

Registered number: 06776742

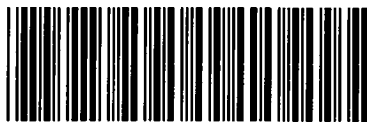
---

## **STEPNELL DEVELOPMENTS LIMITED**

---

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

WEDNESDAY



\*ACFE9JU9\*

A17

01/11/2023

#191

COMPANIES HOUSE

---

**STEPNELL DEVELOPMENTS LIMITED**

---

**COMPANY INFORMATION**

---

**Directors**

P G Wakeford  
T B Wakeford  
C E Wakeford  
E D Wakeford  
M R Wakeford (resigned 31 August 2022)  
J R Wakeford (resigned 31 August 2022)  
P M Wakeford (resigned 31 August 2022)

**Registered number** 06776742

**Registered office**

Stepnell House  
Lawford Road  
Rugby  
Warwickshire  
CV21 2UU

**Independent auditor**

Saffery LLP  
Chartered Accountants & Statutory Auditor  
Peterborough Business Park  
Lynch Wood  
Peterborough  
PE2 6FZ

**Bankers**

National Westminster Bank Plc  
9 North Street  
Rugby  
CV21 2AH

**Solicitors**

Hewitsons LLP  
Elgin House  
Billing Road  
Northampton  
Northamptonshire  
NN1 5AU

---

**STEPNELL DEVELOPMENTS LIMITED**

---

---

**CONTENTS**

---

	Page
<b>Strategic report</b>	1 - 2
<b>Directors' report</b>	3 - 4
<b>Independent auditor's report</b>	5 - 7
<b>Statement of comprehensive income</b>	8
<b>Balance sheet</b>	9 - 10
<b>Statement of changes in equity</b>	11
<b>Notes to the financial statements</b>	12 - 22

---

## STEPNELL DEVELOPMENTS LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

---

#### **Introduction**

This strategic report reviews Stepnell Developments Limited for the year ended 31 March 2023 and its prospects for the coming year.

#### **Business review**

The Company owns an investment portfolio of commercial property. This portfolio continues to be well let during the year in line with expectations. There were two units that became vacant in the reporting period, both of these were small office suites at Bloxam Court. Since the year end both of them have become reoccupied with new Tenants on an increased rent.

During the year Stepnell Developments granted a long Leasehold interest to Stepnell Holdings Ltd for the new flats at Regent St to enable the company to focus its interests in Commercial Property.

The Directors agreed the sale of some land at Ogee Business Park with the benefit of the Construction Contract. The Directors have taken a provision for the works to complete the outstanding infrastructure on the rest of the Business Park.

The Directors submitted an outline planning application at Myson House for redevelopment of the site for new build flats. Since the year end this has now been approved by the planning committee with a resolution to grant planning consent.

The Directors believe that in the coming year the Company will trade in line with last year's performance as the majority of Investment properties are well let, and benefit from the continued proactive management of the Stepnell Property team to manage the risks.

In the year the business sold its investment in its subsidiary businesses EvoEnergy Ltd, Sunshare and Aspen as part of a demerger of shareholders. The business is now focussed on its core functions of property investment and development. This has reduced the net assets of the business but not impaired its prospects for the coming year.

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

There are a number of key risks with which the Business must remain mindful:

##### **Market Risks for Investment Properties**

The Company is at risk from the marketplace for the demand for rented residential premises. However the re-occupation of vacant space during the year demonstrates that these continue to be sustainable at present, demonstrating that the Company continues to invest in robust sectors.

##### **People Risks**

The Company relies on the competence and capabilities of the Stepnell Property Team who can be supplemented from the other resources within the Stepnell Construction business or from external consultancies where appropriate. The Directors recognise that the success of the business is predicated on the professionalism of our staff and the Directors work hard to ensure that this professionalism is maintained through good communications and training.

##### **Going Concern Assessment**

The company continues to benefit from a strong balance sheet and continues to keep a low risk through a well let property portfolio. The Directors are confident in the future prospects of Stepnell Developments.

