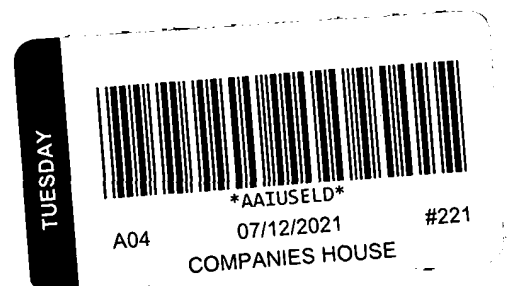


CLOWES DEVELOPMENTS (UK) LIMITED

**Report and Financial Statements
YEAR ENDED 31 MARCH 2021**

Company Registration No. 00819793



CLOWES DEVELOPMENTS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

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CLOWES DEVELOPMENTS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

OFFICERS AND PROFESSIONAL ADVISORS

COMPANY REGISTRATION NUMBER 00819793

REGISTERED OFFICE ADDRESS Ednaston Park
Painters Lane
Ednaston
Derbyshire
DE6 3FA

DIRECTORS D C Clowes (Chairman)
G R Arthur BSc FRICS
T G Clowes (appointed 17 March 2021)
I D Dickinson BA FCA
M P Freeman
R M Hepwood MRTPI MRICS
R C Jones
M A Malik (appointed 17 March 2021)
J D A Richards
P Shanley CIOB MRICS (resigned 30 June 2021)

SECRETARY N C Stevenson (resigned 30 October 2020)
I D Dickinson (appointed 30 October 2020)

BANKERS The Royal Bank of Scotland plc
49 Bishopsgate
London
EC2N 3AS

SOLICITORS	Flint Bishop LLP St Michael's Court St Michael's Lane Derby DE1 3HQ	Gateley plc Knightsbridge House Lower Brown Street Leicester LE1 5NL	Geldards LLP Pride Place Pride Park Derby DE24 8QR
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Holmes Mackillop 109 Douglas Street Blythwood Square Glasgow G2 4HB	Morton Fraser LLP 2 Lister Square Quartermile Two Edinburgh EH3 9GL
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AUDITOR Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Regent House
80 Regent Road
Leicester
LE1 7NH

CLOWES DEVELOPMENTS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

GROUP STRATEGIC REPORT

PRINCIPAL ACTIVITY AND BUSINESS MODEL

The group's principal activities are the acquisition of land, buildings and property to achieve development sales. Properties are rented out whilst the group seeks appropriate opportunities and permissions to develop individual properties on the sites on which they are located. The group always considers reasonable offers for all of its properties, but has the financial strength that it will never be a forced seller. If the group considers there is substantial long-term value in a property, it will retain the asset until the right opportunity to sell or re-develop the property arises and can afford to carry all assets indefinitely.

There have not been any significant changes in the group's principal activities in the year under review.

The group's strategy of pursuing new opportunities continues. The Group has a very broad long term view of the property market and will look at opportunities in all sectors, on both greenfield and brownfield sites, in all areas of the UK. The financial strength of the group allows it to evaluate and move to purchase properties on short timescales.

The group acquired 7 new properties in the year and has made additional acquisitions since the year end. The group purchased a significant parcel of land (199 acres) at Castle Donington, Leicestershire in a consortium with 2 other parties in two separate transactions for residential and commercial development subject to appropriate planning consents. The group also acquired more long term strategic land in the Midlands and Scotland during the year. The site at Fairham near Nottingham acquired in two parts in previous years now has full planning consent and infrastructure works commenced on site in August 2020, with the first 2 sales of plots to housebuilders exchanged since the year end.

The group owns and operates a golf course, a cemetery, a port (sold in July 2021) and a commercial aeroplane. The group has previously owned a number of other commercial enterprises including a builders merchant, a motor home manufacturer, a chain of petrol filling stations, a car import business and a cruise ship. The group will continue to consider business opportunities that can add value to the group, in addition to growing its substantial property portfolio.

The directors are not aware, at the date of this report, of any likely major changes in the group's activities in the next year.

BUSINESS REVIEW

As shown in the consolidated statement of comprehensive income on page 11, the group's turnover has fallen by 22% compared to the prior year from £106.5m to £83.0m, with operating profit decreasing from £26.5m to £23.3m. The group has continued to deliver a number of substantial development deals, with improved margins compared to the prior year. The group has a substantial pipeline of developments over the next 10 to 15 years and has signed 2 major deals since the year end to build nearly 2 million square feet of new commercial space on its freehold owned sites. Consequently, the group is forecasting for turnover and profit to be at substantially higher levels in the forthcoming year. Rental income has fallen due to the sale of some longer-term development properties and lower rents reflecting difficult market conditions for some of the group's retail tenants. The group has taken advantage of market opportunities to sell some properties at extremely attractive yields as the lack of supply of suitable commercial pre-let property has continued to drive prices up. The proceeds continue to be re-invested in the business.

The consolidated statement of financial position on page 12 of the financial statements shows that the group's financial position at the year end, in net asset terms, has improved by 8%. This increase is wholly attributable to the profit for the year. Further expenditure on the group's property stock has occurred in the year with the acquisition of new properties and ongoing work to bring forward sites for development. This strategy is continuing in 2021/22.

The group has historically been extremely lowly geared, and repaid all borrowings that were outstanding at the year end on 30 September 2021. The group's borrowing facilities of £75m remain in place. The group has a three year facility expiring in January 2023 with an option to extend to four years if considered appropriate. The group's banking facilities are only constrained by the risk averse stance of the board and the reluctance to over extend the group by borrowing excessively. Positive cash generation is expected to continue over the next 12 months based upon contracted deals in the pipeline.

During the year the value of work in progress and properties held for resale and development increased by £5,634,428 (2%) from 2020. This reflects the ongoing expenditure on new developments, construction of new commercial and residential property and on new purchases; less the cost of properties sold during the year.

All properties are held at historic cost and are not revalued on an annual basis to reflect market rates. Unrealised gains achieved through obtaining planning consents for future development are not reflected in the group statement of financial position.

The group post tax profits represent a return of 7.5% on shareholders funds (2020 : 8.6%), which is a reflection of the more modest trading result in the year. It is expected that this return will be well over 10% again in the next financial year, following the exchange and completion of a number of deals since the year end.

