

Registered number: 10200999

DOWNHAM ROAD LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2020



LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

DOWNHAM ROAD LIMITED

COMPANY INFORMATION

Directors	Edward Benyon Bernadette Cunningham Gerard Cunningham
Company secretary	Gerard Cunningham
Registered number	10200999
Registered office	34 Margery Street London WC1X 0JJ
Independent auditors	Lubbock Fine LLP Chartered Accountants & Statutory Auditors Paternoster House 65 St Paul's Churchyard London EC4M 8AB

DOWNHAM ROAD LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 - 18

DOWNHAM ROAD LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2020

Introduction

The directors have pleasure in presenting their strategic report of the Company for the year ended 31 July 2020.

Business review

The principal activity of the company during the year was that of providing property development.

The company has one scheme at 333 Kingsland Road, Dalston, which has completed during the year. This development includes a new primary school, a commercial unit and 68 new residential units, which were all pre-sold to Dolphin Foundation. The Company were able to continue construction through the covid-19 pandemic, with some delays caused by this. However, we are immensely proud of how the Thornsett team and all our suppliers worked with us to complete the construction on this development in the year. The commercial unit has been sold post year end.

For full details please visit: www.thornsettgroup.co.uk

Principal risks and uncertainties

The principal risk for the company is the ability to pay any liabilities as they fall due.

Financial key performance indicators

The loss for the year, after taxation, amounted to £164,836 (2019 - £569,916). However, the development made an overall profit of £741,297.

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



Gerard Cunningham
Director

Date: 29 January 2021

DOWNHAM ROAD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2020

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

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'. 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 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;
- 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 £161,836 (2019:£569,916).

No dividends were paid in the year.

Directors

The directors who served during the year were:

Edward Benyon
Bernadette Cunningham
Gerard Cunningham

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

DOWNHAM ROAD LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

Post balance sheet events

At the balance sheet date there was an ongoing global pandemic as a result of the COVID-19 outbreak which occurred during the year. The extent of the impact of COVID-19 on the financial performance of the company will depend upon future developments, including the duration and spread of the outbreak and related advice and restrictions, and the impact of COVID-19 on the overall economy. This is a constantly changing situation and the overall impact on the business remains unclear.

If the overall economy is impacted for an extended period, the Company's results may be adversely affected and this could have an impact on the Company's performance, however as described in note 2.3, the directors have considered this as part of their going concern assessment and are confident that the Company will continue to operate for the foreseeable future.

Auditors

Under section 487(2) of the Companies Act 2006, Lubbock Fine LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

Gerard Cunningham

Gerard Cunningham

Director

Date: 29 January 2021

DOWNHAM ROAD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOWNHAM ROAD LIMITED

Opinion

We have audited the financial statements of Downham Road Limited (the 'Company') for the year ended 31 July 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the 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 Company's affairs as at 31 July 2020 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 Auditors' 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 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.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates inherent uncertainties exist in the company's detailed forecasts. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Auditors' 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 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, 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.

Auditors' 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 Auditors' 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 Auditors' Report.

DOWNHAM ROAD LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DOWNHAM ROAD LIMITED (CONTINUED)

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 Auditors' 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.

Lee Facey

Lee Facey (Senior Statutory Auditor)
for and on behalf of
Lubbock Fine LLP
Chartered Accountants & Statutory Auditors
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB.

Date: 29.01.2021

DOWNHAM ROAD LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 JULY 2020**

	Note	2020 £	2019 £
Turnover	4	5,226,335	15,798,530
Cost of sales		(5,354,769)	(16,504,758)
Gross loss		<u>(128,434)</u>	<u>(706,228)</u>
Administrative expenses		(10,373)	(33,845)
Operating loss		<u>(138,807)</u>	<u>(740,073)</u>
Interest payable and expenses		(34,083)	-
Loss before tax		<u>(172,890)</u>	<u>(740,073)</u>
Tax on loss	8	11,054	170,157
Loss for the financial year		<u><u>(161,836)</u></u>	<u><u>(569,916)</u></u>

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 10 to 18 form part of these financial statements.

BALANCE SHEET

AS AT 31 JULY 2020

	Note	2020 £	2020 £	2019 £	2019 £
Current assets					
Stocks	9	900,000		2,635,077	
Debtors: amounts falling due within one year	10	7,451,478		6,072,018	
Cash at bank and in hand		1,208		30,498	
		<u>8,352,686</u>		<u>8,737,593</u>	
Creditors: amounts falling due within one year	11	(8,836,838)		(9,059,909)	
Net current liabilities			(484,152)		(322,316)
Total assets less current liabilities			(484,152)		(322,316)
Net liabilities			<u>(484,152)</u>		<u>(322,316)</u>
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account	13		(484,154)		(322,318)
			<u>(484,152)</u>		<u>(322,316)</u>

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

Gerard Cunningham

Gerard Cunningham
Director

Date: 29 January 2021

The notes on pages 10 to 18 form part of these financial statements.

