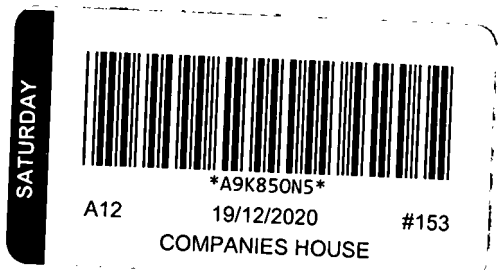


Registered number: 00705370

# **WHEATLEY GROUP DEVELOPMENTS LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**



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## WHEATLEY GROUP DEVELOPMENTS LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	J P Woods H W Baker G S Woods C L Stewart M J Foreman
<b>Company secretary</b>	C L Stewart
<b>Registered number</b>	00705370
<b>Registered office</b>	Wheatley House Dunhams Lane Letchworth Garden City Hertfordshire SG6 1BE
<b>Independent auditors</b>	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors 6th Floor 2 London Wall Place London EC2Y 5AU

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## **WHEATLEY GROUP DEVELOPMENTS LIMITED**

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## **WHEATLEY GROUP DEVELOPMENTS LIMITED**

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### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020**

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#### **Introduction**

The principal activity of the Company continued to be residential and commercial property development.

The Company acquires development sites for the Group.

#### **Business review**

The Company is continuing to purchase residential development sites and to acquire options on longer term sites to ensure continuity of supply. The planning process still inhibits the early start of new schemes despite government best efforts to simplify and speed up the system.

The residential schemes under development have sold well. The first phase of one hundred units at the Buntingford site has been successful and phase two is selling well. Phase three comprised of 86 units is due to start as the units on phase two are sold.

The Company has residential sites in Crowland (100 units), Arlesey (40 units), Caldecote (7 units), Duddenhoe End (1 unit), Henlow (22 units).

Crowland is due to start early 2021, Arlesey and Caldecote are under construction and selling well. Duddenhoe End construction has been completed. Henlow has full planning and due to commence later in 2020.

The Company owns strategic land in Broom, near Biggleswade and has made a planning application for 90 units.

The Company's commercial portfolio has continued to perform well to date.

#### **Covid-19 Pandemic**

The Company has taken appropriate measures to keep working conditions safe for employees and the public at all premises and sites.

#### **Principal risks and uncertainties**

The Company faces a number of business risks and uncertainties due to operating in the property development market. In view of this, the Directors have looked carefully at the projects currently in development and at the viability of future acquisitions.

The Company has traded cautiously in the current financial year to take account of the current uncertainties surrounding Covid-19 and its possible effects on the economy.

#### **Financial key performance indicators**

The principal Key Performance Indicators being monitored are the careful selection of prime residential and commercial development opportunities to provide viable schemes which are monitored for cost and value.

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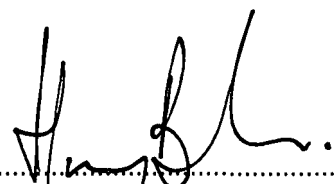
WHEATLEY GROUP DEVELOPMENTS LIMITED

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020

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This report was approved by the board and signed on its behalf.

  
.....  
H W Baker  
Director

Date: 14.12.2020

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## WHEATLEY GROUP DEVELOPMENTS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

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

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The loss for the year, after taxation, amounted to £38,607 (2019 - profit £1,821,997).

#### Directors

The directors who served during the year were:

J P Woods  
H W Baker  
G S Woods  
C L Stewart  
M J Foreman

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## WHEATLEY GROUP DEVELOPMENTS LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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#### Future developments

The Directors aim to maintain the management policies which have resulted in the Company's success in previous years.

The sites at Arlesey, Caldecote and Biggleswade are under construction. The Crowland site of 100 units has planning for 100 units and is being readied to start in 2020.

The Company is confident these sites will be successful.

The Company is pursuing a number of residential sites subject to obtaining planning consent to provide future land stock. The Company has applied for planning consent for 90 units on its land at Broom.

The planning system continues to be a drag on swift progress despite the government's efforts to simplify and speed the system.