CLOWES DEVELOPMENTS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

GROUP STRATEGIC REPORT (CONTINUED)

HISTORICAL PERFORMANCE

The group's performance and financial position over the last 6 years ending 31 March can be summarised as follows:

	2016	2017	2018	2019	2020	2021
	£'m	£'m	£'m	£'m	£'m	£'m
Turnover	46.6	93.2	104.9	116.1	106.5	82.9
Operating profit	19.1	30.4	32.4	39.3	26.5	23.3
Profit before tax	18.2	29.1	31.0	38.0	25.1	22.3
Net assets	144.9	168.6	193.9	225.6	246.8	266.7

The group turnover and profitability are a reflection of the fluctuating nature of the business, where single large transactions in one year distort the longer term growth trend of the business. The results are also an indicator for the state of the UK property market, as rising demand and improved property yields have helped profits for the group over the last few years. The results for 2021/22 are forecast to be significantly higher than ever achieved in the history of the group with contracted deals in place, some of which have already completed since the year end.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure in the UK is a continuing risk for the company, which could result in it losing sales to its key competitors. The group manages this risk by providing added value services to its tenants, and by maintaining strong relationships with agents, solicitors, other developers, landowners and professional services suppliers. The group has only one small joint venture currently, but works collaboratively with a number of business partners. The group also fosters close relationships with members of its supply chain to ensure procurement of the best possible outcomes for tenants, freehold purchasers and the group.

Over the last 18 months, there have been several third party transactions for commercial land that are significantly over-priced. We consider this is likely to continue as the current difficulties for traditional retailers and the impact of Covid-19 on the demand for offices has meant investors are looking for commercial leasehold investments, which is driving up commercial land prices. The drive to more on-line retail which has been speeded up by Covid-19 is likely to continue in the short-term. The group has considerable stocks of commercial land and does not need to buy at prices which are unsustainable in the long-term. The group has signed 2 major deals for nearly 2 million square feet of commercial space since the year end, but has plenty of land bank to sustain the business for years to come.

The exit from the European Union by the UK which happened at the end of 2020 has had a limited direct impact on the group to date. However, the effect of supply chain issues and labour shortages is indirectly affecting the group's ability to deliver completed buildings to the normal timescales. Contractors are quoting nearly 50% longer to complete units than previously, which has a knock on cost effect for the extra time and related material price increases. This is mitigated by the continued buoyant market for commercial property. The group has concluded pre-sale deals which lock in costs and values to mitigate the risks.

We consider that the cumulative impacts of Brexit, Covid-19, US budget difficulties, supply chain issues and rising material prices will result in higher interest rates. The impact of slowly rising interest rates and falling asset values will present opportunities as rate rises or loan-to-value issues start to bite on any over-leveraged property owners and businesses. The cash position of the group with unutilised borrowing facilities will enable the group to take advantage of any market adjustments that occur.

FINANCIAL KEY PERFORMANCE INDICATORS

The group manages its operations on a regional basis within the UK and currently has no overseas assets. For this reason, the company's directors believe that further key performance indicators for the group are not necessary or appropriate for an understanding of the development, performance or position of the business.

SECTION 172 STATEMENT

The board of directors of Clowes Developments (UK) Limited consider that, both individually and collectively, they have acted in a way they consider, in good faith, would be the most likely to promote the success of the company and group for the benefit of its shareholders whilst having due regard to the interests of stakeholders and matters set out in S172(1) (a-f).

The main shareholder is also Chairman of the company and group and keeps a close eye on the day-to-day running of the business. The shareholders do not take dividends from the company and hence all cash generated is re-invested in new projects to facilitate the continuing organic growth of the business.

CLOWES DEVELOPMENTS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

GROUP STRATEGIC REPORT (CONTINUED)

SECTION 172 STATEMENT (CONTINUED)

The company and group are run for the long-term benefit of the shareholders, and little cognisance is taken of short term blips in profits. The key to this is the recognition that property development is a medium to longer term business such that individual projects can span as little as 12 months but can also take a decade or more. The mix and flow of individual projects is therefore critical in ensuring a stable workflow and cashflow for the company and group. The business has such a substantial portfolio that it can mothball sites when the small team of directors and staff are overstretched, or utilise key third party development managers to assist.

The directors and staff, and the years of experience that they have accumulated, are vital to the ongoing success of the business. Most of the directors have decades of property development experience and staff are actively encouraged to progress within the team. This is evident in the retirement of one director and the promotion of two new directors to the board during the year.

The company and group operate with a limited team of contractors and professional services companies to ensure the highest quality of buildings and compliance with all legal, environmental and planning regulations, whilst delivering on time and on budget for tenants and design and build purchasers. The company has only one small joint venture with a trusted partner, and has collaborations with only a handful of carefully selected parties on four sites out of the 130 in the group portfolio. Almost all sites are purchased on a freehold basis, and the business rarely has option or promotion agreements. All of the group's properties are in the UK.

ENVIRONMENT

The group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. Initiatives designed to minimise the group's impact on the environment include the construction of energy efficient buildings, careful design of the external built environment, remediation of brownfield land, recycling and reducing energy consumption.

STREAMLINED ENERGY AND CARBON REPORTING

The group was first required to collect information on its energy usage and carbon emissions in the calendar year January to December 2015, and has done so again most recently for the calendar year January to December 2018 in accordance with the UK Government environmental reporting guidelines, along with UK Government greenhouse gas conversion factors. The next measurement period will be the calendar year January to December 2021.

	January 2018 to December 2018
Energy consumption used to calculate emissions (kWh)	5,521,102
Emissions from combustion of gas (tCO ₂ e)	668
Emissions from combustion of fuel for transport purposes (tCO ₂ e)	75
Emissions from purchased electricity (tCO ₂ e)	500
Total gross tCO ₂ e emissions	1,243
Intensity ratio: Tonnes of CO ₂ e per £m EBITDA	46.6

The figures above represent energy use and associated greenhouse gas emissions for all types of energy use including by tenants within the Group's properties arising in the 2018 calendar year and include all business travel. Emissions are measured on a 3 year cycle, but we do not believe that the figures for 2021 would differ materially from those measured in 2018.

The group remains committed to reducing its carbon footprint through a programme of ongoing improvements to its built property stock, and the construction of energy efficient new buildings using the latest technologies.

This report was approved by the Board and signed on its behalf on 04 November 2021



D C Clowes
Chairman

CLOWES DEVELOPMENTS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2021.

RESULTS AND DIVIDENDS

The results of the group for the year are detailed on page 11 of these financial statements. The directors do not recommend the payment of a dividend (2020: £nil).

DIRECTORS

The directors who served throughout the year and subsequently were as follows:

D C Clowes
G R Arthur
T G Clowes (appointed 17 March 2021)
I D Dickinson
M P Freeman
R M Hepwood
R C Jones
M A Malik (appointed 17 March 2021)
J D A Richards
P Shanley (resigned 30 June 2021)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law 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 group and the company and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CLOWES DEVELOPMENTS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

DIRECTORS' REPORT (CONTINUED)

GOING CONCERN

The financial statements have been prepared on the going concern basis as the directors consider that the company and group have sufficient cash resources and through the group's overdraft and revolving credit facilities to continue to operate for the foreseeable future. In reaching this view, the directors have reviewed the likely trading results of the company and the group, the company's and group's cash flow forecasts taking into account the impact of Covid-19 and have ensured that adequate committed lending facilities will be available to meet all reasonable cash requirements for the period to 31 October 2022 (a period of at least 12 months from the date of approval of these financial statements).

