

NURTON DEVELOPMENTS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2020



NURTON DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	D G Bradshaw K G Bradshaw P D J Bradshaw T C Bradshaw K G Simkins
Company secretary	P D J Bradshaw
Registered number	03686681
Registered office	11 Waterloo Street Birmingham West Midlands B2 5TB
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor One Central Boulevard Blythe Valley Business Park Solihull West Midlands B90 8BG

NURTON DEVELOPMENTS LIMITED

CONTENTS

	Page
Group strategic report	1 - 2
Directors' report	3 - 4
<i>Independent auditor's report</i>	5 - 7
Consolidated profit and loss account	8
Consolidated balance sheet	9
Company balance sheet	10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated Statement of cash flows	13
Analysis of net debt	14
Notes to the financial statements	15 - 36

NURTON DEVELOPMENTS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Introduction

The principal activity of the group is that of property development.

Business review

The Group continues to be active in a number of areas of the Real Estate sector. The group has continued to invest in its asset base across the portfolio, and in this financial period seen change that has allowed reinvestment into the group improving its capital base.

This financial year has seen a significant investment into the acquisition of a majority stake in Equation Properties Limited.

That investment has given the Group an access to income streams from the logistics sector. Those income flows are starting to crystallise and whilst the current financial statements do not reflect them, those income flows will be recognised in the Financial Statements for the year ended 31 March 2021 and 2022.

In securing those income flows the Group has taken on board the Equation Properties Limited trading figures, which have distorted operational performance in this year.

The Group has investments into several active sectors of the Real Estate Market, the investment into Equation Properties Limited has added the logistics sector to the Strategic Land Portfolio and the tradeable Commercial Properties owned within Group.

The Group has secured contracted sales of over £15.0m to be included in the accounts to 31 March 2021.

The group's financial plans anticipate growth and profitability within its existing portfolio but are also confident of being in the best possible position to be able to take advantage of any opportunities that present themselves.

Risk management is a high priority. Processes are designed to identify, mitigate, and manage risk. The board are ultimately responsible for risk management. The directors manage each development on an individual basis.

Principal risks and uncertainties

One of the key risks in property trading and development is the speed in which market conditions can change. To manage this risk the directors strive to only buy and/or develop an interest in properties that are in high demand. They also closely monitor costs and changes in the market such that action can be taken quickly if necessary.

Interest rate risk

The group hedges its interest rate risk on some bank loans by swapping its variable rate debt into a fixed rate by the use of interest rate swaps.

Credit risk

Cash investments and the interest rate swap arrangements relating to certain of the bank loans are with institutions of a suitable credit quality.

Financial key performance indicators

Maximising returns and minimising risks are the key performance measures for the business. The group's directors believe that any further performance indicators are not necessary or appropriate for an understanding of the performance or position of the business.

NURTON DEVELOPMENTS LIMITED

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

Coronavirus

At the date of signing these accounts, Coronavirus represents both a risk to the business and its people. The group is taking active measures to ensure its people remain safe and healthy. Measures include additional education on cleanliness, self-isolation, social distancing and the ability to work from home or in roster patterns where necessary. There are daily business continuity and health and safety meetings to ensure compliance with the measures introduced.

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

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P D J Bradshaw
Director

Date: 30 March 2021

NURTON DEVELOPMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

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

Directors' responsibilities statement

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year are disclosed on the company information page.

Coronavirus

At the date of signing these financial statements, the directors have considered the effect on the group with the information available to it, and do not believe it will affect the group's ability to continue to trade for the foreseeable future. As with most businesses there will be short term practical difficulties which we have addressed and are managing. However, there are also positive signs from our clients to continue to operate normally, together with winning new potential commercial opportunities where we are well placed. See note 1.4 for further details.

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 and the Group'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 and the Group's auditor is aware of that information.

Post balance sheet events

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

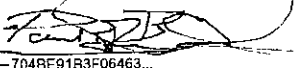
NURTON DEVELOPMENTS LIMITED

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

Auditor

The auditor, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

DocuSigned by:

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P D J Bradshaw
Director

Date: 30 March 2021

NURTON DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NURTON DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of Nurton Developments Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 March 2020, which comprise the group statement of comprehensive income, the group and company Balance sheets, the group statement of cash flows, the group and company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2020 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

NURTON DEVELOPMENTS LIMITED

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group 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 Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

NURTON DEVELOPMENTS LIMITED

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 for our audit work, for this report, or for the opinions we have formed.