The Company is constantly reviewing forward planning to take account of the prevailing national political situation and the Covid-19 pandemic.

#### Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

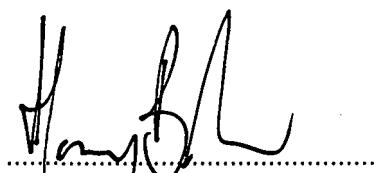
#### Post balance sheet events

There have been no significant events affecting the Company since the year end.

#### Auditors

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
.....  
H W Baker  
Director

Date: 14.12.2020

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## WHEATLEY GROUP DEVELOPMENTS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHEATLEY GROUP DEVELOPMENTS LIMITED

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#### Opinion

We have audited the financial statements of Wheatley Group Developments Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Company's affairs as at 31 March 2020 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material



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## **WHEATLEY GROUP DEVELOPMENTS LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHEATLEY GROUP DEVELOPMENTS LIMITED (CONTINUED)**

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inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or 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, 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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**WHEATLEY GROUP DEVELOPMENTS LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHEATLEY GROUP DEVELOPMENTS LIMITED (CONTINUED)**

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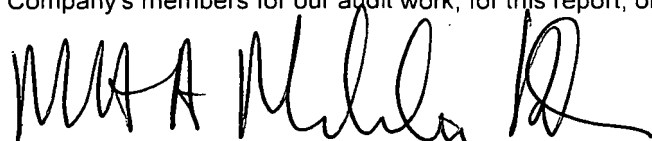
**Auditors' responsibilities for the audit of the financial statements**

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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Brendan Sharkey FCA (Senior statutory auditor)

for and on behalf of  
**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

6th Floor  
2 London Wall Place  
London  
EC2Y 5AU

Date: 17<sup>th</sup> December 2020

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**WHEATLEY GROUP DEVELOPMENTS LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020**

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	Note	2020 £	2019 £
Turnover	4	5,318,378	13,121,530
Cost of sales		(4,699,362)	(10,055,852)
<b>Gross profit</b>		<b>619,016</b>	<b>3,065,678</b>
Administrative expenses		(1,198,027)	(1,732,759)
Other operating income	5	1,053,955	674,922
<b>Operating profit</b>	6	<b>474,944</b>	<b>2,007,841</b>
Interest receivable and similar income	9	5,826	4,411
Interest payable and expenses	10	(126,076)	(144,783)
Revaluation of investment properties	14	(285,000)	-
<b>Profit before tax</b>		<b>69,694</b>	<b>1,867,469</b>
Tax on profit	11	(108,301)	(45,472)
<b>(Loss)/profit for the financial year</b>		<b>(38,607)</b>	<b>1,821,997</b>

There was no other comprehensive income for 2020 (2019:£NIL).

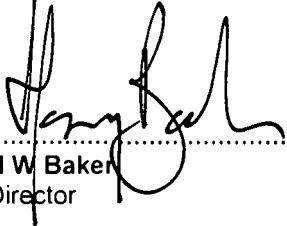
The notes on pages 11 to 26 form part of these financial statements.

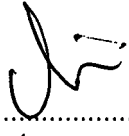
**WHEATLEY GROUP DEVELOPMENTS LIMITED**  
**REGISTERED NUMBER: 00705370**

**BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	12	64,665	81,160
Investments	13	263,549	263,549
Investment property	14	1,290,000	1,575,000
		<u>1,618,214</u>	<u>1,919,709</u>
<b>Current assets</b>			
Stocks	15	17,975,943	15,246,144
Debtors: amounts falling due within one year	16	4,181,331	4,671,622
Cash at bank and in hand	17	1,348,503	709,420
		<u>23,505,777</u>	<u>20,627,186</u>
Creditors: amounts falling due within one year	18	(18,018,850)	(15,387,570)
<b>Net current assets</b>		<u>5,486,927</u>	<u>5,239,616</u>
<b>Total assets less current liabilities</b>		<u>7,105,141</u>	<u>7,159,325</u>
Creditors: amounts falling due after more than one year	19	(34,723)	(50,300)
<b>Net assets</b>		<u><u>7,070,418</u></u>	<u><u>7,109,025</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	35,000	35,000
Share premium account	22	2,664,390	2,664,390
Revaluation reserve	22	214,712	499,712
Profit and loss account	22	4,156,316	3,909,923
		<u><u>7,070,418</u></u>	<u><u>7,109,025</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
 .....  
 H W Baker  
 Director

  
 .....  
 C L Stewart  
 Director

Date: 14.12.2020

Date: 14.12.2020

The notes on pages 11 to 26 form part of these financial statements.

