

Company registration number SC101441 (Scotland)

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

COMPANY INFORMATION

Directors	S W Cullis G Lyon I Rigby E McKinnon
Secretary	I Rigby
Company number	SC101441
Registered office	3 Arthur Street Clarkston Glasgow United Kingdom G76 8BQ
Auditor	Azets Audit Services Titanium 1 King's Inch Place Renfrew Renfrewshire United Kingdom PA4 8WF

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

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WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present the strategic report for the year ended 30 September 2022.

Fair review of the business

Westpoint Construction Company (Scotland) Ltd is a multi faceted property construction company providing services to WPH (Land) Group and Westpoint Group throughout the central belt of Scotland.

The results for the construction business show a pre-tax profit £175,910 (2021 - £254,254) for the year with revenue of £25.5 m (2021 - £22.3m).

Construction work during the year centred upon our developments at Doonfoot Road, Fergus Drive, Berryhill Road, Burnshot Road, Greenholme Street, Meadow Place and Old Rutherglen Road. The increase in revenue was due in part to an increase in developments underway as well as a significant increase in costs as a result of inflation.

The directors are satisfied with the performance during the year. The construction business posted a gross profit margin of 7% (2021 - 6%) despite the difficult trading conditions, specifically in relation to labour supply and price inflation.

Further new developments have commenced during the year, or are due to commence subsequent to the year end, which are expected to contribute strong turnover and gross profit over the coming financial years.

The directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance and position of the business, given the straightforward nature of its operations.

At the year end the company continued to maintain a strong balance sheet with net assets amounting to £377,597 (2021- £445,319).

Principal risks and uncertainties

Due to its affinity to the WPH (Land) Group, the company shares the majority of its risks with that of the house building sector rather than the more traditional construction sector. The key business risks affecting the Group combined are as follows:-

- Market health and stability
- Current economic conditions and cost inflation
- Mortgage availability
- Funding availability
- Land supply
- Construction materials costs and supply
- Labour costs and supply

The directors have in place a risk management system which aims to manage and reduce the above risks to which the company is exposed.

Future outlook

Inflationary pressures and material availability caused by external factors will continue to be a feature of the coming year, however the directors are content with the mitigation measures in place.

Demand within the residential property market remains strong and this is expected to continue for the foreseeable future. The strength of the market, and resultant increase in sales prices being achieved, continues to offset the increasing cost of developments.

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

Financial instruments

Objectives

Our financial risk management objectives are to ensure there is sufficient working capital and cash flow to meet the operating needs of the company and to ensure there is sufficient support for its growth strategy. This is achieved through careful management of our cash resources and by obtaining overdraft facilities and utilising related party loans where necessary. No treasury transactions of derivatives are entered into.

Risks

The company trades predominately with related parties based in Scotland and is thus subject to minimal credit risk and no forex risk. The company also maintains a low gearing position and is thus exposed to minimal interest rate risk.

On behalf of the board

I Rigby

Director

22 June 2023

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their annual report and financial statements for the year ended 30 September 2022.

Results and dividends

The results for the year are set out on page 8.

During the year, interim dividends amounting to £214,542 were paid to 'Ordinary B' shareholders, this represents a dividend of £55 per share.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S W Cullis

G Dickson

(Resigned 4 February 2022)

G Lyon

I Rigby

E McKinnon

Auditor

The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial instruments and associated risks.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

I Rigby

Director

22 June 2023

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 company will continue in business.

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

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

Opinion

We have audited the financial statements of Westpoint Construction Company (Scotland) Limited (the 'company') for the year ended 30 September 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

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 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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

Alan Brown (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

22 June 2023

Chartered Accountants
Statutory Auditor

Titanium 1
King's Inch Place
Renfrew
Renfrewshire
United Kingdom
PA4 8WF

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	25,467,023	22,327,571
Cost of sales		(23,705,161)	(21,022,946)
Gross profit		1,761,862	1,304,625
Administrative expenses		(1,838,142)	(1,347,137)
Other operating income		252,190	299,945
Operating profit	4	175,910	257,433
Interest payable and similar expenses	7	-	(3,179)
Profit before taxation		175,910	254,254
Tax on profit	8	(29,090)	2,127
Profit for the financial year		146,820	256,381

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022	2021
	£	£
Profit for the year	146,820	256,381
Other comprehensive income	-	-
Total comprehensive income for the year	<u>146,820</u>	<u>256,381</u>