Paul Rowley (Senior statutory auditor)

for and on behalf of
Cooper Parry Group Limited

Chartered Accountants
Senior statutory auditor

One Central Boulevard
Blythe Valley Business Park
Solihull
West Midlands
B90 8BG

Date: 31 March 2021

NURTON DEVELOPMENTS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Continuing operations 2020 £	Discontinued operations 2020 £	Total 2020 £	Continuing operations 2019 £	Discontinued operations 2019 £	Total 2019 £
Turnover	3	428,600	-	428,600	9,950	196,748	206,698
Cost of sales		(595,200)	-	(595,200)	-	-	-
Gross (loss)/profit		(166,600)	-	(166,600)	9,950	196,748	206,698
Administrative expenses		(3,320,118)	-	(3,320,118)	(2,026,053)	(192,475)	(2,218,528)
Other operating income	4	2,223,284	-	2,223,284	1,875,956	279,666	2,155,622
Operating (loss)/profit	5	(1,263,434)	-	(1,263,434)	(140,147)	283,939	143,792
Share of profit of joint ventures	14	1,299,570	-	1,299,570	723,684	-	723,684
Total operating profit		36,136	-	36,136	583,537	283,939	867,476
Interest receivable and similar income	9	5,366	-	5,366	304,851	-	304,851
Interest payable and expenses	10	(1,922,084)	-	(1,922,084)	(1,386,210)	(188,449)	(1,574,659)
Loss before taxation		(1,880,582)	-	(1,880,582)	(497,822)	95,490	(402,332)
Loss for the financial year		(1,880,582)	-	(1,880,582)	(497,822)	95,490	(402,332)
Non-controlling interests		(630,731)	-	(630,731)	-	-	-

The profit attributable to the parent undertaking was £1,425,305 (2019: loss - £5,919,453).

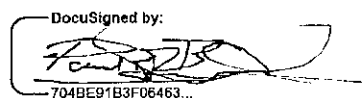
The notes on pages 15 to 36 form part of these financial statements.

NURTON DEVELOPMENTS LIMITED
REGISTERED NUMBER: 03686681

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible fixed assets	12	3,155,609	-
Tangible fixed assets	13	4,110,132	4,111,121
Investments	14	902,500	302,500
Investment in joint ventures	14	(5,662,359)	(6,125,963)
		<u>2,505,882</u>	<u>(1,712,342)</u>
Current assets			
Stocks	15	14,796,510	9,606,015
Debtors: amounts falling due within one year	16	19,869,781	19,191,936
Cash at bank and in hand		95,739	119,476
		<u>34,762,030</u>	<u>28,917,427</u>
Creditors: amounts falling due within one year	17	(16,003,708)	(6,285,416)
Net current assets		<u>18,758,322</u>	<u>22,632,011</u>
Total assets less current liabilities		<u>21,264,204</u>	<u>20,919,669</u>
Creditors: amounts falling due after more than one year	18	(21,469,523)	(19,600,497)
Net (liabilities)/assets		<u>(205,319)</u>	<u>1,319,172</u>
Capital and reserves			
Called up share capital	20	1,000	1,000
Share premium account	21	8,184	8,184
Capital redemption reserve	21	26	26
Other reserves	21	2,461,691	1,775,163
Profit and loss account	21	(1,713,149)	(465,201)
Equity attributable to owners of the parent company		<u>757,752</u>	<u>1,319,172</u>
Non-controlling interests		(963,071)	-
		<u>(205,319)</u>	<u>1,319,172</u>

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

DocuSigned by:

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P D J Bradshaw
Director

Date: 30 March 2021

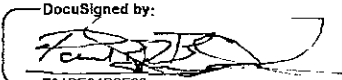
The notes on pages 15 to 36 form part of these financial statements.

NURTON DEVELOPMENTS LIMITED
REGISTERED NUMBER: 03686681

COMPANY BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	35,293	37,756
Investments	14	303,706	303,706
		<u>338,999</u>	<u>341,462</u>
Current assets			
Debtors: amounts falling due within one year	16	38,370,415	34,241,402
Cash at bank and in hand		66	112,532
		<u>38,370,481</u>	<u>34,353,934</u>
Creditors: amounts falling due within one year	17	(7,624,534)	(7,805,412)
Net current assets		<u>30,745,947</u>	<u>26,548,522</u>
Total assets less current liabilities		<u>31,084,946</u>	<u>26,889,984</u>
Creditors: amounts falling due after more than one year	18	(19,129,529)	(17,048,303)
Net assets		<u><u>11,955,417</u></u>	<u><u>9,841,681</u></u>
Capital and reserves			
Called up share capital	20	1,000	1,000
Share premium account	21	8,184	8,184
Capital redemption reserve	21	26	26
Other reserves	21	2,461,691	1,775,163
Profit and loss account	21	9,484,516	8,057,308
		<u><u>11,955,417</u></u>	<u><u>9,841,681</u></u>

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

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P D J Bradshaw
Director

Date: 30 March 2021

The notes on pages 15 to 36 form part of these financial statements.