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**WHEATLEY GROUP DEVELOPMENTS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2020**

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	Called up share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total equity £
<b>At 1 April 2018</b>	<b>35,000</b>	<b>2,664,390</b>	<b>499,712</b>	<b>2,087,926</b>	<b>5,287,028</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	1,821,997	1,821,997
<b>At 1 April 2019</b>	<b>35,000</b>	<b>2,664,390</b>	<b>499,712</b>	<b>3,909,923</b>	<b>7,109,025</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(38,607)	(38,607)
Transfer between reserves - movement on fair value revaluation	-	-	(285,000)	285,000	-
<b>At 31 March 2020</b>	<b>35,000</b>	<b>2,664,390</b>	<b>214,712</b>	<b>4,156,316</b>	<b>7,070,418</b>

The notes on pages 11 to 26 form part of these financial statements.

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## WHEATLEY GROUP DEVELOPMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 1. General information

Wheatley Group Developments Limited is a private company, limited by shares, incorporated in England and Wales, registration number 00705370. The registered office is Wheatley House, Dunhams Lane, Letchworth Garden City, Hertfordshire, SG6 1BE.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The financial statements have been prepared in pounds sterling, the functional currency, rounded to the nearest £1.

Group accounts are not required as the information in respect of Wheatley Group Developments Limited and its subsidiary companies is included in the consolidated financial statements of the ultimate parent entity, Wheatley Holdings Limited.

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Wheatley Holdings Limited as at 31 March 2020 and these financial statements may be obtained from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.4 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.5 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.6 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**2.7 Finance costs**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. The company is joined with other group companies in its banking covenants. Interest charges are recharged across the group and included within interest payable.

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## WHEATLEY GROUP DEVELOPMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.8 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

##### 2.9 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using both the straight-line method and reducing balance bases.

Depreciation is provided on the following basis:

Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	20% reducing balance
Computer equipment	-	20% straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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2. Accounting policies (continued)

2.11 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.12 Investment property

Investment property is carried at fair value determined annually by external valuers or by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income, net of deferred taxation.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.14 Stocks

Property developments in progress are valued at the lower of cost and estimated net realisable value and are included in current assets. Cost includes any legal fees relating to the completion of the purchase. Sales of development properties are recognised at the date of completion.

Where market conditions are such that a decision is undertaken to hold properties temporarily and to mitigate the cost of holding the property through lettings, such properties are retained as stock as long as the rental is considered merely incidental to the property trading and development activities. Where considered merely incidental, such rental income is included as other operating income.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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2. Accounting policies (continued)

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

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## WHEATLEY GROUP DEVELOPMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimate and underlying 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 if the revision affects only that period, or in the period of the revision and future period if the revision affects both current and future periods.

The key sources of estimation uncertainty that have a significant effect on amounts recognised in the financial statements are described below:

##### **Investment properties**

Judgements have been made in relation to the valuation of investment properties. The directors are satisfied that investment properties are fairly valued in the financial statements.

##### **Stock**

Judgements have been made in relation to the valuation of stock. The directors are satisfied that stock is fairly valued in the financial statements.

##### **Amounts recoverable on debtors**

Judgements have been made in relation to the recovery of trade debtors and provisions for bad debts. The directors have concluded that amounts included as trade debtors are fairly valued at the year end.

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Property sales	5,318,378	13,121,530
	<u>5,318,378</u>	<u>13,121,530</u>

All turnover arose within the United Kingdom.