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	10		129,497		114,838
Current assets					
Debtors	11	10,843,101		8,172,263	
Cash at bank and in hand		500		799,434	
		10,843,601		8,971,697	
Creditors: amounts falling due within one year	12	(9,665,751)		(8,385,361)	
Net current assets			1,177,850		586,336
Total assets less current liabilities			1,307,347		701,174
Creditors: amounts falling due after more than one year	13		(929,750)		(255,855)
Net assets			377,597		445,319
Capital and reserves					
Called up share capital	16		5,969		5,969
Capital redemption reserve	17		281		281
Profit and loss reserves	18		371,347		439,069
Total equity			377,597		445,319

The financial statements were approved by the board of directors and authorised for issue on 22 June 2023 and are signed on its behalf by:

S W Cullis
Director

Company Registration No. SC101441

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2020		5,969	281	371,077	377,327
Year ended 30 September 2021:					
Profit and total comprehensive income for the year		-	-	256,381	256,381
Dividends	9	-	-	(188,389)	(188,389)
Balance at 30 September 2021		5,969	281	439,069	445,319
Year ended 30 September 2022:					
Profit and total comprehensive income for the year		-	-	146,820	146,820
Dividends	9	-	-	(214,542)	(214,542)
Balance at 30 September 2022		5,969	281	371,347	377,597

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

Company information

Westpoint Construction Company (Scotland) Limited is a private company limited by shares incorporated in Scotland. The registered office is 3 Arthur Street, Clarkston, Glasgow, United Kingdom, G76 8BQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Westpoint Group Limited. These consolidated financial statements are available from its registered office, 3 Arthur Street, Glasgow, G76 8BQ.

1.2 Going concern

The directors are required to prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. In satisfaction of this responsibility the directors have considered the company's ability to meet its liabilities as they fall due.

The company's going concern assessment considers its principal risks and is dependant on a number of factors including financial performance and access to funding facilities.

The current and future financial position of the company, its cash flows and liquidity have been reviewed by the directors. This included reviewing the projected profitability of all ongoing and proposed developments. The company's secured pipeline of work and long-term forecast outlook has provided further assurance to the directors regarding its financial position.

After due consideration of the above, the directors are satisfied that there is a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors consider it appropriate to prepare the financial statements on the going concern basis.

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Turnover represents the value of work executed during the year on long term and other contracts ascertained by reference to contract measurement. Further information in respect of long term contracts is detailed in its accounting policy.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% on cost
Fixtures and fittings	15% on reducing balance
Office Equipment	15% on reducing balance or 33% on cost
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.6 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1 Accounting policies

(Continued)

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Accounting for long term construction contracts

The company estimates the outcome of its construction contracts. This was previously measured by the proportion of the period construction had been in progress compared to the estimated total contract duration, except where this would not be representative of the stage of completion.

In the year management have amended this method to measure on the basis that the proportion contract costs incurred for work performed to date compared to the estimated total contract costs (inclusive of estimated overhead costs), except where these would not be representative of the stage of completion. Management believe this provides a more accurate representation of the profit and amounts recoverable or payable on contracts. Nevertheless, using the updated method did not result in a material difference to the level of profit recognised in the year.

Estimated total contract costs are based on management's detailed budgets and projections. Where management judge that the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recovered.

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

3 Turnover and other revenue

	2022	2021
	£	£
Turnover analysed by class of business		
Construction services	25,467,023	22,327,571
	<u> </u>	<u> </u>
	2022	2021
	£	£
Other revenue		
Grants received	-	23,309
	<u> </u>	<u> </u>

The turnover and profit before taxation are attributable to the one principal activity which is property construction.

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(23,309)
Fees payable to the company's auditor for the audit of the company's financial statements	11,000	9,500
Depreciation of owned tangible fixed assets	37,414	38,464
Depreciation of tangible fixed assets held under finance leases	-	3,376
Operating lease charges	76,078	49,226
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Directors	5	5
Administration	9	6
Direct	36	27
Sales and marketing	8	10
Land department	4	4
	<u> </u>	<u> </u>
Total	62	52
	<u> </u>	<u> </u>

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

5 Employees (Continued)

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	2,633,302	2,184,806
Social security costs	301,959	248,769
Pension costs	112,994	57,769
	<u>3,048,255</u>	<u>2,491,344</u>

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	232,668	293,204
Company pension contributions to defined contribution schemes	56,104	13,850
	<u>288,772</u>	<u>307,054</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	113,500	152,404
Company pension contributions to defined contribution schemes	1,321	8,715
	<u>114,821</u>	<u>161,119</u>