NURTON DEVELOPMENTS LIMITED

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

	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Non- controlling interests £	Total equity £
At 1 April 2018	1,000	8,184	26	1,208,263	(62,869)	-	1,154,604
Loss for the year	-	-	-	-	(402,332)	-	(402,332)
Movement in preference shares	-	-	-	566,900	-	-	566,900
At 1 April 2019	1,000	8,184	26	1,775,163	(465,201)	-	1,319,172
Loss for the year	-	-	-	-	(1,249,851)	(630,731)	(1,880,582)
Movement on renewal of preference shares	-	-	-	-	1,903	-	1,903
Non-controlling interest at acquisition	-	-	-	-	-	(332,340)	(332,340)
Movement in preference shares	-	-	-	686,528	-	-	686,528
At 31 March 2020	1,000	8,184	26	2,461,691	(1,713,149)	(963,071)	(205,319)

The notes on pages 15 to 36 form part of these financial statements.

NURTON DEVELOPMENTS LIMITED

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

	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 April 2018	1,000	8,184	26	1,208,263	13,976,761	15,194,234
Loss for the year	-	-	-	-	(5,919,453)	(5,919,453)
Movement in preference shares	-	-	-	566,900	-	566,900
At 1 April 2019	1,000	8,184	26	1,775,163	8,057,308	9,841,681
Profit for the year	-	-	-	-	1,425,305	1,425,305
Movement on renewal of preference shares	-	-	-	-	1,903	1,903
Movement in preference shares	-	-	-	686,528	-	686,528
At 31 March 2020	1,000	8,184	26	2,461,691	9,484,516	11,955,417

The notes on pages 15 to 36 form part of these financial statements.

NURTON DEVELOPMENTS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(1,880,582)	(402,332)
Adjustments for:		
Amortisation of intangible assets	195,480	-
Depreciation of tangible assets	23,191	5,424
Interest paid	1,922,084	1,630,996
Interest received	(5,366)	(56,337)
(Increase) in stocks	(5,190,495)	-
(Increase)/decrease in debtors	(255,178)	474,633
(Decrease)/increase in creditors	(1,035,410)	7,165,069
Increase/(decrease) in amounts owed to related undertakings	4,675,118	(1,028,790)
Profit on disposal of subsidiary	-	(1)
Share of joint venture (profit)/loss	(463,604)	-
Net cash generated from operating activities	(2,014,762)	7,788,662
Cash flows from investing activities		
Settlement of former third party indebtedness on acquisition (see Note 22)	(1,901,239)	-
Purchase of tangible fixed assets	(20,697)	(29,761)
(Purchase)/sale of unlisted and other investments	(600,000)	500,000
Interest received	5,370	56,337
Proceeds from disposal of subsidiary	-	1
Net cash acquired with subsidiary (see Note 22)	24,687	-
Purchase of subsidiary undertaking (see Note 22)	(452,830)	-
Net cash from investing activities	(2,944,709)	526,577
Cash flows from financing activities		
Receipt of loans	3,377,564	-
Repayment of loans	(2,936,732)	(9,989,969)
Interest paid	(1,922,084)	(1,630,996)
Renewal of preference shares	5,567,388	3,416,315
Share of joint venture profit	-	(8,039)
Net cash used in financing activities	4,086,136	(8,212,689)
Net (decrease)/increase in cash and cash equivalents	(873,335)	102,550
Cash and cash equivalents at beginning of year	109,299	6,749
Cash and cash equivalents at the end of year	(764,036)	109,299
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	95,739	119,476
Bank overdrafts	(859,775)	(10,177)
	(764,036)	109,299

NURTON DEVELOPMENTS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 MARCH 2020

	At 1 April 2019 £	Cash flows £	Acquisition of subsidiaries £	At 31 March 2020 £
Cash at bank and in hand	119,476	(48,424)	24,687	95,739
Bank overdrafts	(10,177)	(849,598)	-	(859,775)
Debt due after 1 year	(2,413,194)	73,200	-	(2,339,994)
Debt due within 1 year	(3,799,142)	(3,450,764)	-	(7,249,906)
	<u>(6,103,037)</u>	<u>(4,275,586)</u>	<u>24,687</u>	<u>(10,353,936)</u>

The notes on pages 15 to 36 form part of these financial statements.