DOWNHAM ROAD LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 JULY 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2018	2	247,598	247,600
Comprehensive income for the year			
Loss for the year	-	(569,916)	(569,916)
At 1 August 2019	2	(322,318)	(322,316)
Comprehensive income the year			
Loss for the year	-	(161,836)	(161,836)
At 31 July 2020	2	(484,154)	(484,152)

The notes on pages 10 to 18 form part of these financial statements.

DOWNHAM ROAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1. General information

Downham Road Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. Its registered office and principal place of business is 34 Margery Street, London, WC1X 0JJ.

The financial statements are presented in sterling which is the functional currency of the company, and rounded to the nearest £.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Thornsett Group Plc as at 31 July 2020 and these financial statements may be obtained from Companies House.

DOWNHAM ROAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.3 Going concern

The company relies on the use of external borrowings and support of group entities. During the year ended 31 July 2020 the company made a loss of £161,836 and at 31 July 2020 had net liabilities of £484,152. There are material uncertainties that cast doubt about the company's ability to continue as a going concern stemming from the current financial position and the inherent uncertainties, given the nature of the property business, that arise from the assumptions used in the preparation of the company and group's detailed forecasts. The Directors, supported by the staff team at Thornsett, have made excellent progress in reversing the unprecedented loss of last year and reinstating profitability. They expect the net liability position to be reversed in the July 2021 accounts through anticipated profitability and therefore a positive asset value to be restored to the balance sheet. One project (St John at Hackney) has reached practical completion during the year, and profits are still due as a result of the sales due to be generated on this project. There are two further projects (Penn St and Purley) which have had planning permission granted and construction has commenced or will soon commence. Planning permission for the YMCA Wimbledon and 135 residential apartments was approved by Merton council in December 2020. These are expected to deliver significant cash and profits back into the business, which will enable the business to reduce and re-position debt.

Based on detailed profits and cashflow forecasts prepared for the company and group the directors believe it is appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

The detailed forecasts of the company and group include:

- estimated values and timings on anticipated property sales and further development costs.
- the ability to negotiate loan renewals or payment deferrals with external borrowers.
- the ability to obtain alternative finance should any of the negotiations with existing borrowers be unsuccessful
- the ability to secure additional finance to facilitate ongoing developments
- the ability of other members of the Thornsett group to provide working capital support
- the successful outcome of ongoing planning applications.

However, taking account of the material uncertainties, the directors believe and have a reasonable expectation that the company will continue in operational existence for the foreseeable future. Therefore they believe it is appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

In reaching their decision regarding the going concern status of the Group, the directors have reviewed the potential impact of the COVID-19 pandemic, and do not believe that this will have a significant impact going forwards as construction is considered a key service and is able to operate during any lockdown measures put in place by the government.

If the group is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts and provide for further liabilities that might arise.

DOWNHAM ROAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue is recognised in the Statement of Comprehensive Income when the significant risks and rewards of ownership have been transferred to the purchaser. Revenue in respect of the sale of residential and commercial properties is recognised on legal completion or unconditional exchange.

Where the outcome of a long term contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the Balance Sheet date. Stage of completion is estimated with reference to valuation certificates issued by the third party surveyor.

Where the outcome of a long term contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.

2.5 Finance costs

Finance costs are charged to profit or loss 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Taxation

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.

2.7 Land and building development costs

Land and building development costs are accounted for as work in progress and are valued on the basis of direct costs plus attributable overheads including interest and any estimated losses on long term contracts directly linked to the overall development project. On completion of a development an assessment is made of any further costs which may be incurred by the company and an appropriate accrual or provision is made. Provision is made for foreseeable losses where appropriate. No element of profit is included in the valuation of land and buildings development costs.

2.8 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.

DOWNHAM ROAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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 debtors and creditors, loans from banks and other third parties and loans to related parties.

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.

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.

DOWNHAM ROAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The only key judgments and sources of estimation and uncertainty are:

Long term contracts

Recognition of revenue and profit on long term contracts requires management judgment regarding the anticipated final outcome of individual contracts and of the proportion of works completed at the Balance Sheet date. Management undertakes detailed reviews on a monthly basis in order to exercise judgment over the outcome of each contract and the associated risks and opportunities.