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The group is partly financed by a £62.5m revolving credit facility from The Royal Bank of Scotland plc which is subject to LIBOR related interest charges. It also has a £7.5m overdraft facility and a £5m bonding facility which are subject to interest charges which vary with the Bank of England Base Rate. The group is subject to changing base and LIBOR (soon to be replaced by SONIA) rates on the overdraft and revolving credit facilities.

There are no significant levels of bad debt in the group and as such the credit risk is not considered by the directors to be high.

There are no significant foreign currency transactions in the group and therefore foreign exchange risk is not considered by the directors to be major risk.

EMPLOYEES

Details of the number of employees and related costs can be found in note 7 to the financial statements. The average number of persons employed in the group is 47 (2020: 45).

The impact of the Coronavirus pandemic on the physical and mental health of employees has been a major issue since March 2020. The company and group closely monitor current government advice as to restrictions in various geographic areas of the UK in which it operates, and tries to balance the physical risks to staff of the virus against the ongoing mental health issues of remote separate working of a significant proportion of employees.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues, and that appropriate training and workplace adjustments are arranged.

The group has in place policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and memoranda.

The group retains limited data on employees, former employees and tenants in line with the requirements of GDPR which came into effect on 25 May 2018. The Group has policies in place regarding the management and retention of all personal data.

POST BALANCE SHEET EVENTS

As mentioned in the Group Strategic Report, the direct impact of Brexit has been limited for the company and group to date. However, the shortage of labour and supply chain issues have resulted in increasing material costs and longer build times. The group fixes build prices with contractors, at the commencement of the build, but has been faced with increased costs on new contracts as the supply chain issues have got worse. This is mitigated by signing and committing to contracts early and fixing build prices.

The operational impact of the Coronavirus pandemic on the company and group has been limited. The company and group offices re-opened on 1 June 2020 with only essential staff attending and others working remotely. This has continued throughout 2020 and 2021 with staff attending offices in rotation to avoid potential passing of the virus to significant numbers of staff. This partial flexible working is likely to continue for the foreseeable future.

CLOWES DEVELOPMENTS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

DIRECTORS' REPORT (CONTINUED)

POST BALANCE SHEET EVENTS (CONTINUED)

The Coronavirus pandemic has had a significant effect on the company and group's tenants. During 2020 and early 2021, those in the retail and hospitality sectors have been forced to close for significant periods and we have worked closely with tenants to provide assistance where appropriate. These have taken the form of monthly rather than quarterly payments to help with cash flow, rent reductions and some rent-free periods where the tenants are not trading, and deferral of rents and associated lease extensions. Our surveyors and credit control staff have worked extremely hard to keep our rental income flowing whilst working with tenants to help keep them afloat. As a consequence, we have collected approximately 91% of expected rental income from January to June 2021.

Since 31 March 2021, the group has continued to trade as usual. It has acquired 4 new sites, and sold a number of smaller completed new build commercial properties, sold 1 commercial land plot and agreed pre-sales on 20 commercial units where building is about to commence or has already started. The group sold one of its subsidiary companies on 23 Jul 2021, Ardersier Port Limited, as a going concern to Ardersier Port (Scotland) Limited. All existing officers resigned, new Directors were appointed and the registered office was changed 23 July 2021 also.

The group continues to trade at increased levels compared to previous years due to the pre-sold commercial deals signed since the year end.

AUDITOR

In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's and the group's auditor is unaware; and
- each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's and group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Grant Thornton UK LLP have expressed their willingness to continue in office as auditor of the company and a resolution for that re-appointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



I D Dickinson
Secretary
04 November 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLOWES DEVELOPMENTS (UK) LIMITED

Opinion

We have audited the financial statements of Clowes Developments (UK) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 of the parent company's affairs as at 31 March 2021 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 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our Auditor's 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLOWES DEVELOPMENTS (UK) LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the 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 under the Companies Act 2006

In the light of the knowledge and understanding of the group and 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.

Matters on which we are required to report by exception

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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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.

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. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLOWES DEVELOPMENTS (UK) LIMITED (CONTINUED)

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006) and the relevant tax compliance regulations in the jurisdiction in which the company operates. We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our commercial experience and through discussion with management.
- we assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and evaluating management's incentives and opportunities for manipulation of the financial statements. We considered the risk of fraud to be higher through the potential for management override of controls.
- audit procedures performed by the engagement team included:
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large, profit affecting or relating to unusual transactions
 - challenging assumptions and judgements made by management
 - detailed testing around revenue recognition and recognition of deferred income balances
 - identifying and testing related party transactions
- assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - understanding of the financial reporting framework and the relevant tax compliance regulations specific to the entity
- we did not identify any matters relating to non-compliance with laws and regulation and fraud

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 Frostwick
(Senior Statutory Auditor)
for and on behalf of

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
East Midlands
04 November 2021

CLOWES DEVELOPMENTS (UK) LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
TURNOVER	5	82,921,472	106,499,619
Cost of sales		(54,622,084)	(75,335,397)
GROSS PROFIT		<u>28,299,388</u>	<u>31,164,222</u>
Administrative expenses		(5,025,530)	(4,653,546)
OPERATING PROFIT	6	<u>23,273,859</u>	<u>26,510,676</u>
Share of operating profit / (loss) in joint ventures		(481)	(635)
Interest payable	8	(1,057,870)	(1,507,411)
Interest receivable		106,226	94,915
PROFIT BEFORE TAXATION		<u>22,321,734</u>	<u>25,097,545</u>
Tax on profit	9	(2,443,217)	(3,959,358)
PROFIT FOR THE YEAR	22	<u><u>19,878,517</u></u>	<u><u>21,138,187</u></u>

All activities are classed as continuing activities.

The notes on pages 16 to 27 form part of these financial statements.