NURTON DEVELOPMENTS LIMITED

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

1. Accounting policies

1.1 Basis of preparation of financial statements

Nurton Developments Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is shown on the company information page.

The financial statements are prepared in Sterling (£) which is the functional currency of the company. The financial statements are for the year ended 31 March 2020 (2019: 31 March 2019).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

1.3 Disclosure exemptions

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Profit and Loss in these financial statements.

As permitted by FRS102 section 1.12, the group has taken advantage of the disclosure exemption available for aggregate remuneration of key management personnel and related party transactions in relation to wholly owned group companies.

NURTON DEVELOPMENTS LIMITED

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

1. Accounting policies (continued)

1.4 Coronavirus and going concern

At the time of signing these accounts, the directors have considered the effect of the Coronavirus on the going concern position, and consider that this does indicate that the group will continue to trade for a period of at least 12 months from the date of signing these accounts due to the banking facilities available to it and the UK Government support available to businesses during this difficult time.

The financial forecasts prepared by the directors show that the group will be able to operate within the facilities available to it.

The company and group meet their property development cash flow requirements through various bank facilities secured on the property developments and certain cross guarantees within the group.

The group has received an undertaking from the directors that they will continue to provide financial and other support to the group for at least twelve months from the date of approval of these financial statements. As with any group placing reliance on other individuals for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

On that basis, the directors have prepared these financial statements on a going concern basis.

1.5 Turnover

Turnover represents the proceeds of property developments sold, before deduction of related expenditure. Disposals of properties are recognised when unconditional contracts of sale have been exchanged. Turnover excludes value added tax.

1.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

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

1.7 Interest income

Interest income is recognised in the consolidated profit and loss account using the effective interest method. Other interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains.

1.8 Finance costs

Finance costs are charged to the consolidated profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

1.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NURTON DEVELOPMENTS LIMITED

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

1. Accounting policies (continued)

1.10 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.11 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated profit and loss account over its useful economic life.

1.12 Tangible fixed assets

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

Freehold land is not depreciated. Freehold property is not depreciated as the directors believe that as such property is maintained to a high standard for trading purposes, the residual value of the property is not lower than its cost and accordingly, there is no depreciation to charge.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

Improvements to leasehold property	-	25%
Motor vehicles	-	25%
Fixtures and fittings	-	25%
Office equipment	-	25%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

NURTON DEVELOPMENTS LIMITED

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

1. Accounting policies (continued)

1.13 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in joint ventures and associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investor's share of the profit or loss, other comprehensive income and equity of the associate. The consolidated profit and loss account includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the consolidated balance sheet, the interests in joint ventures and associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

1.14 Stocks

Stock and work in progress are stated at the lower of cost and net realisable value. Cost includes all direct expenditure incurred on the development of sites. This will normally comprise the cost of land, associated professional charges, labour, materials and site overheads. Net realisable value is based on the estimated revenue less the costs to be incurred in completing, if appropriate, and selling the remaining properties on each development. The assessment of net realisable value is based on the open market basis. Work in progress is valued at the lower of cost and estimated net realisable value and is disclosed after deduction of provisions for known and expected losses.

1.15 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

NURTON DEVELOPMENTS LIMITED

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

1. Accounting policies (continued)

1.16 Financial instruments

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

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Group would receive for the asset if it were to be sold at the balance sheet date.

Investment in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit or loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss. Other investments are measured at cost less impairment in profit or loss.

NURTON DEVELOPMENTS LIMITED

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

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

The group makes estimates and assumptions concerning the future. The directors are also required to exercise judgement in the process of applying the group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, the directors have made the following judgements:

Recoverability of trade debtors

Trade and other debtors are recognised to the extent that they are judged recoverable. The directors review is performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

The directors make allowances for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The directors specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the consolidated profit and loss account.

Provisions

A provision is recognised when the group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not.

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due.

The directors' estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Impairment of stock

At each reporting date, the carrying value of stock held is compared with its recoverable amount. The estimates used in arriving at the recoverable amount are reviewed internally and approved by the Board, as detailed in the accounting policies. If the carrying value is more, an impairment is recognised.

