

CLOWES DEVELOPMENTS (MIDLANDS) LIMITED

**Report and Financial Statements
YEAR ENDED 31 MARCH 2022**

Company Registration No. 02023300



CLOWES DEVELOPMENTS (MIDLANDS) LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

INDEX	Page
Officers and professional advisors	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Statement of income and retained earnings	7
Statement of financial position	8
Notes to the financial statements	9 - 13

CLOWES DEVELOPMENTS (MIDLANDS) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

D C Clowes

P Shanley (resigned 30 June 2021)

I D Dickinson

SECRETARY

I D Dickinson (appointed 30 October 2020, resigned 29 March 2022)

R M Tavernor (appointed 29 March 2022)

REGISTERED OFFICE

Ednaston Park

Painters Lane

Ednaston

Derbyshire

DE6 3FA

AUDITOR

Grant Thornton UK LLP

Chartered Accountants and Statutory Auditor

Regent House

80 Regent Road

Leicester

LE1 7NH

BANKERS

The Royal Bank of Scotland plc

49 Bishopsgate

London

EC2N 3AS

CLOWES DEVELOPMENTS (MIDLANDS) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2022.

This directors' report has been prepared in accordance with the provisions applicable to companies subject to the small companies exemption, provided by Section 415A of the Companies Act 2006.

BUSINESS REVIEW

The company's principal activities are those of property development and ownership. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the company's statement of income and retained earnings on page 7, the company's turnover has increased significantly compared to the prior year due to the sale of a site to another company in the group. Other revenues relate to rental income and are in line with the prior year.

The statement of financial position on page 8 of the financial statements shows that the company's financial position at the year end, in net asset terms, has deteriorated due to the loss in the year. The company continues to receive the support of its parent company through its overdraft facility.

During the year the value of work in progress and properties held for resale and development fell to £1,905,088 (2021 : £3,740,589) due to the sale in the year.

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 company manages this risk by providing added value services to its tenants, and by maintaining strong relationships with agents, solicitors, other developers and support companies.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The company is partly financed by an overdraft facility from The Royal Bank of Scotland plc, but has no other third party debt. It therefore is exposed to interest rate movements to the extent of its overdraft. There are no significant levels of bad debt in the company and as such the credit risk is not considered by the directors to be significant.

GOING CONCERN

The financial statements have been prepared on the going concern basis as the directors consider the company has sufficient cash resources through the parent company overdraft facility to continue to operate for the foreseeable future. In reaching this view, the directors have reviewed the likely trading results of the company, the company's and group's cash flow forecasts and have ensured that adequate committed lending facilities will be available to meet all reasonable cash requirements for the period to 30 September 2023 (being a period of at least 12 months from the date of approval of these financial statements).

The directors of Clowes Developments (UK) Limited, who are also directors of this company, have confirmed that group support will be made available to this company if so required to meet its liabilities as they fall due.

RESULTS AND DIVIDENDS

The results of the company for the year are detailed on page 7 of these financial statements. The directors do not recommend the payment of a dividend (2021 : £nil).

DIRECTORS

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

D C Clowes
P Shanley (resigned 30 June 2021)
I D Dickinson

CLOWES DEVELOPMENTS (MIDLANDS) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 and of the profit or loss of the company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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.

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 auditor is unaware; and
- the 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 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 reappointment will be proposed at the forthcoming Annual General Meeting.

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

R M Tavernor

R M Tavernor
Secretary
30/9/2022

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

Opinion

We have audited the financial statements of Clowes Developments (Midlands) Limited (the 'company') for the year ended 31 March 2022 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, 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 company's affairs as at 31 March 2022 and of its result 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 Directors' 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 (MIDLANDS) 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

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 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, 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. The directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report or from the requirements to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, 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.

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 (MIDLANDS) LIMITED (CONTINUED)

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

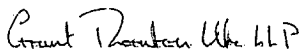
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an 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 are those that relate to the reporting frameworks (FRS 102 and Companies Act 2006) and the relevant tax compliance regulations in the jurisdictions in which the company operates.
- We enquired of management concerning the company's policies and procedures relating to:
 - the identification, evaluation and compliance with laws and regulations;
 - the detection and response to the risks of fraud; and
 - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- 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 corroborated the results of our enquires to relevant supporting documentation.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- 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;
 - knowledge of the industry in which the client operates;
 - understanding of the legal and regulatory requirements specific to the entity/regulator entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions.