CLOWES DEVELOPMENTS (UK) LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	3,464,447	425,783
Investment in joint ventures:	13		
Share of gross assets		188,506	179,078
Share of gross liabilities		(194,211)	(184,302)
		(5,705)	(5,224)
		<u>3,458,742</u>	<u>420,560</u>
CURRENT ASSETS			
Stocks	14	285,771,609	280,137,181
Debtors	16	38,072,959	30,491,959
Cash at bank and in hand	17	7,561,331	1,537,243
		<u>331,405,899</u>	<u>312,166,383</u>
CREDITORS: amounts falling due within one year	18	(14,072,739)	(13,812,469)
NET CURRENT ASSETS		<u>317,333,159</u>	<u>298,353,914</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>320,791,902</u>	<u>298,774,474</u>
CREDITORS: amounts falling due after more than one year	19	(54,114,653)	(52,000,000)
PROVISIONS FOR LIABILITIES	20	(20,159)	-
NET ASSETS		<u><u>266,657,090</u></u>	<u><u>246,774,474</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	551	551
Capital redemption reserve	22	49	49
Revaluation reserve	22	4,981,649	4,981,649
Profit and loss account	22	261,552,158	241,673,641
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY		<u>266,534,407</u>	<u>246,655,890</u>
NON-CONTROLLING INTERESTS		122,683	118,584
		<u><u>266,657,090</u></u>	<u><u>246,774,474</u></u>

These financial statements were approved by the Board of Directors and authorised for issue on 04 November 2021

Signed on behalf of the Board of Directors



I D Dickinson
Director

Company Registration Number: 00819793

The notes on pages 16 to 27 form part of these financial statements.

CLOWES DEVELOPMENTS (UK) LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	11	3,452,437	415,945
Investments	12	92,116	232,250
		<u>3,544,553</u>	<u>648,195</u>
CURRENT ASSETS			
Stocks	14	155,874,424	146,755,485
Debtors	16	117,471,203	97,580,416
Cash at bank and in hand	17	807	600
		<u>273,346,434</u>	<u>244,336,501</u>
CREDITORS: amounts falling due within one year	18	(36,221,185)	(9,069,214)
NET CURRENT ASSETS		<u>237,125,249</u>	<u>235,267,287</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>240,669,802</u>	<u>235,915,482</u>
CREDITORS: amounts falling due after more than one year	19	(50,000,000)	(52,000,000)
PROVISIONS FOR LIABILITIES	20	(61,308)	(35,764)
NET ASSETS		<u><u>190,608,494</u></u>	<u><u>183,879,718</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	551	551
Capital redemption reserve	22	49	49
Revaluation reserve	22	4,981,649	4,981,649
Profit and loss account	22	185,626,245	178,897,469
SHAREHOLDERS' FUNDS		<u><u>190,608,494</u></u>	<u><u>183,879,718</u></u>

The company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Statement of Income and Retained Earnings in the financial statements. The profit after tax of the parent company for the year was £6,728,776 (2020 : £16,039,702).

These financial statements were approved by the Board of Directors and authorised for issue on 04 November 2021

Signed on behalf of the Board of Directors



I D Dickinson
Director

Company Registration Number: 00819793

The notes on pages 16 to 27 form part of these financial statements.

CLOWES DEVELOPMENTS (UK) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2021

	Share Capital	Capital Redemption Reserve	Revaluation Reserve	Retained Earnings	Equity attributable to the Owners of the Parent Company	Non- Controlling Interests	Total Equity
	£	£	£	£	£	£	£
At 1 April 2019	551	49	5,097,226	220,419,877	225,517,703	118,398	225,636,101
Profit for the year	-	-	-	21,138,187	21,138,187	-	21,138,187
New shares issued to non- controlling interests	-	-	-	-	-	186	186
Transfer of depreciation on revalued properties	-	-	(115,577)	115,577	-	-	-
At 31 March 2020	<u>551</u>	<u>49</u>	<u>4,981,649</u>	<u>241,673,641</u>	<u>246,655,890</u>	<u>118,584</u>	<u>246,774,474</u>
Profit for the year	-	-	-	19,878,517	19,878,517	-	19,878,517
New shares issued to non- controlling interests	-	-	-	-	-	4,099	4,099
Transfer of depreciation on revalued properties	-	-	(115,577)	115,577	-	-	-
At 31 March 2021	<u>551</u>	<u>49</u>	<u>4,866,072</u>	<u>261,667,735</u>	<u>266,534,407</u>	<u>122,683</u>	<u>266,657,090</u>

COMPANY STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2021

	Share Capital	Capital Redemption Reserve	Revaluation Reserve	Retained Earnings	Total Equity
	£	£	£	£	£
At 1 April 2019	551	49	5,097,226	162,742,190	167,840,016
Profit for the year	-	-	-	16,039,702	16,039,702
Transfer of depreciation on revalued properties	-	-	(115,577)	115,577	-
At 31 March 2020	<u>551</u>	<u>49</u>	<u>4,981,649</u>	<u>178,897,469</u>	<u>183,879,718</u>
Profit for the year	-	-	-	6,728,776	6,728,776
Transfer of depreciation on revalued properties	-	-	(115,577)	115,577	-
At 31 March 2021	<u>551</u>	<u>49</u>	<u>4,866,072</u>	<u>185,741,822</u>	<u>190,608,494</u>

The notes on pages 16 to 27 form part of these financial statements.

CLOWES DEVELOPMENTS (UK) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the year		19,878,517	21,138,187
Adjustments for:			
Depreciation and amortisation		553,895	155,550
Loss / (profit) on disposal		-	-
Share of joint venture loss		481	636
(Increase) / decrease in stocks		(8,972,497)	40,744
Interest paid		1,057,870	1,507,411
Interest received		(106,226)	(94,915)
Taxation		2,443,217	3,959,358
Decrease / (increase) in debtors		(7,588,042)	(3,061,247)
Increase / (decrease) in creditors		2,414,052	(17,771,251)
Corporation tax paid		(1,960,154)	(8,131,201)
Net cash from / (used in) operating activities		7,721,113	(2,256,729)
Cash flows from investing activities			
Purchase of tangible fixed assets		(254,488)	(16,209)
Purchase of current asset investment		-	-
New shares issued to minority interests		4,099	186
Interest received		106,226	94,915
Net cash (used in) / from investing activities		(144,163)	78,892
Cash flows from financing activities			
(Repayment) / drawdown of RBS revolving credit facility		(2,000,000)	12,000,000
Drawdown of Homes England Loan		4,114,653	-
Interest paid		(1,057,870)	(1,507,411)
Net cash flow from financing activities		1,056,783	10,492,589
Net increase in cash and cash equivalents		8,633,733	8,314,753
Cash and cash equivalents at the start of the year	17	(1,072,402)	(9,387,154)
Cash and cash equivalents at the end of the year	17	7,561,331	(1,072,402)

CONSOLIDATED STATEMENT OF NET DEBT YEAR ENDED 31 MARCH 2021

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,537,243	(6,024,088)	7,561,331
Bank overdrafts	(2,609,644)	(2,609,644)	-
Debt due after one year	(52,000,000)	2,114,653	(54,114,653)
Debt due within one year	-	-	-
	(53,072,401)	(6,519,079)	(46,553,322)

The notes on pages 16 to 27 form part of these financial statements.