NURTON DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**3. Turnover**

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	428,600	206,698

4. Other operating income

	2020 £	2019 £
Other operating income	1,206,919	851,767
Net rents receivable	1,016,365	1,303,855
	<u>2,223,284</u>	<u>2,155,622</u>

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2020 £	2019 £
Amortisation of intangible assets	195,480	-
Depreciation of tangible fixed assets	23,191	5,424
Rents receivable in respect of operating leases and service charge income	(1,017,741)	(985,334)

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	73,000	64,750

NURTON DEVELOPMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020****7. Employees**

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	890,400	954,111	553,709	954,111
Social security costs	111,227	103,656	71,138	103,656
Cost of defined contribution scheme	176,434	7,412	152,244	7,412
	<u>1,178,061</u>	<u>1,065,179</u>	<u>777,091</u>	<u>1,065,179</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Directors	6	6
Admin	7	9
	<u>13</u>	<u>15</u>

8. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	320,726	353,899
Company contributions to defined contribution pension schemes	140,000	-
	<u>460,726</u>	<u>353,899</u>

During the year retirement benefits were accruing to no directors (2019: NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £120,000 (2019 - £120,000).

9. Interest receivable

	2020 £	2019 £
Related undertakings interest receivable	-	304,851
Bank interest receivable	5,366	-
	<u>5,366</u>	<u>304,851</u>

NURTON DEVELOPMENTS LIMITED

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

10. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	500,885	636,601
Related party interest payable	132,845	144,833
Joint venture interest payable	835,966	715,645
Unwinding discount on preference share liability	452,388	77,580
	<u>1,922,084</u>	<u>1,574,659</u>

11. Taxation

	2020 £	2019 £
Current tax on profits for the year	-	-
	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

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

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(1,880,582)</u>	<u>(402,332)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(357,311)	(76,443)
Effects of:		
Expenses not deductible for tax purposes	129,637	44,438
Adjustments to tax charge in respect of prior periods	(19,817)	32,005
Deferred tax not recognised	247,491	-
Total tax charge for the year	<u>-</u>	<u>-</u>

No additional deferred tax asset has been recognised in respect of the losses due to uncertainty over the timing of future taxable profits. Accordingly, there is an unrecognised deferred tax asset of £1,858,307 (2019: £1,610,816)

NURTON DEVELOPMENTS LIMITED

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

12. Intangible assets

Group and Company

	Goodwill £
Cost	
Additions (see note 22)	3,351,089
At 31 March 2020	<u>3,351,089</u>
Amortisation	
Charge for the year	195,480
At 31 March 2020	<u>195,480</u>
Net book value	
At 31 March 2020	<u><u>3,155,609</u></u>
At 31 March 2019	<u><u>-</u></u>

NURTON DEVELOPMENTS LIMITED

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

13. Tangible fixed assets

Group

	Freehold land and buildings £	Improvements to leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 April 2019	5,176,744	14,334	36,079	117,616	37,000	5,381,773
Additions	-	-	-	19,287	2,915	22,202
At 31 March 2020	<u>5,176,744</u>	<u>14,334</u>	<u>36,079</u>	<u>136,903</u>	<u>39,915</u>	<u>5,403,975</u>
Depreciation						
At 1 April 2019	1,104,440	14,334	9,654	106,285	35,939	1,270,652
Charge for the year	-	-	6,606	15,047	1,538	23,191
At 31 March 2020	<u>1,104,440</u>	<u>14,334</u>	<u>16,260</u>	<u>121,332</u>	<u>37,477</u>	<u>1,293,843</u>
Net book value						
At 31 March 2020	<u>4,072,304</u>	<u>-</u>	<u>19,819</u>	<u>15,571</u>	<u>2,438</u>	<u>4,110,132</u>
At 31 March 2019	<u>4,072,304</u>	<u>-</u>	<u>26,425</u>	<u>11,331</u>	<u>1,061</u>	<u>4,111,121</u>

NURTON DEVELOPMENTS LIMITED

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

13. Tangible fixed assets (continued)

Company

	Improvements to leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2019	14,334	36,079	117,616	168,029
Additions	-	-	19,187	19,187
At 31 March 2020	14,334	36,079	136,803	187,216
Depreciation				
At 1 April 2019	14,334	9,654	106,285	130,273
Charge for the year	-	6,606	15,044	21,650
At 31 March 2020	14,334	16,260	121,329	151,923
Net book value				
At 31 March 2020	-	19,819	15,474	35,293
At 31 March 2019	-	26,425	11,331	37,756

NURTON DEVELOPMENTS LIMITED

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

14. Fixed asset investments

Group

	Other fixed asset investments £	Investment in joint ventures £	Total £
Cost or valuation			
At 1 April 2019	302,500	(6,125,963)	(5,823,463)
Additions	600,000	-	600,000
Joint venture interest payable	-	(835,966)	(835,966)
Share of profit	-	1,299,570	1,299,570
At 31 March 2020	<u>902,500</u>	<u>(5,662,359)</u>	<u>(4,759,859)</u>

Other fixed asset investments additions of £600,000 represents a 5% holding in an unlisted investment company.