---

**STEPNELL DEVELOPMENTS LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

---

**Macro-Economic Risks and Cash Flow**

The Directors are aware that occupiers of Investment Properties are subject to many economic and financial factors that can affect their ability to pay the market rent. The impact of these pressures on Rental income and other receipts may adversely affect cash flow.

**Cashflow**

The Company carefully models its cash requirements to ensure that it has sufficient liquidity to meet its foreseeable needs. Loans from related parties are kept to a minimum with a robust plan for repayment in the short term to keep its risk from interest rate rises to a minimum.

**Debtor risk**

The company is aware that all the occupiers may be prone to price inflation and cost pressures which may impact their ability to meet their Lease commitments. The Directors closely monitors payments of all the occupiers and to date there is no significant increase in overdue payments.

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

**T B Wakeford**  
Director



Date: 30 October 2023

---

## STEPNELL DEVELOPMENTS LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

---

The directors present their report and the financial statements for the year ended 31 March 2023.

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

---

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

#### Results and dividends

The loss for the year, after taxation, amounted to £160,352 (2022: profit £57,007).

The directors have paid a dividend of £15,000 in the year (2022: £170,000). Dividends in specie of £7,430,126 were also recognised in the year in relation to the capital reduction demerger as explained in note 9 of the accounts.

#### Directors

The directors who served during the year were:

P G Wakeford  
T B Wakeford  
C E Wakeford  
E D Wakeford  
M R Wakeford (resigned 31 August 2022)  
J R Wakeford (resigned 31 August 2022)  
P M Wakeford (resigned 31 August 2022)

---

## STEPNELL DEVELOPMENTS LIMITED

---

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

---

#### Future developments

The Directors continue to actively promote the development site at OGEE Business Park. The Directors are also actively researching other potential development sites.

The Directors review the Property Portfolio on a regular basis with a view to maintaining a balanced Portfolio, in accordance with the Policy for the development of the business.

#### Qualifying third party indemnity provisions

During the year and up to the date of this report, the Company maintained liability insurance and third-party indemnification provisions for its directors, under which the Company has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities of the Company.

#### Disclosure of information to auditor

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

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

#### Post balance sheet events

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

#### Small companies note

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

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

  
**T B Wakeford**  
Director

Date: 30 October 2023

---

---

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEPNELL DEVELOPMENTS LIMITED

---

### Opinion

We have audited the financial statements of Stepnell Developments Limited (the 'company') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its loss 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.



---

---

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEPNELL DEVELOPMENTS 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 by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- 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.

### **Responsibilities of directors for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, 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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

---

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STEPNELL DEVELOPMENTS LIMITED (CONTINUED)

---

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006, and UK Tax legislation.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Saffery LLP**

Gareth Norris FCA  
Senior statutory auditor  
for and on behalf of Saffery LLP  
Statutory Auditor, Chartered Accountants  
Peterborough  
Date: 30 October 2023

---

**STEPNELL DEVELOPMENTS LIMITED**

---

---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

---

	Note	2023 £	2022 £
Turnover	4	4,394,135	2,783,436
Cost of sales		(2,396,904)	(1,328,314)
<b>Gross profit</b>		<b>1,997,231</b>	<b>1,455,122</b>
Administrative expenses		(2,095,193)	(1,562,087)
<b>Operating loss</b>	5	<b>(97,962)</b>	<b>(106,965)</b>
Interest receivable and similar income	7	116,473	92,628
<b>Profit/(loss) before tax</b>		<b>18,511</b>	<b>(14,337)</b>
Tax on profit/(loss)	8	(178,863)	71,344
<b>(Loss)/profit for the financial year</b>		<b>(160,352)</b>	<b>57,007</b>

There was no other comprehensive income for 2023 (2022: £NIL).

The notes on pages 12 to 22 form part of these financial statements..