CLOWES DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

1 COMPANY INFORMATION

Clowes Developments (UK) Limited is a private company limited by shares, incorporated in England and Wales. Its registered office is Ednaston Park, Painters Lane, Ednaston, Derbyshire DE6 3FA.

The company's principal activities are as disclosed in the Group Strategic Report on page 2 of these Financial Statements.

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of Clowes Developments (UK) Limited and its subsidiary companies. The financial statements of all subsidiary and joint venture companies are made up to 31 March annually.

A separate profit and loss account dealing with the results of the company only has not been presented as the company has taken the exemption of section 408 of the Companies act 2006.

The financial statements are prepared under the historical cost convention.

The financial statements are presented in Sterling (£).

Going Concern

The financial statements have been prepared on the going concern basis as the directors consider that the company and group have sufficient cash resources and through the group's overdraft and revolving credit facilities to continue to operate for the foreseeable future. In reaching this view, the directors have reviewed the likely trading results of the company and the group, the company's and group's cash flow forecasts taking into account the impact of Covid-19 and have ensured that adequate committed lending facilities will be available to meet all reasonable cash requirements for the period to 31 October 2022 (a period of at least 12 months from the date of approval of these financial statements).

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of the financial statements can require management to make significant judgements and estimates. In preparing the financial statements for Clowes Developments (UK) Limited, the directors consider that the only significant judgements or estimates that have been made relate to the carrying values of work-in-progress and properties held for resale to ensure that they are at the lower of cost and net realisable value.

4 ACCOUNTING POLICIES

Tangible fixed assets

Tangible fixed assets are held at cost less provisions for depreciation and impairment, except as noted below. Depreciation is calculated to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Land and Buildings	20% straight line (Buildings only)
Fixtures, fittings and equipment	20 % - 25% straight line
Motor vehicles	25% per annum reducing balance

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of consideration given over the fair value of the identifiable net assets acquired. Goodwill arising on the acquisition of subsidiaries and associates is capitalised in the balance sheet and amortised over a period of 1 to 5 years. Where goodwill is considered to be immaterial, it is written off in the year of acquisition.

Annual impairment reviews are performed to ensure the carrying value of goodwill is appropriate.

Negative goodwill has arisen where the fair value of the net assets acquired exceeded the cost of purchase.

Investments

Investments are stated at cost less provision for diminution in value.

CLOWES DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2021

4 ACCOUNTING POLICIES (Continued)

Joint ventures

Investments in joint ventures are accounted for using the gross equity method. The consolidated profit and loss account includes the Group's share of joint venture profits less losses while the Group's share of the net assets of the joint venture is shown in the consolidated balance sheet. Goodwill arising on the acquisition of joint ventures is accounted for in accordance with the policy set out above. Any unamortised balance of goodwill is included in the carrying value of the investment in joint ventures.

Stock and work-in-progress

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Work in progress is valued on the basis of direct external costs incurred. Provision is made for any foreseeable losses or diminution in value where appropriate. Properties previously held as fixed assets but now held as stock are carried at deemed cost (which incorporates an historic revaluation) as permitted by the transitional provisions of FRS 102.

Debtors

Debtors are measured at transaction price, less any impairment.

Creditors

Creditors are measured at transaction price.

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.

Turnover

Turnover shown in the profit and loss account represents amounts chargeable during the year exclusive of value added tax. Turnover derived from rental income and management fees is recognised on an accruals basis and turnover from the sale of developed property is recognised at the point of legal completion of a sale contract.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date at rates expected to apply when they crystallise based on current tax rates. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets are not discounted.

Dividends

The company does not pay dividends currently and re-invests any cash surpluses in re-developing existing properties and purchasing new properties.

Operating leases : Lessor

Rentals receivable under operating leases are credited to profit or loss on a straight line basis over the period of the lease.

Operating lease rentals

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Where the contractual obligations of financial instruments are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented in the statement of financial position.

CLOWES DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2021

5 TURNOVER

Turnover is wholly attributable to the principal activities of the group and arises solely within the United Kingdom.

Turnover can be split between property sales and ongoing rental and service charge income as follows:

	2021 £	2020 £
Property sales	72,692,414	92,614,970
Rental, service charge and other income	10,229,058	13,884,649
	<u>82,921,472</u>	<u>106,499,619</u>

6 GROUP OPERATING PROFIT

	2021 £	2020 £
a) Operating profit is stated after charging / (crediting):		
Depreciation	553,895	155,550
Auditor's remuneration	65,000	58,500
- audit services		
- non audit services	<u>56,500</u>	<u>31,500</u>

	2021 £	2020 £
b) The analysis of the auditor's remuneration is as follows:		
Fees payable to the company's auditor for the audit of the company's annual accounts	9,100	14,000
Fees payable to the company's auditor for other services to the group:		
- the audit of the company's subsidiaries pursuant to legislation	55,900	44,500
Total audit fees	<u>65,000</u>	<u>58,500</u>
- the provision of tax services to the company and the company's subsidiaries	56,500	31,500
Total non-audit fees	<u>56,500</u>	<u>31,500</u>
	<u>121,500</u>	<u>90,000</u>

7 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2021 £	2020 £
Directors' remuneration		
Remuneration	692,429	1,249,749
Pension contributions to directors' personal pensions	7,939	237,894
	<u>700,368</u>	<u>1,487,643</u>
Highest paid director		
Total emoluments including pension contributions of £nil (2020: £30,000)	<u>300,986</u>	<u>499,349</u>

The directors consider the key management personnel of the group and company are its directors, and their remuneration is disclosed above.

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Staff costs during the year				
Wages and salaries	2,157,109	2,439,135	1,657,736	1,787,453
Social security costs	226,338	268,006	183,371	201,506
Pension contributions	33,249	260,738	23,422	175,083
	<u>2,416,696</u>	<u>2,967,879</u>	<u>1,864,529</u>	<u>2,164,042</u>
Average number of persons employed				
	No.	No.	No.	No.
Administrative	<u>47</u>	<u>45</u>	<u>31</u>	<u>29</u>

CLOWES DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2021

8 INTEREST PAYABLE

	2021 £	2020 £
Bank interest	1,035,724	1,498,807
Other interest payable	22,146	8,604
	<u>1,057,870</u>	<u>1,507,411</u>

9 TAX ON PROFIT

a) Analysis of charge for the year	2021 £	2020 £
Current tax		
UK corporation tax at 19% (2020 : 19%) based on the profit for the year - group	4,297,090	4,329,834
- joint ventures	(91)	(121)
Adjustments in respect of previous year	(1,880,983)	(360,435)
Total current tax	<u>2,416,016</u>	<u>3,969,278</u>
Deferred tax (note 20)		
Origination and reversal of timing differences - group	27,201	(10,234)
- joint ventures	-	-
Rate changes	-	334
Adjustments in respect of previous year	-	(20)
Total deferred tax	<u>27,201</u>	<u>(9,920)</u>
Tax on profit (see note 9b)	<u>2,443,217</u>	<u>3,959,358</u>

b) Factors affecting the tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19% (2020: 19%).
The differences are explained below:

