	22	5,386,691	7,344,717	-	-
Bank loans	20	3,900,000	4,875,000	-	-
		<u>9,286,691</u>	<u>12,219,717</u>	<u>-</u>	<u>-</u>

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

19 Creditors: amounts falling due after more than one year (Continued)

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	975,000	-	-
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20 Loans

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	4,875,000	5,850,000	-	-
Payable within one year	975,000	975,000	-	-
Payable after one year	3,900,000	4,875,000	-	-

The bank loan of £4,875,000 (2021: £5,850,000) is secured by a fixed and floating charge on the company's assets and a legal charge on investment property. The loan is repayable in quarterly instalments of £243,750. Interest is payable at 1.3193% above SONIA.

21 Provisions for liabilities

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Other provisions		1,747,901	1,680,771	-	-
Deferred tax liabilities	23	308,991	-	-	-
		2,056,892	1,680,771	-	-

Other provisions relate to lifecycle maintenance costs on the property, which management accrue over the life of the lease, in accordance with the lease agreement with the tenant.

Movements on provisions apart from deferred tax liabilities:

Group	Other provisions £
At 1 October 2021	1,680,771
Debit to Statement of Comprehensive Income	67,130
At 30 September 2022	1,747,901

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

22 Derivative financial instruments

The company has financial liabilities measured at fair value through the Statement of Comprehensive Income of £5,386,691 (2021: £7,344,717) in relation to derivative financial instruments. The company has an amortising interest rate swap arrangement in place in respect of a bank loan totalling £4,875,000. The arrangement is based on the outstanding loan of £4,875,000 (2021: £5,850,000) at a rate of 1.3193% above SONIA. The arrangement is in relation to the specified loan and spans the life of the loan which expires on 17 July 2027. The amount recognised as a credit in the Statement of Comprehensive Income is £1,958,026 (2021: £971,270).

23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
Group				
Accelerated capital allowances	281,590	-	-	(12,690)
Revaluation of investment property	799,152	-	-	(849,822)
Other timing differences	(771,751)	-	-	1,008,467
	<u>308,991</u>	<u>-</u>	<u>-</u>	<u>145,955</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
Movements in the year:		
Asset at 1 October 2021	145,955	-
Charge to Statement of Comprehensive Income	(454,946)	-
Liability at 30 September 2022	<u>(308,991)</u>	<u>-</u>

The other timing differences balance above mainly relates to a deferred tax asset recoverable in the period up to when the derivative financial instrument is settled, in the period up to 2027. The deferred tax liability in relation to accelerated capital allowances above is expected to reverse in more than 5 years, whilst the deferred tax liability arising on the revaluation of investment property will only crystallise on the sale of the related properties.

24 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>32,565</u>	<u>32,221</u>

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

24 Retirement benefit schemes

(Continued)

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

25 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

26 Reserves

Other non-distributable reserve

Other non-distributable reserve represents both the cumulative surplus on investment property revaluations made prior to the date of transition to FRS102, together with the fair value gains and losses arising on the subsequent revaluations of investment properties, net of deferred tax.

Profit and loss reserve

Profit and loss reserve represents the cumulative profits or losses, net of dividends paid and other adjustments.

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group	2021	Company	2021
	2022		2022	
	£	£	£	£
Between two and five years	10,132	7,184	-	-
In over five years	42,000	42,000	-	-
	52,132	49,184	-	-

Lessor

At the reporting end date the group had future minimum lease payments receivable under non-cancellable operating leases as follows:

	Group	2021	Company	2021
	2022		2022	
	£	£	£	£
Within one year	2,430,278	2,371,476	-	-
Between two and five years	9,606,312	9,289,712	-	-
In over five years	34,778,186	35,528,766	-	-
	46,814,776	47,189,954	-	-

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

28 Related party transactions

Interest recognised against profit in the year amounted to £Nil (2021: £244,578) in respect of a revolving credit loan facility provided by G Watkin Jones, a director. The loan facility was fully repaid in the prior year.

Interest recognised against profit in the year amounted to £Nil (2021: £169,323) in respect of a revolving credit loan facility provided by G Watkin Jones and Mrs J A Watkin Jones, both directors. The loan facility was fully repaid in the prior year.

At the balance sheet date, included in amounts owed by related undertakings, was an amount owed by G&J Watkin Jones 1992 A&M Settlement Trust of £1,000,000 (2021: £Nil). G Watkin Jones, Mrs J A Watkin Jones and M Watkin Jones are trustees of the trust. The loan is to be repaid within 9 months of the balance sheet date.

At the balance sheet date, included in amounts owed by related undertakings, was an amount owed by Watkin Jones Legacy Fund Trust of £9,560,000 (2021: £Nil). G Watkin Jones, Mrs J A Watkin Jones and M Watkin Jones are trustees of the trust. The loan is to be repaid within 9 months of the balance sheet date.

At the balance sheet date, included within debtors and creditors, are amounts due from and due to entities under common control of £26,338,725 (2021: £19,528,413) and £777,878 (2021: £541,218) respectively. The amounts are unsecured and are interest free.

