

CLOWES DEVELOPMENTS (NORTH WEST) LIMITED
REPORT AND UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2023

Company Registration No. 02210399

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CLOWES DEVELOPMENTS (NORTH WEST) LIMITED

REPORT AND UNAUDITED FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

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CLOWES DEVELOPMENTS (NORTH WEST) LIMITED

REPORT AND UNAUDITED FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

D C Clowes

I D Dickinson (resigned 15 May 2023)

M P Freeman

SECRETARY

R M Tavernor

REGISTERED OFFICE

Ednaston Park

Painters Lane

Ednaston

Ashbourne

Derbyshire

DE6 3FA

ACCOUNTANTS AND TAX ADVISORS

Grant Thornton UK LLP

Chartered Accountants and Statutory Auditor

71 Princess Road West

Leicester

LE1 6TR

BANKERS

The Royal Bank of Scotland plc

49 Bishopsgate

London

EC2N 3AS

CLOWES DEVELOPMENTS (NORTH WEST) LIMITED

REPORT AND UNAUDITED FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

DIRECTORS' REPORT

The directors present their annual report and unaudited financial statements for the year ended 31 March 2023. 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 4, the company's turnover has increased considerably in the year and includes the sale of one large industrial unit built by the company and the sale of a large plot of land to a housebuilder. The previous year, by comparison, included the sale of one large retail unit and the sale of one residential property.

Gross profit in the current year was in line with expectations whereas a loss was made in the previous year due to unforeseen increases in development costs. This resulted in a significant uplift in operating profit compared to the previous year.

Interest costs were considerably higher than the previous year, mainly due to the increase in the cost of borrowing as opposed to the level of borrowings.

The statement of financial position on page 5 of the financial statements shows that the company's financial position at the year end, in net asset terms, has improved substantially due to profit earned in the year.

During the year the value of work in progress and properties held for resale and development reduced to £31,527,481 (2022 : £33,536,357) reflecting the development costs incurred during the year net of the cost of sale of the properties completed and sold.

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. The company does not use financial instruments.

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 November 2024 (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 4 of these financial statements. The directors do not recommend the payment of a dividend (2022 : £nil).

CLOWES DEVELOPMENTS (NORTH WEST) LIMITED

REPORT AND UNAUDITED FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

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

D C Clowes

I D Dickinson (resigned 15 May 2023)

M P Freeman

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.

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



R M Tavernor
Secretary

24 November 2023

CLOWES DEVELOPMENTS (NORTH WEST) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
TURNOVER	5	26,923,285	5,544,345
Cost of sales		(19,585,985)	(6,066,678)
GROSS PROFIT / (LOSS)		<u>7,337,300</u>	<u>(522,333)</u>
Administrative expenses		(1,649)	97,361
OPERATING PROFIT / (LOSS)	7	<u>7,335,651</u>	<u>(424,972)</u>
Interest receivable		16,194	84,460
Interest payable and similar charges	8	(1,648,998)	(786,938)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>5,702,847</u>	<u>(1,127,450)</u>
Tax on profit / (loss) on ordinary activities	9	(1,070,502)	(165)
PROFIT / (LOSS) FOR THE FINANCIAL YEAR		<u>4,632,345</u>	<u>(1,127,615)</u>
Retained profits at 1 April		1,919,403	3,047,018
Retained profits at 31 March		<u><u>6,551,748</u></u>	<u><u>1,919,403</u></u>

Turnover and operating profit / (loss) are derived from continuing operations.

All activities are classed as continuing activities.

There is no other comprehensive income for the year (2022 : £nil).

The notes on pages 6 to 11 form part of these financial statements.