	2021 £	2020 £
Profit before tax on continuing operations	22,322,214	25,098,180
Operating profit / (loss) of share of joint ventures	(481)	(635)
Group profit on ordinary activities before tax	<u>22,321,734</u>	<u>25,097,545</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK at 19% (2020: 19%)	4,241,129	4,768,534
Effects of:		
Expenses not deductible for tax purposes	219	7,444
Income not chargeable for tax purposes	(2,996)	(5,328)
Adjustments to tax charge in respect of previous year - current tax	(1,880,983)	(360,319)
Adjustments to tax charge in respect of previous year - deferred tax	66	(20)
Fixed asset differences	91,791	16,838
Remeasurement of deferred tax due to changes in tax rates	-	(301,623)
Deferred tax not recognised	(5,962)	(166,105)
Share of utilisation of tax losses in joint venture undertaking	(47)	(63)
Tax on profit (note 9a)	<u>2,443,217</u>	<u>3,959,358</u>

Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date.
A corporation tax rate of 19% has been used to measure the deferred tax assets and liabilities at 31 March 2021.

CLOWES DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2021

10 INTANGIBLE FIXED ASSETS

	Goodwill £	Negative goodwill £	Total £
Cost			
At 1 April 2020	2,847,864	(2,242,667)	605,197
Additions	-	-	-
At 31 March 2021	<u>2,847,864</u>	<u>(2,242,667)</u>	<u>605,197</u>
Impairment and amortisation			
At 1 April 2020	(2,847,864)	2,242,667	(605,197)
Charge for the year	-	-	-
At 31 March 2021	<u>(2,847,864)</u>	<u>2,242,667</u>	<u>(605,197)</u>
Net book value			
At 31 March 2020	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>

Negative goodwill brought forward relates to the acquisition of Pontardawe Coal and Metals Company Limited and the acquisition of Caldene Properties Limited. All goodwill has been fully written off in previous years.

11 TANGIBLE FIXED ASSETS

Group	Freehold Land and Buildings £	Motor Vehicles £	Fixtures, Fittings and Equipment £	Total £
Cost or valuation				
At 1 April 2020	-	393,760	764,686	1,158,446
Additions	66,959	-	187,529	254,488
Reclassification from stock	3,338,071	-	-	3,338,071
At 31 March 2021	<u>3,405,030</u>	<u>393,760</u>	<u>952,215</u>	<u>4,751,005</u>
Depreciation				
At 1 April 2020	-	363,308	369,355	732,663
Charge for the year	394,487	7,613	151,795	553,895
At 31 March 2021	<u>394,487</u>	<u>370,921</u>	<u>521,150</u>	<u>1,286,558</u>
Net book value				
At 31 March 2021	<u>3,010,543</u>	<u>22,839</u>	<u>431,064</u>	<u>3,464,447</u>
At 31 March 2020	<u>-</u>	<u>30,452</u>	<u>395,331</u>	<u>425,783</u>

Freehold land and buildings includes land at a cost of £1,410,000 (2020: £nil) which is not depreciated.

CLOWES DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2021

11 TANGIBLE FIXED ASSETS (Continued)

Company	Freehold Land and Buildings £	Motor Vehicles £	Fixtures, Fittings and Equipment £	Total £
Cost or valuation				
At 1 April 2020	-	220,825	730,909	951,734
Additions	66,959	-	182,179	249,138
Reclassification from stock	3,338,071	-	-	3,338,071
At 31 March 2021	<u>3,405,030</u>	<u>220,825</u>	<u>913,088</u>	<u>4,538,943</u>
Depreciation				
At 1 April 2020	-	200,034	335,755	535,789
Charge for the year	394,487	5,198	151,032	550,717
At 31 March 2021	<u>394,487</u>	<u>205,232</u>	<u>486,787</u>	<u>1,086,506</u>
Net book value				
At 31 March 2021	<u><u>3,010,543</u></u>	<u><u>15,593</u></u>	<u><u>426,301</u></u>	<u><u>3,452,437</u></u>
At 31 March 2020	<u><u>-</u></u>	<u><u>20,791</u></u>	<u><u>395,154</u></u>	<u><u>415,945</u></u>

Freehold land and buildings includes land at a cost of £1,410,000 (2020: £nil) which is not depreciated.

12 INVESTMENTS

Company	£
Cost	
At 1 April 2020	232,250
Additions	64
Impairment	(140,198)
At 31 March 2021	<u>92,116</u>
Net book value	
At 31 March 2021	<u><u>92,116</u></u>
At 31 March 2020	<u><u>232,250</u></u>

During the year, the company undertook the following transactions of unquoted investments:

Company	Transaction	Owning Company	Ownership	Country of incorporation
Crown Park Management Company Ltd	Incorporation	Clowes Developments (UK) Ltd	100%	England
Omega Court ManCo Ltd	Incorporation	Clowes Developments (UK) Ltd	100%	England
Plot 11 Castlewood Ltd	Incorporation	Clowes Developments (UK) Ltd	100%	England
Strategic Land & Leisure Ltd	Impairment	Clowes Developments (UK) Ltd	100%	England

CLOWES DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2021

13 SUBSIDIARY UNDERTAKINGS

The company's subsidiaries were as follows:

	Percentage of issued share capital held	
	Group %	Company %
Ardersier Port Limited (sold July 2021)	100	-
Bentley Bridge Management Company Limited*	67	67
Caldene Homes Limited*	100	100
Caldene Properties Limited*	100	100
Capacity (Dartford) Management Company Limited**	-	-
Castlewood Business Park Management Company Limited*	35	35
Centrix Park Management Company Limited*	53	53
Clowes Developments (Cart Corridor) Limited	100	-
Clowes Developments (MFDS) Limited*	100	100
Clowes Developments (Midlands) Limited*	100	100
Clowes Developments (North West) Limited*	100	100
Clowes Developments (Scotland) Limited*	100	100
Condor Developments Limited*	100	100
Crown Park Management Company Limited*	100	100
Dove Valley Park Limited*	100	100
DVP Management Limited	100	100
East Midlands Distribution Centre Limited*	0	0
Elysium Developments (Rainham) Limited	100	-
Elysium Gardens (East London) Limited*	100	100
Fairham Pastures Developments Limited	100	-
GAD Estates Limited*	100	100
Ivanhoe (Ashby) Management Company Limited**	1	1
Ivanhoe Business Park (A to D) Management Company Limited**	1	1
Land Partners (Scotland) Limited	100	-
Omega Court ManCo Limited*	81	81
Outwoods Management Company Limited	48	48
Plot 11 Castlewood Limited*	62	62
Plot 6 Castlewood Limited*	71	71
Plot 9 Castlewood Limited*	7	7
Plot C Castlewood Limited**	-	-
Pontardawe Coal and Metals Company Limited (The)	85	-
Sackville Developments (Warwick) Limited*	100	100
Silverbrae Limited	100	-
Strategic Land & Leisure Limited*	100	100
The Friary Hotel Limited*	80	80
The Offices Keypoint Management Company Limited*	29	29
Tournament Court Management Company Limited	4	4
Tournament Fields (Warwick) Management Company Limited**	0	0
Wessex Capital Limited*	85	85

* represents directly owned subsidiary

** each of these companies were controlled by the group at 31st March 2021 however the management and operation of the company is due to be transferred to the owner / occupiers at the respective developments following the transfer of shares.