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
30/9/2022

CLOWES DEVELOPMENTS (MIDLANDS) LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS
YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
TURNOVER	4	1,965,254	430,282
Cost of sales		(1,868,794)	(200,635)
GROSS PROFIT		96,460	229,647
Administrative expenses		(3,898)	(7,874)
OPERATING PROFIT	6	92,562	221,773
Interest payable and similar charges	7	(239,502)	(225,279)
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(146,940)	(3,506)
Tax on loss on ordinary activities	8	-	(14,469)
(LOSS) FOR THE FINANCIAL YEAR		(146,940)	(17,975)
Retained (losses) at 1 April		(3,905,306)	(3,887,331)
Retained (losses) at 31 March		<u>(4,052,246)</u>	<u>(3,905,306)</u>

Turnover and operating profit are derived from continuing operations.

All activities are classed as continuing activities.

There is no other comprehensive income for the year (2021 : £nil).

The notes on pages 9 to 13 form part of these financial statements.

CLOWES DEVELOPMENTS (MIDLANDS) LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022**

	Note	2022 £	2021 £
FIXED ASSETS			
Investments	9	<u>14</u>	<u>25</u>
		14	25
CURRENT ASSETS			
Stocks	10	1,905,088	3,740,589
Debtors	11	54,182	29,367
		<u>1,959,270</u>	<u>3,769,956</u>
CREDITORS: amounts falling due within one year	13	(6,011,528)	(7,675,285)
NET CURRENT LIABILITIES		<u>(4,052,258)</u>	<u>(3,905,329)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES; BEING NET LIABILITIES		<u><u>(4,052,244)</u></u>	<u><u>(3,905,304)</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	2	2
Profit and loss account	16	(4,052,246)	(3,905,306)
SHAREHOLDERS' DEFICIT		<u><u>(4,052,244)</u></u>	<u><u>(3,905,304)</u></u>

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

These financial statements were approved by the Board of Directors and authorised for issue on 30/9/2022

Signed on behalf of the Board of Directors

David Clowes

D C Clowes
Director

Company registration number: 02023300

The notes on pages 9 to 13 form part of these financial statements.

CLOWES DEVELOPMENTS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2022

1 COMPANY INFORMATION

Clowes Developments (Midlands) 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 Directors' 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.

The financial statements are presented in Sterling (£).

Going Concern

The financial statements have been prepared on the going concern basis as the directors consider the company has sufficient cash resources through the parent company overdraft facility to continue to operate for the foreseeable future. In reaching this view, the directors have reviewed the likely trading results of the company, the company's and group's cash flow forecasts and have ensured that adequate committed lending facilities will be available to meet all reasonable cash requirements for the period to 30 September 2023 (being 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 (Midlands) 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 PRINCIPAL ACCOUNTING POLICIES

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 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 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Clowes Developments (UK) Limited as at 31 March 2022 and these financial statements may be obtained from Companies House.

Investments

Investments comprise investments in shares of subsidiary undertakings and are valued at cost, less any impairment.

Stock and work-in-progress

Stocks and work-in-progress are stated at the lower of cost and net realisable value.

Debtors

Debtors are measured at transaction price, less any impairment.

Creditors

Creditors are measured at transaction price.

CLOWES DEVELOPMENTS (MIDLANDS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2022****4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)****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 statement of income and retained earnings represents amounts chargeable during the period exclusive of value added tax. Turnover from developments sales is recognised at the point of sale completion. Turnover derived from management charges is recognised on an accruals basis.

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

Operating leases: Lessor

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

Taxation

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Dividends

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

5 INFORMATION REGARDING DIRECTORS

Directors emoluments for services to the company are borne by Clowes Developments (UK) Limited, the parent undertaking of this company. It is not practicable to split their remuneration between the services provided to Clowes Developments (Midlands) Ltd and other group companies. Their remuneration is fully disclosed in the accounts of Clowes Developments (UK) Limited. There are no employees of the company other than the directors.

6 OPERATING PROFIT

	2022	2021
	£	£
a) Operating profit is stated after charging :		
Audit fees	<u>1,800</u>	<u>1,800</u>
	2022	2021
	£	£
b) Fees payable to the company's auditor and its associates in respect of :		
Audit of the company's annual financial statements	1,800	1,800
Taxation Services	900	900
	<u>2,700</u>	<u>2,700</u>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	£	£
Interest payable to group undertakings	<u>239,502</u>	<u>225,279</u>