CLOWES DEVELOPMENTS (NORTH WEST) LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible fixed assets	10	1,031	0
CURRENT ASSETS			
Stocks	11	31,527,481	33,536,357
Debtors	13	7,799,365	1,034,989
Cash at bank and in hand	14	580,257	304,642
		<u>39,907,103</u>	<u>34,875,988</u>
CREDITORS: amounts falling due within one year	15	(33,355,928)	(32,956,385)
PROVISIONS FOR LIABILITIES	16	(258)	-
NET CURRENT ASSETS		<u>6,550,917</u>	<u>1,919,603</u>
TOTAL ASSETS LESS CURRENT LIABILITIES; BEING NET ASSETS		<u><u>6,551,948</u></u>	<u><u>1,919,603</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	200	200
Profit and loss account	19	6,551,748	1,919,403
SHAREHOLDERS' FUNDS		<u><u>6,551,948</u></u>	<u><u>1,919,603</u></u>

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

For the year ended 31 March 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements were approved by the Board of Directors and authorised for issue on 24 November 2023

Signed on behalf of the Board of Directors



M P Freeman

Director

24 November 2023

Company Registration Number: 02210399

The notes on pages 6 to 11 form part of these financial statements.

CLOWES DEVELOPMENTS (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2023

1 COMPANY INFORMATION

Clowes Developments (North West) Limited is a private company limited by shares, incorporated in England and Wales. Its registered office is Ednaston Park, Painters Lane, Ednaston, Ashbourne, 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 November 2024 (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 (North West) 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 2023 and these financial statements may be obtained from Companies House.

Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight line method. The rates applicable are:

Fixtures and Fittings	4 years
Plant and Equipment	4 years

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.

CLOWES DEVELOPMENTS (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2023

4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Creditors

Creditors are measured at transaction price.

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.

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 year exclusive of value added tax. Turnover from development sales is recognised when the sale contract is complete. Turnover derived from rental income and 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.

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 TURNOVER

	2023 £	2022 £
Sale of property	25,586,430	4,525,000
Rental and other income	1,336,855	1,019,345
	<u>26,923,285</u>	<u>5,544,345</u>

6 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2023 £	2022 £
Directors' emoluments		
Remuneration	<u>-</u>	<u>-</u>
Highest paid director		
Total emoluments	<u>-</u>	<u>-</u>
Staff costs during the year		
Wages and salaries	74,895	81,701
Social security costs	6,888	7,135
Pension contributions	1,345	1,511
	<u>83,128</u>	<u>90,348</u>

There were 3 employees during the year (2022 : 3) other than the directors. The directors are not remunerated by the company for services to the company.

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 (North West) Ltd and other group companies. Their remuneration is fully disclosed in the accounts of Clowes Developments (UK) Limited.

CLOWES DEVELOPMENTS (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2023

7 OPERATING (LOSS) / PROFIT

	2023 £	2022 £
a) Operating (loss) / profit is stated after charging:		
Depreciation	165	35
Audit Fees	-	4,000
	<u>165</u>	<u>4,035</u>
b) Fees payable to the company's accountant and its associates in respect of :		
Audit of the company's annual financial statements	-	4,000
Taxation Services	3,300	1,800
	<u>3,300</u>	<u>5,800</u>

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2023 £	2022 £
Other interest payable	17	4,454
Interest payable to group on bank overdraft facility	1,648,981	782,485
	<u>1,648,998</u>	<u>786,938</u>

9 TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

a) Analysis of charge for the year	2023 £	2022 £
Current tax		
UK corporation tax at 19% (2022: 19%) based on the profit / (loss) for the year	1,084,713	(1)
Adjustment in respect of previous periods	(14,469)	-
Total current tax	<u>1,070,244</u>	<u>(1)</u>
Deferred tax		
Origination and reversal of timing differences	258	218
Effect of changes in tax rates	-	(52)
Total deferred tax (see note 16)	<u>258</u>	<u>166</u>
Tax on profit / (loss) on ordinary activities (see note 9b)	<u>1,070,502</u>	<u>165</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% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Profit / (loss) on ordinary activities before tax	<u>5,702,847</u>	<u>(1,127,450)</u>
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK at 19% (2022: 19%)	1,083,541	(214,216)
Effects of:		
Adjustments to tax charge in respect of previous periods - current tax	(14,469)	-
Expenses not deductible for tax purposes	1,436	-
Group relief surrendered	-	214,382
Fixed Asset differences	(68)	-
Remeasurement of deferred tax for changes in tax rates	62	-
Other differences	-	(1)
Tax on profit / (loss) on ordinary activities (see note 9a)	<u>1,070,502</u>	<u>165</u>

Deferred tax assets and liabilities are measured at the standard corporation tax rate of 25% at 31 March 2023 (2022: 25%).