**STEPNELL DEVELOPMENTS LIMITED**  
**REGISTERED NUMBER: 06776742**

**BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Investments	9	-	555,126
Investment property	10	11,620,093	12,555,801
		<u>11,620,093</u>	<u>13,110,927</u>
<b>Current assets</b>			
Stocks	11	1,772,417	2,864,200
Debtors: amounts falling due within one year	12	476,703	2,590,275
Cash at bank and in hand	13	26,040	85,969
		<u>2,275,160</u>	<u>5,540,444</u>
Creditors: amounts falling due within one year	14	(3,028,138)	(220,528)
<b>Net current (liabilities)/assets</b>		<u>(752,978)</u>	<u>5,319,916</u>
<b>Total assets less current liabilities</b>		<u>10,867,115</u>	<u>18,430,843</u>
<b>Provisions for liabilities</b>			
Deferred tax	15	(41,750)	-
		<u>(41,750)</u>	<u>-</u>
<b>Net assets</b>		<u><u>10,825,365</u></u>	<u><u>18,430,843</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	7,500,000	7,500,000
Capital redemption reserve	17	-	456
Profit and loss account	17	3,325,365	10,930,387
		<u>10,825,365</u>	<u>18,430,843</u>

---

**STEPNELL DEVELOPMENTS LIMITED**  
**REGISTERED NUMBER: 06776742**

---

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2023**

---

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



**T B Wakeford**  
Director



**E D Wakeford**  
Director

Date: 30 October 2023

The notes on pages 12 to 22 form part of these financial statements.

**STEPNELL DEVELOPMENTS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Capital redemption reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£	£
<b>At 1 April 2021</b>	<b>7,500,000</b>	<b>11,244,828</b>	<b>456</b>	<b>(201,448)</b>	<b>18,543,836</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	57,007	57,007
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(170,000)	(170,000)
Share premium account cancellation	-	(11,244,828)	-	11,244,828	-
<b>At 1 April 2022</b>	<b>7,500,000</b>	<b>-</b>	<b>456</b>	<b>10,930,387</b>	<b>18,430,843</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(160,352)	(160,352)
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(7,445,126)	(7,445,126)
Capital redemption reserve cancellation	-	-	(456)	456	-
<b>At 31 March 2023</b>	<b>7,500,000</b>	<b>-</b>	<b>-</b>	<b>3,325,365</b>	<b>10,825,365</b>

The notes on pages 12 to 22 form part of these financial statements.

---

## STEPNELL DEVELOPMENTS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

---

#### 1. General information

Stepnell Developments Limited ('the Company'), is a company limited by share capital, incorporated in England and Wales. Its registered number is 06776742. Its registered office is Stepnell House, Lawford Road, Rugby, Warwickshire, CV21 2UU.

The principal activity of the company is the development of land and property and rental of investment properties.

#### 2. Accounting policies

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

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Going concern

The Company continues to closely monitor the cash position on current Development and Construction projects measured against project budgets and forecasts across the Stepnell Group, which are also regularly reviewed as part of the monitoring of on-site project performance. Outstanding historic final account negotiations for completed Contracts are also closely scrutinised on a regular basis to assess risk of outcome and prospects for resolution.

The Directors seek to ensure that Company cash exposure is managed within internal cash resources. Working capital requirements are closely monitored on a daily basis. The Directors have also considered the impact of Covid-19 in making their going concern assessment.

Based on the facilities in place to the Company including funding made available from a related company post year end and the monitoring arrangements in place of forecasts and budgets and having regard to the strength of the existing Balance Sheet, the Directors have concluded that the "Going Concern" assumption is appropriate and the Company can continue to meet its liabilities as they fall due for the foreseeable future.

##### 2.3 Revenue

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

##### Property management income

Rental income is accounted for on a receivable base and recognised over the life of the lease per the ongoing terms.

##### 2.4 Investment property

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

---

## STEPNELL DEVELOPMENTS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

---

#### 2. Accounting policies (continued)

##### 2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.6 Stocks

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal levels of activity. Provision is made from any foreseeable losses where appropriate. No element of profits is included in the valuation of work in progress.

##### 2.7 Debtors

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

##### 2.8 Cash and cash equivalents

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

##### 2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans to related parties and investments in non-puttable ordinary shares.