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**WHEATLEY GROUP DEVELOPMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**5. Other operating income**

	2020 £	2019 £
Other operating income	8,094	5,592
Net rents receivable	731,280	447,231
Insurance premiums receivable	14,581	12,099
Fees receivable	300,000	210,000
	<u>1,053,955</u>	<u>674,922</u>

**6. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
(Profit)/loss on disposal of tangible fixed assets	(180)	4,360
Operating lease rentals	<u>3,116</u>	<u>978</u>

**7. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>2,695</u>	<u>2,695</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the ultimate parent Company.

**8. Employees**

The average monthly number of employees, including directors, during the year was 5 (2019 - 5).

Directors of the company are also directors of other group companies and are remunerated centrally by a fellow subsidiary.

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**WHEATLEY GROUP DEVELOPMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**9. Interest receivable**

	2020 £	2019 £
Other interest receivable	5,826	4,411
	<u>5,826</u>	<u>4,411</u>

**10. Interest payable and similar expenses**

	2020 £	2019 £
Bank interest payable	125,083	125,505
Other loan interest payable	-	17,788
Finance leases and hire purchase contracts	993	1,490
	<u>126,076</u>	<u>144,783</u>

**11. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	67,961	45,472
Adjustments in respect of previous periods	40,340	-
	<u>108,301</u>	<u>45,472</u>
 <b>Total current tax</b>	 <u>108,301</u>	 <u>45,472</u>

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**WHEATLEY GROUP DEVELOPMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<b>69,694</b>	1,867,469
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>13,242</b>	354,819
<b>Effects of:</b>		
Capital allowances for year in excess of depreciation	-	(754)
Utilisation of tax losses	-	(309,454)
Revaluation of investment properties	<b>54,150</b>	-
Adjustments to tax charge in respect of prior periods	<b>40,340</b>	-
Short term timing difference leading to an increase in taxation	-	828
Non-taxable income less expenses not deductible for tax purposes, other than goodwill and impairment	-	33
Other differences leading to an increase in the tax charge	<b>569</b>	-
<b>Total tax charge for the year</b>	<b>108,301</b>	45,472

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**WHEATLEY GROUP DEVELOPMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**12. Tangible fixed assets**

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2019	92,911	56,580	55,264	204,755
Additions	-	981	8,732	9,713
Disposals	(14,999)	-	-	(14,999)
At 31 March 2020	<u>77,912</u>	<u>57,561</u>	<u>63,996</u>	<u>199,469</u>
<b>Depreciation</b>				
At 1 April 2019	28,948	53,594	41,053	123,595
Charge for the year on owned assets	1,903	768	5,705	8,376
Charge for the year on financed assets	13,762	-	-	13,762
Disposals	(10,929)	-	-	(10,929)
At 31 March 2020	<u>33,684</u>	<u>54,362</u>	<u>46,758</u>	<u>134,804</u>
<b>Net book value</b>				
At 31 March 2020	<u>44,228</u>	<u>3,199</u>	<u>17,238</u>	<u>64,665</u>
At 31 March 2019	<u>63,963</u>	<u>2,986</u>	<u>14,211</u>	<u>81,160</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Motor vehicles	41,286	55,047
	<u>41,286</u>	<u>55,047</u>

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**WHEATLEY GROUP DEVELOPMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**13. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2019	263,549
At 31 March 2020	<u>263,549</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Wheatley Homes Limited	Property marketing	Ordinary	100%
Wheatley Winton Hayes Limited	Building and construction industry	Ordinary	100%
Wheatley Commercial Developments Limited	Builders and estate developers	Ordinary	100%

The registered office for all subsidiary undertakings is Wheatley House, Dunhams Lane, Letchworth Garden City, Herts, SG6 1BE.



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## WHEATLEY GROUP DEVELOPMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 14. Investment property

	Long term leasehold investment property £
<b>Valuation</b>	
At 1 April 2019	1,575,000
Deficit on revaluation	(285,000)
<b>At 31 March 2020</b>	<b>1,290,000</b>
<b>Comprising</b>	
Cost	1,075,288
Annual revaluation surplus/(deficit):	
2016	499,712
2020	(285,000)
<b>At 31 March 2020</b>	<b>1,290,000</b>

The long term leasehold investment properties were valued on 12 March 2020 by Aitchison Raffety, Chartered Surveyors, on an open market existing use basis at £1,290,000.