CLOWES DEVELOPMENTS (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2023

10 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Plant and Equipment £	Total £
Cost			
At 1 April 2022	375	-	375
Additions	-	1,196	1,196
Re-classification	(375)	375	-
At 31 March 2023	-	1,571	1,571
Depreciation			
At 1 April 2022	375	-	375
Charge for the year	-	165	165
Re-classification	(375)	375	-
At 31 March 2023	-	540	540
Net book value			
At 31 March 2023	-	1,031	1,031
At 31 March 2022	0	-	0

11 STOCKS

	2023 £	2022 £
Work in progress and properties held for resale and development	31,527,481	33,536,357

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

Stock recognised in cost of sales during the year as an expense was £19,114,799 (2022: £5,261,440).

12 CHARGES AND SECURITY

The company has provided its bankers, The Royal Bank of Scotland plc, with fixed charges over certain assets held as stocks (note 11) to secure group borrowings as follows:

	2023 £	2022 £
Stocks - work in progress and properties held for resale and development	10,806,991	10,802,962
	10,806,991	10,802,962

13 DEBTORS

	2023 £	2022 £
Trade debtors	7,488,044	352,197
Other taxation and social security	-	243,440
Other debtors	72,000	72,000
Prepayments and accrued income	239,321	67,352
Corporation tax	-	300,000
	7,799,365	1,034,989

All debtors are due within one year.

Trade debtors are stated after a provision for doubtful debts of £nil (2022: £nil).

CLOWES DEVELOPMENTS (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2023

14 CASH AND CASH EQUIVALENTS

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash in hand	200	-	200
Cash at bank	304,442	275,615	580,057
Bank overdraft	(7,975,483)	2,815,859	(5,159,624)
	<u>(7,670,841)</u>	<u>3,091,474</u>	<u>(4,579,367)</u>

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Bank overdraft	5,159,624	7,975,483
Trade creditors	1,307,449	251,852
Amounts owed to group undertakings	23,001,464	21,342,768
Amounts owed to related undertakings	-	640
Other taxation and social security	2,500,467	-
Corporation tax	484,713	-
Group relief payable	-	14,469
Other creditors	-	53,172
Accruals and deferred income	902,211	3,318,001
	<u>33,355,928</u>	<u>32,956,385</u>

16 PROVISIONS FOR LIABILITIES

	2023 £	2022 £
Opening deferred tax (asset)	-	(166)
Movement in the year	258	166
Closing deferred tax liability	<u>258</u>	<u>-</u>

There is no unprovided deferred taxation. Amounts provided are:

	2023 £	2022 £
Fixed Asset timing differences	258	-
	<u>258</u>	<u>-</u>

17 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 2023, the net bank balances of the companies who were party to the agreement is £1,184,541 (2022 : net bank balances of £15,604,237). Of this amount, overdrawn balances of £5,159,624 relate to this company (2022 : overdrawn balances of £7,975,483) and is shown in the actual bank overdraft on the 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.

18 CALLED UP SHARE CAPITAL

	2023 £	2022 £
Called up, allotted and fully paid		
200 ordinary shares of £1 each	<u>200</u>	<u>200</u>

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

CLOWES DEVELOPMENTS (NORTH WEST) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2023

19 RESERVES

Profit and loss account

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

20 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 entered into the following trading transactions with related parties:

Company	Description	Profit & Loss Income / (Expense)		At 31 March Debtor / (Creditor)	
		2023	2022	2023	2022
		£	£	£	£
Mayfair Property Management Company (Derby) Limited	Rates	(750)	(534)	-	(640)

The company's immediate and ultimate parent undertaking is Clowes Developments (UK) Limited. The smallest and largest group to which the accounts are consolidated into 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 CF14 3UZ.

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

21 OPERATING LEASE AGREEMENTS WHERE THE COMPANY IS A LESSOR

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

	2023 £	2022 £
Within one year	919,635	839,592
In two to five years	2,331,354	1,537,877
In over five years	1,530,277	43,801
	<u>4,781,266</u>	<u>2,421,270</u>