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.10 Creditors

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



---

## STEPNELL DEVELOPMENTS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

---

#### 2. Accounting policies (continued)

##### 2.11 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

##### 2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

---

STEPNELL DEVELOPMENTS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

---

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make estimates. The items in the financial statements where these estimates have been made include:

**3.1 Key sources of estimation**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period:

*a) Valuation of WIP*

The valuation of WIP involves management estimates regarding the future recoverability of these balances and estimation of any provisions for future losses. Management base these estimations on their review and knowledge of each individual project, taking into account any post year end events. This includes judgements made by the Directors with the support of internal project teams in respect of subcontractor risk and anticipated costs to complete projects, where issues could arise in the subcontractor supply chain. Actual outcomes may vary to those initially anticipated and this could lead to a material variation in the assets, liabilities and profits and losses reported, especially where unforeseen issues with the subcontractor supply chain result in material additional costs to the Company as the main contractor. Refer to note 12.

*b) Valuation of investment properties*

The valuation of the investment properties represents a material figure in the financial statements and is subject to a number of estimates and judgements. The directors have sought advice from external valuation specialists in order to determine the market value of the property portfolio obtaining formal external valuation every three years, and updating these in the intervening periods using their experience. The directors assess the property for impairment regularly with reference to market factors and are confident that the property is not stated in excess of its open market value. Refer to note 11.

**4. Turnover**

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

	2023 £	2022 £
Rental income from properties	1,094,135	963,436
Malabar Farm promotion income	-	1,820,000
Sale of development land	3,300,000	-
	<u>4,394,135</u>	<u>2,783,436</u>

All turnover arose within the United Kingdom.

---

**STEPNELL DEVELOPMENTS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

---

**5. Operating loss**

The operating loss is stated after charging:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<b>15,750</b>	<b>15,450</b>
Accounting services	-	<b>4,120</b>
Taxation services	-	<b>5,350</b>
Malabar Farm promotion costs	-	<b>1,328,314</b>
	<b>15,750</b>	<b>1,353,234</b>

**6. Employees**

The average monthly number of employees during the year was 7 (2022: 7).

**7. Interest receivable**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Interest receivable from related parties	<b>114,759</b>	<b>57,712</b>
Other interest receivable	<b>1,714</b>	<b>34,916</b>
	<b>116,473</b>	<b>92,628</b>

---

**STEPNELL DEVELOPMENTS LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

---

**8. Taxation**

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	50,246	15,523
<b>Total current tax</b>	<u>50,246</u>	<u>15,523</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>128,617</u>	<u>(86,867)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u><u>178,863</u></u>	<u><u>(71,344)</u></u>

**9. Fixed asset investments**

	Investments in subsidiary companies £
At 1 April 2022	555,126
Additions	6,875,000
Disposals	<u>(7,430,126)</u>
At 31 March 2023	<u><u>-</u></u>

During the year, the company purchased £5,575,000 additional share capital at par in cash in Aspen Retirement Limited and £1,300,000 additional share capital at par in cash in EvoEnergy Limited. On 31 August 2022, the company's investments in its direct and indirect subsidiaries were disposed of in full for their book value via dividend in specie as part of a demerger transaction with former shareholders.

---

**STEPNELL DEVELOPMENTS LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

---

**9. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Aspen Retirement Limited	Property Development	Ordinary	100%
Aspen Extra Care Living Limited	Dormant	Ordinary	100%
Aspen Retirement Living Limited	Dormant	Ordinary	100%
EvoEnergy Limited	Design and installation of Solar Photovoltaic systems	Ordinary	100%
OGEE Business Park Limited	Dormant	Ordinary	100%
Sunshare Community Nottingham PLC*	Solar energy generation	Ordinary	100%

\* Investment held indirectly.

As at 31 March 2023, the company's only subsidiary was OGEE Business Park Limited.

**10. Investment property**

	<b>Freehold investment property £</b>
<b>Valuation</b>	
At 1 April 2022	<b>12,555,801</b>
Additions at cost	<b>121,188</b>
Fair value movements	<b>(1,061,583)</b>
Transfers from work in progress	<b>4,687</b>
<b>At 31 March 2023</b>	<b>11,620,093</b>

The 2023 valuations were made by the directors, on an open market value for existing use basis. The last professional valuation was completed in 2021 by professional valuers Lambert Smith Hampton.