The directors confirmed on 31 March 2020 that there had been no change in valuation.

The company's investment properties are being used as security for bank loans issued to a fellow group company.

Deferred tax is provided on revaluation gains at the expected taxation rate applicable when the property is sold.

#### 15. Stocks

	2020 £	2019 £
Land	4,996,675	4,271,165
Work in progress	7,830,250	5,825,961
Completed properties	5,149,018	5,149,018
	<b>17,975,943</b>	<b>15,246,144</b>

Stock recognised as an expense in the year was £4,147,269 (2019 - £9,597,737).

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**WHEATLEY GROUP DEVELOPMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**16. Debtors**

	2020 £	2019 £
Trade debtors	340,387	251,651
Amounts owed by group undertakings	3,828,519	4,121,176
Other debtors	6,134	242,372
Prepayments and accrued income	6,291	56,423
	<u>4,181,331</u>	<u>4,671,622</u>

**17. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	1,348,503	709,420
	<u>1,348,503</u>	<u>709,420</u>

**18. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	27,121	7,794
Amounts owed to group undertakings	17,694,734	15,151,965
Corporation tax	67,961	45,472
Other taxation and social security	5,165	-
Obligations under finance lease and hire purchase contracts	15,577	16,875
Other creditors	39,147	21,747
Accruals and deferred income	169,145	143,717
	<u>18,018,850</u>	<u>15,387,570</u>

**Secured loans**

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

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**WHEATLEY GROUP DEVELOPMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**19. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Debentures loans	25,636	25,636
Net obligations under finance leases and hire purchase contracts	9,087	24,664
	<u>34,723</u>	<u>50,300</u>

**Secured Loans**

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

**20. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	15,577	16,875
Between 1-5 years	9,087	24,664
	<u>24,664</u>	<u>41,539</u>

**21. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
35,000 (2019 - 35,000) Ordinary shares of £1 each	<u>35,000</u>	<u>35,000</u>

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## WHEATLEY GROUP DEVELOPMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 22. Reserves

##### Share premium account

Changes in the share premium account are set out in the Statement of Changes in Equity.

##### Revaluation reserve

The revaluation reserve is the amount arising on the revaluation of fixed assets, being the difference between the amount of these assets determined under the historical cost convention and the amount determined by the revaluation of the assets. Transfers to the revaluation reserve arising from disposals are reflected in transfers from the profit and loss account. The revaluation reserve relates to non-distributable reserves.

##### Profit and loss account

The profit and loss account is represented by retained earnings.

#### 23. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	3,116	3,116
Later than 1 year and not later than 5 years	3,116	6,232
	<u>6,232</u>	<u>9,348</u>

Lease payments recognised as an expense in the year were £3,116 (2019: £978).

#### 24. Guarantees and other financial commitments

All assets of the company are held as security for bank borrowings in fellow group companies.

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## WHEATLEY GROUP DEVELOPMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 25. Related party transactions

The company has taken advantage of the exemption included in Financial Reporting Standard 102 section 33 and has not disclosed transactions or balances with entities which form part of the group and are included in the consolidated financial statements.

Following a repayment of the loan in the year, at 31 March 2020, no amount (2019: £118,823) was due from connected companies under common control. This amount was unsecured, interest free and repayable on demand.

During the year, purchases from connected companies under common control totalled £147,000 (2019: £Nil). At 31 March 2020, included in other creditors is £28,005 (2019: £Nil) due to connected companies under common control.

Following a repayment in the year, at 31 March 2020, included in other creditors is £9,160 (2019: £21,747) due to the directors. This amount is unsecured, interest free and repayable on demand.

#### 26. Parent entity

The immediate parent company is Wheatley PLC. The ultimate parent company is Wheatley Holdings Limited.

The accounts of the company are included in the consolidated financial statements of Wheatley Holdings Limited, copies of which are available from the Registrar of Companies, Companies House, Cardiff, CF14 3UZ.