Company

	Investments in subsidiary companies £	Other fixed asset investments £	Investment in joint ventures £	Total £
Cost or valuation				
At 1 April 2019	1,205	302,500	1	303,706
At 31 March 2020	<u>1,205</u>	<u>302,500</u>	<u>1</u>	<u>303,706</u>

Other fixed asset investments represents a 7.5% holding in an unlisted property development business.

NURTON DEVELOPMENTS LIMITED

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

14. Fixed asset investments (continued)

Direct subsidiary undertaking

The company has interests in the share capital of the following companies, which are all included in the consolidation, as listed below:

Name	Principal activity	Country of incorporation	Class of shares	Holding
Supremequay Limited	Property development	United Kingdom	Ordinary	100%
Seabelle Limited	Dormant	United Kingdom	Ordinary	100%
Clydvale Limited	Property development	United Kingdom	Ordinary	100%
Broadsword 2000 Limited	Dormant	United Kingdom	Ordinary	100%
Beryland Limited	Dormant	United Kingdom	Ordinary	100%
Blue Leda Limited	Property development	United Kingdom	Ordinary	100%
Boxblack Limited	Property development	United Kingdom	Ordinary	100%
Iorek Limited*	Property development	United Kingdom	Ordinary	100%
Nurton Residential Limited	Property development	United Kingdom	Ordinary	100%
U3 Residential Limited	Property development	United Kingdom	Ordinary	100%
U3 Residential Walsall Limited	Property development	United Kingdom	Ordinary	100%
Stepstone Limited	Property development	United Kingdom	Ordinary	100%
Nurton Developments (Hilton) Limited	Property development	United Kingdom	Ordinary	100%
Nurton Developments (Waterloo) Limited	Property development	United Kingdom	Ordinary	100%
Nurton Developments (Quintus) Limited	Property development	United Kingdom	Ordinary	50%
Nurton Developments (Brockenhurst) Limited	Property development	United Kingdom	Ordinary	100%
Nurton Developments (Didcot) Limited	Property development	United Kingdom	Ordinary	100%
Nurton Developments (Lapworth) Limited	Property development	United Kingdom	Ordinary	100%
Nurton Developments (Loes Farm) Limited	Property development	United Kingdom	Ordinary	100%
Nurton Equation Limited	Property development	United Kingdom	Ordinary	75%
Equation Properties Limited	Property development	United Kingdom	Ordinary	75%
Nurton Developments (Shifnal) Limited	Property development	United Kingdom	Ordinary	100%
Nurton Developments (Newater) Limited	Property development	United Kingdom	Ordinary	100%

The registered address of all subsidiaries above, with the exception of those marked with *, is 11 Waterloo Street, Birmingham B2 5TB.

* Registered address: Suite 321, 220-222 Hagley Road West, Oldbury, West Midlands B68 0NP.

** For the year ended 31 March 2020, all of the above entities, excluding Nurton Developments (Quintus) Limited and Blue Leda Limited, were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Equation Properties Limited is an indirect subsidiary of Nurton Developments Limited and a direct wholly owned subsidiary of Nurton Equation Limited.

NURTON DEVELOPMENTS LIMITED

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

14. Fixed asset investments (continued)

Investment in joint ventures

Nurton Developments Limited has investments in the following joint venture company:

Nurton Developments (Quintus) Limited

The Group and Wittington Investments (Developments) Limited each own 50% of the issued share capital of Nurton Developments (Quintus) Limited, with the aim of joint development of property in the residential and commercial sector.

Group share of net assets is analysed as follows:

	Current assets £000	Bank debt £000	Net liabilities £000
Nurton Developments (Quintus) Limited	15,798	(5,461)	(5,661)

15. Stocks

	Group 2020 £	Group 2019 £
Development properties	14,796,510	9,606,015
	<u>14,796,510</u>	<u>9,606,015</u>

During the year, properties have been written down by £533,000 (2019: £Nil) in a subsidiary to reflect net realisable value.

The total amount of stock consumed in the year to cost of sales was £2,606,902 (2019: £869,099).

The total carrying amount of stocks pledged as security for liabilities in the year in the group amounted to £9,760,510 (2019: £9,606,015).

16. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	813,210	869,275	21,477	20,582
Amounts owed by group undertakings	-	-	19,610,356	15,921,226
Amounts owed by related undertakings	17,370,758	15,896,504	17,370,758	15,896,504
Other debtors	721,074	80,226	504,929	71,001
Prepayments and accrued income	964,739	2,345,931	862,895	2,332,089
	<u>19,869,781</u>	<u>19,191,936</u>	<u>38,370,415</u>	<u>34,241,402</u>

NURTON DEVELOPMENTS LIMITED

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

17. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank overdrafts	859,775	10,177	859,775	10,177
Bank loans	7,249,906	3,799,142	3,700,000	-
Trade creditors	387,576	206,311	317,442	204,559
Amounts owed to group undertakings	-	-	16,597	5,665,412
Amounts owed to related undertakings	6,270,327	1,595,209	2,407,827	1,595,209
Other taxation and social security	148,522	34,849	36,014	34,849
Other creditors	385,405	208,813	20,628	67,778
Accruals and deferred income	702,197	430,915	266,251	227,428
	<u>16,003,708</u>	<u>6,285,416</u>	<u>7,624,534</u>	<u>7,805,412</u>

NURTON DEVELOPMENTS LIMITED

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

18. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans	2,339,994	2,413,194	-	-
Other creditors	1,308,990	4,245,721	1,308,990	4,106,721
Preference share liability	17,820,539	12,941,582	17,820,539	12,941,582
	<u>21,469,523</u>	<u>19,600,497</u>	<u>19,129,529</u>	<u>17,048,303</u>

On 30 September 2011, 1,000,000 convertible preference shares of 10p each were issued for £5 each. These were issued on the conversion of £5,000,000 of the directors' loan.

On 30 September 2012, 300,000 convertible preference shares of 10p each were issued for £5 each. These were issued on the conversion of £1,500,000 of the directors' loan.

On 26 April 2013, 90,000 convertible preference shares of 10p each were issued for £5 each. These were issued on the conversion of £450,000 of the directors' loan.

On 12 September 2013, 100,000 convertible preference shares of 10p each were issued for £5 each. These were issued on the conversion of £500,000 of the directors' loan.

On 19 December 2013, 240,000 convertible preference shares of 10p each were issued for £5 each. These were issued on the conversion of £1,200,000 of the directors' loan.

On 16 June 2014, 120,000 convertible preference shares of 10p each were issued for £5 each. These were issued on the conversion of £600,000 of the directors' loan.

On 29 September 2014, 200,000 convertible preference shares of 10p each were issued for £5 each. These were issued on the conversion of £1,000,000 of the directors' loan.

On 30 September 2016, 1,000,000 convertible preference shares of 10p each were renewed for £5 each.

On 30 September 2017, 300,000 convertible preference shares of 10p each were issued for £5 each. These were issued on the conversion of £1,500,000 of the directors' loan.

On 10 April 2018, 400,000 convertible preference share of 10p each were issued for £5 each. These were issued on the conversion of £2,000,000 of the directors' loan.

On 26 April 2018, 90,000 convertible preference shares of 10p each were renewed for £5 each.

On 12 September 2018, 100,000 convertible preference shares of 10p each were renewed for £5 each.

On 19 December 2018, 240,000 convertible preference shares of 10p each were renewed for £5 each.

On 9 January 2019, 329,600 convertible preference shares of 10p each were issued for £5 each. These were issued on the conversion of £1,648,000 of the directors' loan.

On 9 May 2019, 1,023,000 convertible preference shares of 10p each were issued for £5 each. These were issued on the conversion of £5,115,000 of the directors' loan.

The convertible preference shares have the same rights and obligations as the ordinary shares with the exceptions that they do not carry voting rights, are redeemable from September 2021 at the request of the holder and are convertible to ordinary shares in the event of a listing of the company.

NURTON DEVELOPMENTS LIMITED

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

19. Loans

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due within one year				
Bank loans	7,249,906	3,799,142	3,700,000	-
Amounts falling due 1-2 years				
Bank loans	2,339,994	2,413,194	-	-
	<u>9,589,900</u>	<u>6,212,336</u>	<u>3,700,000</u>	<u>-</u>

20. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

21. Reserves

Share premium account

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital redemption reserve

The capital redemption reserve represents the nominal value of shares repurchased.

Other reserves

Other reserves represents the equity element of convertible preference shares issued.