The value of work completed at the Balance Sheet date is assessed by obtaining surveys and valuations on each element of works completed and in progress. Regular management reviews of contract progress include a comparison of internal valuations to the applications for payment made by supply chain partners and to external valuations completed on behalf of clients. Any material variances are investigated and updates made where appropriate.

Consistent procedures and management tools are in place to ensure that estimates are applied and results determined on a consistent basis.

Land and developments in progress

The recoverable value of land and developments in progress requires the selling price, costs to complete and costs to sell individual developments to be identified.

Forecast costs to complete and to sell are maintained in standard appraisal models and are regularly reconciled with agreements entered into with third parties. Controls are in place to ensure that regular reviews are undertaken by management.

Estimated selling prices are reviewed regularly by management with reference to independent external valuations where appropriate.

4. Turnover

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

	2020 £	2019 £
Sales	5,226,335	15,798,530

All turnover arose within the United Kingdom.

DOWNHAM ROAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 JULY 2020**

5. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Auditors' remuneration	7,500	7,500

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

6. Employees

The average monthly number of employees, excluding directors, during the year was nil (2019 - nil).

7. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	14,219	-
Other loan interest payable	19,864	-
	<u>34,083</u>	<u>-</u>

8. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	(11,054)	(170,157)
Total current tax	<u>(11,054)</u>	<u>(170,157)</u>

DOWNHAM ROAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 JULY 2020**

8. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 -lower 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	(172,890)	(740,073)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 -19%)	(32,849)	(140,614)
Effects of:		
Research and development tax credit	(11,054)	112,086
Unrelieved tax losses carried forward	11,830	(141,629)
Group relief	21,019	-
Total tax charge for the year	(11,054)	(170,157)

9. Stocks

	2020 £	2019 £
Land and building development costs	900,000	2,635,077

10. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	5,523,502	3,232,944
Other debtors	27,976	1
Prepayments and accrued income	1,900,000	2,839,073
	7,451,478	6,072,018

During the year the company recognised revenue of £5,226,335 (2019 - £15,798,530) arising from long term construction contracts. The revenue recognised has been determined using the percentage of completion method based upon external valuations of work performed.

As at 31 July 2020 accrued income of £1,900,000 (2019 - £2,839,073) was recognised in relation to long term contracts.

DOWNHAM ROAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 JULY 2020****11. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	3,157,580	313,888
Other taxation and social security	-	171,380
Accruals and deferred income	5,679,258	8,574,641
	<u>8,836,838</u>	<u>9,059,909</u>

12. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019 -1) Ordinary A share of £1.00	1	1
1 (2019 -1) Ordinary B share of £1.00	1	1
	<u>2</u>	<u>2</u>

13. Reserves**Profit and loss account**

Includes all current and prior period retained profits and losses, less dividends paid.

14. Capital commitments

At 31 July 2020 the Company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	-	2,327,453

DOWNHAM ROAD LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 JULY 2020**

15. Related party transactions

During the year, the company entered into the following transactions, in the ordinary course of business, with related parties:

	2020 £	2019 £
Owners holding a participating interest in the entity		
Amounts due from such entities	5,461,585	3,232,944
Amounts due to such entities	7,114,702	4,281,653
Purchases from such entities	6,742,764	13,943,067

The amounts are unsecured, interest free and repayable on demand.

16. Post balance sheet events

At the balance sheet date there was an ongoing global pandemic as a result of the COVID-19 outbreak which occurred during the year. The extent of the impact of COVID-19 on the financial performance of the company will depend upon future developments, including the duration and spread of the outbreak and related advice and restrictions, and the impact of COVID-19 on the overall economy. This is a constantly changing situation and the overall impact on the business remains unclear.

If the overall economy is impacted for an extended period, the Company's results may be adversely affected and this could have an impact on the Company's performance, however as described in note 2.3, the directors have considered this as part of their going concern assessment and are confident that the Company will continue to operate for the foreseeable future.

17. Ultimate parent undertaking

The ultimate parent company is Thornsett Cunningham Holdings Limited, a company registered in Cyprus.

The parent undertaking of the smallest and largest group to consolidate the accounts of the company is Thornsett Group Plc whose registered office is 34 Margery Street, London, WC1X 0JJ. A copy of the group accounts can be obtained from Companies House.

Gerard Cunningham is the ultimate controlling party, by virtue of his shareholding in the ultimate parent company.