All the above companies were incorporated in Great Britain, and all companies operate in the country of registration. All subsidiary undertakings, except for DVP Management Limited, Strategic Land & Leisure Limited and The Friary Hotel Limited which are dormant, are principally engaged in property development, ownership and management.

CLOWES DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2021

13 SUBSIDIARY UNDERTAKINGS (CONTINUED)

Investments in joint ventures:

The group has interests in the following joint ventures that are property development companies registered in Great Britain.

% of issued ordinary share capital held

Clowes Westerman Limited

50%

The accounting period for Clowes Westerman Limited is 31 March. The loss of Clowes Westerman Limited for the year ended 31 March 2021 was £961 (2020 : loss £1,271) and its net liabilities at that date were £11,509 (2020 : net liabilities £10,547).

Clowes Westerman Limited

	2021 £	2020 £
Share of:		
(Loss) / profit before taxation	(481)	(636)
(Loss) / profit after taxation	(481)	(636)
Current assets	188,456	179,028
Liabilities due within one year	(194,211)	(184,302)
Liabilities due after one year	-	-

14 STOCKS

	The group 2021 £	2020 £	The company 2021 £	2020 £
Work in progress and properties held for resale and development	<u>285,771,609</u>	<u>280,137,181</u>	<u>155,874,424</u>	<u>146,755,485</u>

During the period, a group of commercial properties have undergone an independent valuation and have been written down to reflect their NRV of £3,265,000 (2020: £3,933,000). A write down of a property in 2020 has been reversed and the asset has been reinstated at its original carrying cost of £1,168,000 (2020: £500,000) following receipt of an offer in excess of the original cost value.

15 CHARGES AND SECURITY

The company has provided its bankers, The Royal Bank of Scotland plc, with fixed charges over certain of its assets held as stocks (note 14) to secure group borrowings as follows:

	The group 2021 £	2020 £	The company 2021 £	2020 £
Stocks - work in progress and properties held for resale and development	<u>103,450,957</u>	<u>99,792,435</u>	<u>66,283,043</u>	<u>60,614,769</u>
	<u>103,450,957</u>	<u>99,792,435</u>	<u>66,283,043</u>	<u>60,614,769</u>

16 DEBTORS

	The group 2021 £	2020 £	The company 2021 £	2020 £
Trade debtors	16,974,565	7,642,112	9,200,849	5,381,746
Amounts owed by group companies	-	-	92,225,097	83,554,509
Amounts owed by related undertakings	6,206,420	5,916,374	6,841,590	6,767,763
Amounts owed by joint ventures	190,554	183,686	190,554	183,686
Current asset investment	404,000	404,000	-	-
Other debtors	12,416,736	13,050,550	7,056,616	513,600
Prepayments and accrued income	343,260	173,145	205,310	67,742
Other taxation and social security	1,537,425	3,115,050	146,661	1,111,370
Corporation tax	-	-	1,604,527	-
Deferred tax asset (note 20)	-	7,042	-	-
	<u>38,072,959</u>	<u>30,491,959</u>	<u>117,471,203</u>	<u>97,580,416</u>

All debtors are due within one year.

Group trade debtors are stated net of a provision for bad and doubtful debts of £1,290,089 (2020: £3,168,027).

Company trade debtors are stated net of a provision for bad and doubtful debts of £1,051,729 (2020: £1,287,693).

CLOWES DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2021

17 CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	7,561,331	1,537,243	807	600
Overdraft	-	(2,609,644)	(4,977,874)	(2,594,815)
	<u>7,561,331</u>	<u>(1,072,401)</u>	<u>(4,977,067)</u>	<u>(2,594,215)</u>

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The group 2021 £	2020 £	The company 2021 £	2020 £
Bank loans and overdrafts	-	2,609,644	4,977,874	2,594,815
Trade creditors	5,780,196	5,083,478	2,546,364	2,543,585
Amounts owed to group undertakings	-	-	22,631,067	464,921
Amounts owed to related undertakings	-	-	610,299	861,024
Corporation tax	1,312,000	856,138	-	168,411
Other creditors	782,444	3,227,024	271,029	1,235,216
Accruals and deferred income	6,198,099	2,036,185	5,184,551	1,201,242
	<u>14,072,739</u>	<u>13,812,469</u>	<u>36,221,185</u>	<u>9,069,214</u>

The group's bank loans and overdrafts are secured by fixed charges over certain freehold land and buildings held by the group as stock. The bank loans and overdrafts are made up of a £62.5m revolving credit facility and the balance being the amount drawn on a £7.5m multi-company overdraft facility. There is also a separate £5m bond facility.

The bank loan of £62.5m is a 3 year revolving credit facility, initially drawn to £40m in January 2020. The facility can be repaid at any time in tranches of £0.25m and can be redrawn up to the facility limit of £62.5m. The facility bears interest at LIBOR plus a margin of 1.75% based on interest cover covenants. The facility is not hedged. The bank loan is secured by fixed charges over certain freehold land and buildings held by the group as stock. The facility is currently due for repayment in January 2023, but there is an option to extend this to January 2024 by mutual consent.

19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	The group 2021 £	2020 £	The company 2021 £	2020 £
Bank loans	50,000,000	52,000,000	50,000,000	52,000,000
Other loans	4,114,653	-	-	-
	<u>54,114,653</u>	<u>52,000,000</u>	<u>50,000,000</u>	<u>52,000,000</u>
Bank loans are repayable as follows:				
In one year or less	-	-	-	-
In more than one year but not more than two years	50,000,000	-	50,000,000	-
In more than two years but not more than five years	4,114,653	52,000,000	-	52,000,000
	<u>54,114,653</u>	<u>52,000,000</u>	<u>50,000,000</u>	<u>52,000,000</u>

The group bank loan is £50,000,000 (2020: £52,000,000) drawn on the £62.5m revolving credit facility as outlined in note 18.