---

STEPNELL DEVELOPMENTS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

---

**11. Stocks**

	2023 £	2022 £
Work in progress	<u>1,772,417</u>	<u>2,864,200</u>

The work in progress has been impaired by £Nil (2022: £Nil) during the year.

**12. Debtors**

	2023 £	2022 £
Trade debtors	135,920	141,406
Amounts owed by group undertakings	-	250,981
Amounts owed by related parties	-	1,874,156
Other debtors	156,234	98,530
Prepayments and accrued income	184,549	138,335
Deferred taxation	-	86,867
	<u>476,703</u>	<u>2,590,275</u>

**13. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	26,040	85,969
Less: bank overdrafts	-	(2,731)
	<u>26,040</u>	<u>83,238</u>

**STEPNELL DEVELOPMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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

	2023 £	2022 £
Bank overdrafts	-	2,731
Trade creditors	736	18,792
Amounts owed to related parties	2,057,526	48,000
Corporation tax	50,246	15,523
Other creditors	5,190	25,167
Accruals and deferred income	914,440	110,315
	<u>3,028,138</u>	<u>220,528</u>

Amounts owed to related parties are unsecured, interest free and repayable on demand.

**15. Deferred taxation**

	2023 £
At beginning of year	86,867
Charged to profit or loss	(128,617)
<b>At end of year</b>	<u><b>(41,750)</b></u>

The deferred taxation balance is made up as follows:

	2023 £	2022 £
Fixed asset timing differences	(41,750)	(41,015)
Short term timing differences	-	127,882
	<u>-</u>	<u>127,882</u>

---

STEPNELL DEVELOPMENTS LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

---

16. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
Nil (2022: 750,000 A Ordinary shares of £10.00 each	-	7,500,000
375,001 (2022: Nil) B Ordinary shares of £10.00 each	3,750,010	-
374,999 (2022: Nil) C Ordinary shares of £10.00 each	3,749,990	-
	<u>7,500,000</u>	<u>7,500,000</u>

During the year, the A Ordinary shares were reclassified as B Ordinary shares and C Ordinary shares.

The A Ordinary shares entitle the holder to receive notice of, attend and vote at general meetings of the company and on a poll to one vote for each original share held.

The B Ordinary shares entitle the holder to receive notice of, attend and vote at general meetings of the company and on a poll to one vote for each original share held.

The C Ordinary shares entitle the holder to receive notice of, attend and vote at general meetings of the company and on a poll to one vote for each original share held.

17. Reserves

**Capital redemption reserve**

This reserve records the nominal value of shares repurchased by the company.

It was reduced via a solvency statement during the year.

**Profit & loss account**

This reserve includes all current and prior period retained profits and losses.

18. Contingent liabilities

There were contingent liabilities in respect of Contract performance bonds amounting to £846,229 (2022: £846,229).



---

## STEPNELL DEVELOPMENTS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

---

#### 19. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102 for a wholly owned subsidiary company not to disclose transactions with other members of the wholly owned group headed by Stepnell Developments Group Limited as the consolidated financial statements of Stepnell Developments Group Limited are publicly available.

During the year the group made trading purchases of £798,641 (2022: £1,901,680) from Stepnell Limited and sales of £60,389 (2022: £19,696) to Stepnell Limited, a related party by virtue of common directorship. The balance due to Stepnell Limited at 31 March 2023 was £24,682 (2022: £Nil).

The group received loan interest of £114,813 (2022: £57,712), and accrued loan interest payable of £167 (2022: £Nil) to Stepnell Holdings Limited, a related party by virtue of common directorships, during the year. The balance due to Stepnell Holdings Limited at 31 March 2023 was £157,844 (2022: £Nil).

Management charges payable to Stepnell Limited are £487,994 (2022: £401,155).

#### 20. Controlling party

The Company is a wholly owned subsidiary of Stepnell Developments Group Limited, a company incorporated in England and Wales, which is also its ultimate parent company. In the opinion of the directors, there is no ultimate controlling party.