CLOWES DEVELOPMENTS (MIDLANDS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 31 MARCH 2022**8 TAX ON LOSS ON ORDINARY ACTIVITIES**

a) Analysis of charge for the year	2022	2021
	£	£
Current tax		
UK corporation tax at 19% (2021: 19%) based on the loss for the year	-	14,469
Total current tax	<u>-</u>	<u>14,469</u>
Tax on loss on ordinary activities (see note 8b)	<u>-</u>	<u>14,469</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% (2021: 19%). The differences are explained below:

	2022	2021
	£	£
Loss on ordinary activities before tax	<u>(146,940)</u>	<u>(3,506)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK at 19% (2021: 19%)	(27,919)	(666)
Effects of:		
Group relief surrendered / (claimed)	27,919	666
Adjustments to tax charge in respect of previous periods	-	14,469
Tax on loss on ordinary activities (note 8a)	<u>-</u>	<u>14,469</u>

Deferred tax assets and liabilities are measured at the standard corporation tax rate of 25% at 31 March 2022 (2021: 19%).

9 INVESTMENTS

	Unquoted
	£
Cost	
At 1 April 2021	25
Disposals	(11)
At 31 March 2022	<u>14</u>
Net book value	
At 31 March 2022	<u>14</u>
At 31 March 2021	<u>25</u>

The investment is 100% of the share capital of Outwoods Management Company Limited, incorporated in England and Wales. Outwoods Management Company Limited provides property management services.

10 STOCKS

	2022	2021
	£	£
Work in progress and properties held for resale and development	<u>1,905,088</u>	<u>3,740,589</u>

There is no material difference between the balance sheet value of stocks and work-in-progress and their replacement value.

Stock recognised in cost of sales during the year as an expense was £1,835,501 (2021: £150,000).

CLOWES DEVELOPMENTS (MIDLANDS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 31 MARCH 2022**11 DEBTORS**

	2022 £	2021 £
Trade debtors	25,764	17,124
Amounts due from group undertakings	15,050	-
Prepayments	-	682
Other taxation and social security	498	318
Unpaid share capital	2	-
Other debtors	12,868	11,243
	<u>54,182</u>	<u>29,367</u>

All debtors are due within one year.

Trade debtors are stated after a provision for bad and doubtful debts of £nil (2021: £nil).

12 CASH AND CASH EQUIVALENTS

	At 1 April 2021 £	Cash flows £	At 31 March 2022 £
Bank overdraft	(2,633,013)	(169,759)	(2,802,772)

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Bank overdraft	2,802,772	2,633,013
Trade creditors	1,105	28,009
Amounts owed to group undertakings	3,174,824	4,987,787
Amounts owed to related undertakings	97	4,782
Other creditors	12,936	10,403
Accruals and deferred income	19,794	11,291
	<u>6,011,528</u>	<u>7,675,285</u>

Amounts owed to group and related undertakings have no security and are due within one year.

14 CONTINGENT LIABILITIES

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 2022, the net bank balances of the companies who were party to the agreement is £15,604,237 (2021: net bank balances of £6,388,205). Of this amount, a bank overdraft of £2,802,772 relates to this company (2021: overdraft of £2,633,013) and is shown as an actual liability in note 13. The combined net assets of the companies who were party to the agreement substantially exceeds these amounts.

15 CALLED UP SHARE CAPITAL

	2022 £	2021 £
Called up, allotted and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

Called up share capital represents the nominal value of shares that have been issued.

16 RESERVES**Profit and loss account**

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

CLOWES DEVELOPMENTS (MIDLANDS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
YEAR ENDED 31 MARCH 2022**17 OPERATING LEASE AGREEMENTS WHERE THE COMPANY IS A LESSOR**

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

	2022	2021
	£	£
Within one year	10,796	9,940
	<u>10,796</u>	<u>9,940</u>

18 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of Clowes Developments (UK) Limited, the company is exempt from the requirements of FRS 102 to disclose transactions with other members of the group headed by Clowes Developments (UK) Limited.

The company has entered into the following trading transactions with companies under common control:

		Profit & Loss		At 31 March	
		Income / (Expense)		Debtor / (Creditor)	
		2022	2021	2022	2021
		£	£	£	£
Mayfair Property Management Company (Derby) Limited	Maintenance	(744)	(4,310)	(97)	(4,782)

The company's immediate and ultimate parent undertaking is Clowes Developments (UK) Limited. Group accounts have been prepared for Clowes Developments (UK) Limited and its subsidiary undertakings. Copies of the group accounts can be obtained from Companies House, Crown Way, Cardiff CF4 3UZ.

The Clowes Trust 2014 is the controlling party by virtue of its controlling interest in the equity capital of Clowes Developments (UK) Limited.