7 Interest payable and similar expenses

	2022 £	2021 £
Other interest and charges	-	2,712
Interest on finance leases and hire purchase contracts	-	467
	<u>-</u>	<u>3,179</u>

8 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	28,215	-
Adjustments in respect of prior periods	875	(2,127)
	<u>29,090</u>	<u>(2,127)</u>

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

8 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit before taxation	175,910	254,254
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	33,423	48,308
Tax effect of expenses that are not deductible in determining taxable profit	2,736	-
Tax effect of income not taxable in determining taxable profit	(950)	(42,739)
Adjustments in respect of prior years	875	(2,127)
Group relief	-	(13,091)
Fixed asset differences	(6,994)	7,522
Taxation charge/(credit) for the year	29,090	(2,127)

9 Dividends

	2022 £	2021 £
Interim paid	214,542	188,389

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

10 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office Equipment £	Motor vehicles £	Total £
Cost					
At 1 October 2021	444,279	32,984	135,691	49,068	662,022
Additions	-	-	13,555	41,917	55,472
Disposals	-	-	-	(15,220)	(15,220)
At 30 September 2022	444,279	32,984	149,246	75,765	702,274
Depreciation and impairment					
At 1 October 2021	388,592	31,072	109,669	17,851	547,184
Depreciation charged in the year	20,250	288	6,107	10,769	37,414
Eliminated in respect of disposals	-	-	-	(11,821)	(11,821)
At 30 September 2022	408,842	31,360	115,776	16,799	572,777
Carrying amount					
At 30 September 2022	35,437	1,624	33,470	58,966	129,497
At 30 September 2021	55,687	1,912	26,022	31,217	114,838

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	138,184	1,751,226
Gross amounts owed by contract customers	7,975	26,361
Amounts owed by group undertakings	10,480,333	5,522,989
Other debtors	216,609	871,687
	10,843,101	8,172,263

12 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	14	295,914	-
Trade creditors		1,330,718	967,834
Gross amounts owed to contract customers		4,283,112	3,787,940
Corporation tax		28,534	52,985
Other taxation and social security		57,446	71,216
Other creditors		855,590	-
Accruals and deferred income		2,814,437	3,505,386
		9,665,751	8,385,361

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

13 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Accruals and deferred income	929,750	255,855

14 Loans and overdrafts

	2022 £	2021 £
Bank overdrafts	295,914	-
Payable within one year	295,914	-

The facility is secured by a floating charge over the assets of the company.

15 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	112,994	57,769

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

16 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary 'A' Shares of 25p each	20,000	20,000	5,000	5,000
Ordinary 'B' Shares of 25p each	3,875	3,875	969	969
	23,875	23,875	5,969	5,969

The ordinary 'B' shares rank pari passu in all respects with the ordinary 'A' shares. Both classes of share have full voting rights. There are no restrictions of the distribution of dividends or repayment of capital.

17 Capital redemption reserve

	2022 £	2021 £
At the beginning and end of the year	281	281

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

18 Profit and loss reserves

	2022 £	2021 £
At the beginning of the year	439,069	371,077
Profit for the year	146,820	256,381
Dividends declared and paid in the year	(214,542)	(188,389)
At the end of the year	371,347	439,069

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	33,391	61,844
Between two and five years	9,659	46,616
	43,050	108,460

20 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Acquisition of tangible fixed assets	251,657	-

21 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Provision of construction & management services 2022 £	2021 £
Companies with director(s) in common	7,880,934	14,996,100

The company is a wholly owned subsidiary of Westpoint Group Limited and as permitted by exemption under the terms of FRS 102 has made no disclosure of transactions with wholly owned subsidiaries within the group.

WESTPOINT CONSTRUCTION COMPANY (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2022

21 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2022	2021
Amounts due to related parties	£	£
Companies with director(s) in common	855,590	-

All amounts due to or due from related parties are due on demand and no interest is applied.

The following amounts were outstanding at the reporting end date:

	2022	2021
Amounts due from related parties	£	£
Companies with director(s) in common	239,484	2,458,563

All amounts due to or due from related parties are due on demand and no interest is applied.

22 Ultimate controlling party

Westpoint Group Limited is regarded by the directors as being the company's ultimate parent company. Westpoint Group Limited is under the control of S W Cullis by virtue of his shareholding in the company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.