During the year the group received management fees amounting to £1,233,806 (2021: £1,575,408) from companies under common control.

29 Cash (absorbed by)/generated from group operations

	2022 £	2021 £
Profit for the year after tax	2,960,578	1,845,342
Adjustments for:		
Taxation charged	789,265	315,323
Interest payable	1,097,465	1,445,819
Interest receivable	(12,613)	(7,709)
Profit on revaluation of derivatives	(1,958,026)	(971,270)
Depreciation of tangible fixed assets	16,862	16,830
Increase in provisions	67,130	50,663
Movements in working capital:		
Decrease in stocks	516,132	110,225
(Increase)/decrease in debtors	(6,865,579)	12,174,196
Increase/(decrease) in creditors	227,752	(61,353)
Cash (absorbed by)/generated from operations	(3,161,034)	14,918,066

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

30 Analysis of changes in net debt - group

	1 October 2021 £	Cash flows £	Other non- cash changes £	30 September 2022 £
Cash at bank and in hand	7,260,327	(5,459,982)	-	1,800,345
Borrowings excluding overdrafts	(13,194,717)	975,000	1,958,026	(10,261,691)
	<u>(5,934,390)</u>	<u>(4,484,982)</u>	<u>1,958,026</u>	<u>(8,461,346)</u>

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

GROUP DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022	2021
	£	£
Turnover	6,326,920	4,826,881
Cost of sales	(1,686,353)	(721,780)
Gross profit	4,640,567	4,105,101
Administrative expenses	(1,785,507)	(1,570,394)
Other operating income	21,609	92,798
Operating profit	2,876,669	2,627,505
Interest receivable	12,613	7,709
Interest payable	(1,097,465)	(1,445,819)
Profit on revaluation of derivatives	1,958,026	971,270
Profit before taxation	3,749,843	2,160,665
Tax on profit on ordinary activities	(789,265)	(315,323)
Profit for the year	2,960,578	1,845,342

This page does not form part of the statutory financial statements.

WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022	2021
	£	£
Turnover		
Sale of property held in stock	1,420,000	290,000
Rental income (investment property)	2,317,180	2,235,032
Management fee income	1,246,122	1,609,149
Contract income	1,178,258	556,676
Valuation fee income	141,000	104,450
Other income	24,360	31,574
	<u>6,326,920</u>	<u>4,826,881</u>
 Cost of sales		
Opening stock	549,918	592,668
Development costs	-	150,995
Legal fees on disposal of stock	7,840	-
Agent's fees on disposal of stock	6,360	-
Indemnity insurance on disposal of stock	250	-
Contract costs	1,121,985	528,035
Closing stock	-	(549,918)
	<u>1,686,353</u>	<u>721,780</u>

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WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022	2021
	£	£
Administrative expenses		
Directors' salaries	136,985	126,755
Directors' pension costs	5,967	5,556
Staff salaries	630,460	568,948
Staff national insurance	93,351	78,099
Staff pension costs	26,598	26,665
Recruitment costs	12,900	400
Other staff costs	6,162	9,437
Motor expenses	41,124	48,623
Travelling and subsistence	48,562	13,909
Aeroplane costs	-	(71)
Asset management consultancy	52,966	50,957
Stationery and equipment	6,941	7,159
Marketing	3,395	735
Postage	1,407	941
Telephone	17,633	23,072
Legal and professional fees	21,430	8,619
Accountancy, payroll audit and tax fees	28,780	23,952
Bank charges	2,424	2,371
Other finance charges	45	195
Sundry expenses	1,249	908
Rent payable	41,881	40,326
Head office service charge	4,956	2,874
Rates	23,775	24,155
Property insurance	50,974	43,464
Health insurance	39,500	33,337
Management charges	12,716	34,140
Empty property costs	3,281	12,570
Head office light and heat	5,746	4,411
Head office repairs and maintenance	36,218	8,112
Lifecycle maintenance costs	250,000	250,000
Other property costs	74,786	8,179
Information technology	37,446	37,270
Sponsorship	25,650	11,460
Donations	23,337	46,036
Depreciation	16,862	16,830
	<u>1,785,507</u>	<u>1,570,394</u>

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WATKIN PROPERTY VENTURES DEVELOPMENTS LIMITED

SCHEDULE TO THE DETAILED ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022	2021
	£	£
Other operating income		
Rental income (property held in stock)	9,862	84,706
Other income	11,747	8,092
	<u>21,609</u>	<u>92,798</u>
Interest receivable		
Bank interest income	12,348	7,629
Other interest income	265	80
	<u>12,613</u>	<u>7,709</u>
Interest payable		
Bank loan interest	1,097,376	1,027,982
Bank charges	89	94
Other loans	-	413,901
Other interest costs	-	3,842
	<u>1,097,465</u>	<u>1,445,819</u>
Profit on revaluation of derivatives		
Profit on revaluation of derivatives	<u>1,958,026</u>	<u>971,270</u>

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