Other loans include an infrastructure loan from Homes England which relates to one of the group companies, Fairham Pastures Developments Limited. This is a £21.4m revolving facility which will be repaid from sales proceeds made at the development site and interest is chargeable at the UK base rate + 2%. The loan is expected to be repaid in full in January 2023.

CLOWES DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2021

20 PROVISIONS FOR LIABILITIES

	The group		The company	
	2021	2020	2021	2020
	£	£	£	£
Deferred tax				
Deferred tax (asset) / liability at 1 April	(7,042)	2,878	35,764	36,278
Movement in the year	27,201	(9,920)	25,544	(514)
Deferred tax liability / (asset) at 31 March (note 16)	<u>20,159</u>	<u>(7,042)</u>	<u>61,308</u>	<u>35,764</u>

The deferred taxation balance consists of the tax effect of timing differences in respect of:

	The group		The company	
	2021	2020	2021	2020
	£	£	£	£
Fixed asset timing differences	<u>20,159</u>	<u>(7,042)</u>	<u>35,764</u>	<u>35,764</u>

The deferred tax (asset) / liability will be (released) / charged against forecast future taxable profits.

21 CALLED UP SHARE CAPITAL

	2021	2020
	£	£
Called up, allotted and fully paid		
2,204 ordinary A class shares of £0.10 each	220	220
3,306 ordinary shares of £0.10 each	331	331
	<u>551</u>	<u>551</u>

On 11 February 2015, the share capital of the company was sub-divided into 5,510 ordinary shares of £0.10 each. 2,204 of these shares were designated as ordinary A shares and carry 3 times the voting rights of the other ordinary shares. The A ordinary shares and the ordinary shares rank pari passu in all other respects.

22 RESERVES

Capital Redemption Reserve

The capital redemption reserve represents the value of the company's shares redeemed.

Revaluation Reserve

The revaluation reserve represents surpluses on the revaluation of freehold properties, which are now held within stock.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

23 CONTINGENT LIABILITIES

Company

The company, together with certain other companies under common ultimate ownership, has entered into an agreement with its bankers whereby an overall facility is available and the bank has a right to offset balances amongst all of the companies who are party to the agreement. Hence all companies within the agreement have joint and several liability for any net borrowings that remain. At 31 March 2021, the net bank balances of the companies who were party to the agreement is £6,388,205 (2020 : net bank overdrafts of £2,597,882). Of this amount, a net bank overdraft of £4,977,067 relates to this company (2020 : net bank overdraft of £2,594,215) and is shown as £807 within cash at bank and in hand and £4,977,874 within bank loans and overdrafts on the company balance sheet, the remainder is a contingent liability. The combined net assets of the companies who were party to the agreement substantially exceeds these amounts.

CLOWES DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2021

24 OPERATING LEASE COMMITMENTS

Annual operating lease commitments under non-cancellable operating leases relating to fixtures and fittings are as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Expiring				
Within 1 year	696	-	696	-
In 1 - 2 years	11,841	2,908	11,841	2,908
In 2 - 5 years	4,119	-	4,119	-
After 5 years	-	-	-	-
	<u>16,656</u>	<u>2,908</u>	<u>16,656</u>	<u>2,908</u>

25 OPERATING LEASE AGREEMENTS WHERE THE GROUP OR THE COMPANY IS A LESSOR

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Within one year	5,465,262	6,664,881	2,993,132	3,173,779
In two to five years	12,224,909	15,134,759	6,494,164	6,772,645
In over five years	8,353,326	10,803,243	2,791,890	4,239,960
	<u>26,043,497</u>	<u>32,602,883</u>	<u>12,279,186</u>	<u>14,186,384</u>

26 FINANCIAL INSTRUMENTS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Financial assets				
Financial assets measured at fair value	-	-	92,116	232,377
Financial assets measured at amortised cost	36,952,632	22,229,905	16,258,272	5,895,946
	<u>36,952,632</u>	<u>22,229,905</u>	<u>16,350,388</u>	<u>6,128,323</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(68,187,392)</u>	<u>(16,422,113)</u>	<u>(12,979,819)</u>	<u>(7,743,269)</u>

Financial assets measured at fair value comprise fixed asset investments.

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank overdrafts, bank loans, trade creditors, corporation tax, other taxation and social security, other creditors, and accruals and deferred income.

CLOWES DEVELOPMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2021

27 TRANSACTIONS WITH RELATED PARTIES

The group has taken advantage of the exemptions available under FRS 102 from disclosing transactions with wholly owned subsidiary companies.

The group entered into the following trading transactions with businesses under common control:

		Profit & Loss Income / (Expense)		At 31 March Debtor/(Creditor)	
	Nature of expenditure	2021 £	2020 £	2021 £	2020 £
Related companies					
Clowes Estates Limited	Travel	-	(19,957)	6,721,933	6,730,578
	Management Fees	2,700	2,700		
	Maintenance	2,786	1,413		
Mayfair Property Management Company (Derby) Limited	Maintenance	(26,685)	(119,578)	(114,426)	(444,930)
	Recharge of costs	(211,717)	50,821		
	Management Fees	14,071	-		
Marshmail Investment Limited	Recharge of costs	-	-	(411,742)	(411,742)
Tarry Fields Management Company Limited	Recharge of costs	1,000	1,541	-	371
The Trustees of the Charles Clowes Pension Fund	Recharge of costs	-	473	1,665	3,090
	Property Purchase	(2,000,000)	-		
Land Partners (England) Limited	Recharge of costs	763	-	5,016	5,000
Clowes Securities (West Midlands) LLP	Recharge of costs	12,303	22,017	15,695	34,007
	Management Fees	6,449			
		(2,198,330)	(60,570)	6,218,140	5,916,374
Joint venture company					
Clowes Westerman Limited	Loan	6,368	8,071	190,554	183,686
	Audit/Tax fees	500	1,000	-	-
		6,868	9,071	190,554	183,686

The Clowes Trust 2014 is the controlling party by virtue of its interest in the equity capital of the company.

CLOWES DEVELOPMENTS (UK) LIMITED

COMPANY STATEMENT OF INCOME AND RETAINED PROFITS YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
TURNOVER	33,868,579	75,439,014
Cost of sales	(23,288,599)	(52,315,984)
GROSS PROFIT	10,579,980	23,123,030
Administrative expenses	(4,668,740)	(3,839,948)
OPERATING PROFIT	5,911,240	19,283,082
Interest payable	(1,060,402)	(1,586,469)
Interest receivable	1,330,782	1,529,449
PROFIT BEFORE TAXATION	6,181,620	19,226,062
Tax on profit	547,156	(3,186,360)
PROFIT FOR THE YEAR	6,728,776	16,039,702

This statement does not form part of the financial statements for Clowes Developments (UK) Limited.