Profit and loss account

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

NURTON DEVELOPMENTS LIMITED

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

22. Business combinations

On 23 August 2019, the newly incorporated 75% subsidiary of Nurton Developments Limited, Nurton Equation Limited, acquired 100% of its subsidiary, Equation Properties Limited. The net book value of the assets at the date of acquisition, which also represent the directors' assessment of their provisional fair value is detailed below:

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £	Fair value adjustment £	Fair value £
Debtors	424,174	-	424,174
Cash at bank and in hand	24,687	-	24,687
Total assets	448,861	-	448,861
Creditors due within one year	(1,778,221)	(1,901,239)	(3,679,460)
Total identifiable net liabilities	(1,329,360)	(1,901,239)	(3,230,599)
Share of identifiable net liabilities attributable to non-controlling interests	332,340	-	332,340
Share of identifiable net liabilities	(997,020)	(1,901,239)	(2,898,259)
Goodwill			3,351,089
Total purchase consideration			452,830

The fair value adjustment of £1,901,239 relates to the settlement of former third party indebtedness on acquisition of Equation Properties Limited.

Consideration

	£
Cash	452,830
Total purchase consideration	452,830

Cash outflow on acquisition

	£
Purchase consideration settled in cash, as above	452,830
Net cash outflow on acquisition	452,830

Nurton Equation Limited, a 75% subsidiary of Nurton Developments Limited, acquired 100% of the net assets of Equation Properties Limited which yields goodwill of £3,351,089.

NURTON DEVELOPMENTS LIMITED

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

22. Business combinations (continued)

The results of Equation Properties Limited since its acquisition are as follows:

	Current period since acquisition £
Turnover	223,439
Loss for the year	(2,522,923)

23. Contingent liabilities

The borrowings of certain subsidiary and related undertakings are secured by way of cross guarantees given by the company. At the year-end, total borrowings secured by this way were £10,449,675 (2019: £8,219,000). However, such borrowings are also secured on the freehold and leasehold properties of the relevant subsidiaries which the directors consider to have a value in excess of the borrowings outstanding, therefore, it is not anticipated that any liability would arise under this cross guarantee.

24. Pension commitments

The group and company operate a defined contribution scheme. The pension cost charge for the year represents contributions payable by the group and company to the scheme and amounted to £12,244 (2019: £3,792).

25. Related party transactions

Included within transactions with Nurton Developments (Quintus) Limited is interest receivable on the intercompany balance of £505,041 (2019: £420,640) and a management charge receivable on the intercompany balance of £258,750 (2019: £60,000).

NURTON DEVELOPMENTS LIMITED

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

Company

During the year, the following are considered to be material related parties of the company:

Nurton Developments (Quintus) Limited	-	related through common shareholding
Flexibase Limited	-	related through common shareholding
Cardinal Square LLP	-	related through common shareholding
Colmore Square LLP	-	related through common shareholding
Birchfield Developments Limited	-	related through common shareholding
Nurton Investments Limited	-	related through common shareholding
GB Developments Limited	-	related through common shareholding
CLB Ashby Limited	-	related through common shareholding

The following material related party transactions occurred during the year:

	Net transactions to/(from)		Debtor/(creditor)	
	2020	2019	2020	2019
	£	£	£	£
GB Developments Limited	(274,596)	(936,964)	3,673,234	1,723,637
Flexibase Limited	46,726	189,368	777,455	627,041
Colmore Square LLP	(547,734)	(79,517)	(1,948,285)	(1,400,551)
Cardinal Square LLP	10,857	456,077	1,302,417	1,173,707
Ambleydale Limited	(1,526)	(1,576)	154,201	151,675
Birchfield Developments Limited	-	13	(194,658)	(194,658)
Nurton Developments (Quintus) Limited	505,041	1,823,476	11,243,755	10,738,714
Nurton Investments Limited	(976,270)	(1,115,770)	(244,848)	731,422
Apricot RAM Limited	50	63	3,498	3,448
CLB Ashby Limited	(195,000)	195,026	(20,035)	174,965
Nurton Developments (Hockley Heath) Limited	-	10,521	103,631	83,808

Included within transactions with GB Developments Limited is interest receivable of £274,596 (2019: £198,487) and a management charge of £Nil (2019: £Nil) on the inter-company balance.

Included within transactions with Flexibase Limited is interest receivable of £46,726 (2019: £35,193) on the inter-company balance.

Included within transactions with Cardinal Square LLP is interest payable of £10,857 (2019: £10,457) on the inter-company balance and a management charge received of £Nil (2019: £Nil).

Included within transactions with Colmore Square LLP is an interest payable on the inter-company balance of £68,359 (2019: £87,591) and a management charge receivable on the inter-company balance of £nil (2019: £2,313,858).

Included within transactions with Nurton Investments Limited is interest receivable on the inter-company balance of £23,730 (2019: £59,207).

NURTON DEVELOPMENTS LIMITED

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

26. Ultimate controlling party

There is no ultimate controlling party.

The consolidated financial statements of the group are available to the public and may be obtained from 11 Waterloo Street, Birmingham, B2 5TB.