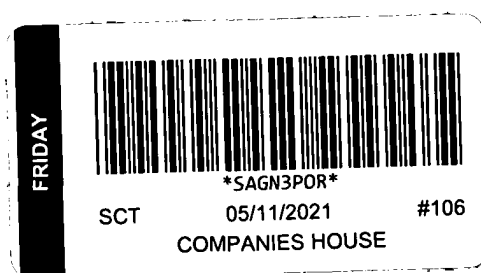


DUNDAS ESTATES & DEVELOPMENT CO. LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



COMPANIES HOUSE

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DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

COMPANY INFORMATION

Directors	D A Fairfoull J C Campbell I S Scott W A Murphy
Secretary	D A Fairfoull
Company number	SC132918
Registered office	Alderstone House MacMillan Road Livingston EH54 7AW
Auditor	Johnston Carmichael LLP 7-11 Melville Street Edinburgh EH3 7PE

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

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DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Fair review of the business

The financial results set out in this report reflect the effects of COVID-19.

Performance during the year was satisfactory, especially given the extremely challenging conditions in which the business operated, and was in line with group budgets. Sales of our new build residential properties held up extremely well, assisted by various Government initiatives. Margins continued to improve on current developments.

Demand for new build residential properties across all Dundas developments remained strong in the year, despite the restrictions that Scotland experienced through country-wide or local lockdowns. It has been widely reported throughout the past year that purchasers are looking for larger properties, with a study and garden being key features in their decision-making process. Individuals are willing to extend themselves financially to obtain a larger property for their family. This has undoubtedly proved a positive for our business through our desirable product and development locations.

The impact of the Coronavirus pandemic and associated lockdown in March 2020 had a negative impact on handovers in FY 2019/20, but has benefited the current years' results. A substantial number of unit sales that were scheduled for March 2020 were carried over and concluded in Q1 of FY 20/21.

In total 145 completions took place in the year despite all of the restrictions that were imposed on the country (prior year 133). Property sales generated £31.7m (£30.0m) of turnover and a gross profit of £5.3m (£4.5m).

The unprecedented supply chain shortages which the industry is experiencing has meant an increase in future development build costs. We have re-appraised our undeveloped land accordingly, and have written-down work-in-progress carrying values to prudent levels, where considered necessary.

Our year-end housing stocks have reduced compared to the prior year, given the good sales performance in the current year. However, our carry forward order book remains at a very healthy level, which will provide good impetus for next year.

The company balance sheet is strong with net assets of £22.0m (2020 : £21.5m) after payment of a dividend relating to the prior year of £1.7m (2020 : £1.3m), leaving us well placed moving into 2021/2022 and beyond.

Principal risks and uncertainties

Covid-19 is the biggest short-term risk to any business. The company continues to monitor the business by the regular review of key performance indicators. The principal risk and uncertainties of the company are;

Market risk

Demand for new build residential housing is directly linked to general economic activity, mortgage availability and consumer confidence. Despite the impact of the Coronavirus pandemic, reservation levels throughout the year were very encouraging. This trend has continued into the first quarter of 2021/22.

Our conversion rate remains strong and we have a healthy order book to carry into 2021/22.

The Directors will manage the business prudently until more clarity emerges from the fall-out of the Covid crisis. Risk mitigation will be met by producing quality homes built to high standards in sought after locations and at a fair price.

Maintaining a view of the global material supply chain and obtaining key materials will be central to the timeous delivery of properties and to the cost of construction. The business is well placed to source key materials as a member of a strong and diverse group of companies.

Product development is being continually reviewed and where practicable will reflect buyers' changing needs. This will provide an even a broader product mix for customers, and help to sustain our market share moving forward.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Principal risks and uncertainties (continued)

Attracting customers is essential and will be achieved through a combination of our robust marketing strategy, strong website presence and social media awareness.

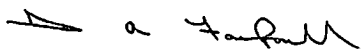
Sourcing land in desirable areas and acquiring it economically is fundamental to the long-term success of the business. The current landbank coupled with prospective ongoing land negotiations are sufficient to allow further expansion by the business in the medium to long term.

These form the cornerstone of the business and remain key to our long-term strategy.

Financial risk

The company finances its operations through a mixture of retained profits and where necessary to fund expansion by land acquisition or development expenditure programmes, through Group backed funding. Despite the challenging environment we all face, with our healthy order book and strong Balance Sheet, the company is well positioned to respond to changes in both customer demand and evolving macro-economic conditions.

By order of the board



.....
D A Fairfoull

Secretary

.....
06/10/2021

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company continued to be that of dealing in property acquisitions, their development and sale.

Directors

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

D A Fairfoull

J C Campbell

I S Scott

W A Murphy

(Appointed 20 August 2020)

(Appointed 15 July 2021)

Results and dividends

The results for the year are set out on page 10. Ordinary dividends were paid in the year amounting to £1,698,160 (2020: £1,348,703).

The directors do not recommend payment of a further dividend.

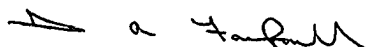
Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

By order of the board



.....
D A Fairfoull

Secretary

Date:

06/10/2021

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

Opinion

We have audited the financial statements of Dundas Estates & Development Co. Limited (the 'company') for the year ended 31 March 2021 which comprise of the Statement of Comprehensive Income, Balance Sheet and Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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 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.

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.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

Matters on which we are required to report by exception

In the light of our 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 and 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, 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/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DUNDAS ESTATES & DEVELOPMENT CO. 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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry;
- results of our enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities; and;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: revenue recognition and stock valuation. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, tax and health and safety legislation. Our procedures to respond to risks identified included the following:

- agreeing a sample of sales from the nominal ledger to legal confirmation letters to ensure these were correctly recorded within revenue in line with the revenue recognition policy;
- tracing a sample of WIP items at year end to purchase invoice and title deeds and assessing the recoverability of the WIP balance through reviewing number of plots left to sell and selling prices;
- reviewing a sample of sales pre and post year end and ensuring these have been recorded within the correct period;
- reviewing the financial statement disclosures to assess compliance with the laws and regulations described as having a direct effect on the financial statements;
- enquiring of management and those charged with governance regarding the actual or suspected instances of non-compliance with laws and regulations including fraud, and following up on any items identified to ensure no irregularities included;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reviewing board minutes for indicators of any breaches of laws and regulations including actual or suspected fraud or litigation or claims;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Johnston Carmichael LLP
Irvine Spowart (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

Chartered Accountants
Statutory Auditor

6 October 2021

7-11 Melville Street
Edinburgh
EH3 7PE

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	31,715,234	32,321,410
Cost of sales		(27,810,935)	(27,049,161)
Gross profit		3,904,299	5,272,249
Administrative expenses		(1,114,571)	(946,337)
Other operating income		-	450,000
Operating profit	4	2,789,728	4,775,912
Interest receivable and similar income	7	192,122	10,136
Interest payable and similar expenses	8	(310,383)	(540,648)
Profit before taxation		2,671,467	4,245,400
Tax on profit	9	(487,185)	(753,371)
Profit for the financial year		2,184,282	3,492,029
Total comprehensive income for the year		2,184,282	3,492,029

The profit and loss account has been prepared on the basis that all operations are continuing operations.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Investments	11		2		2
Current assets					
Stocks	12	28,938,548		41,168,738	
Debtors	13	10,310,164		1,243,426	
		<u>39,248,712</u>		<u>42,412,164</u>	
Creditors: amounts falling due within one year	15	<u>(16,899,843)</u>		<u>(20,863,667)</u>	
Net current assets			22,348,869		21,548,497
Total assets less current liabilities			<u>22,348,871</u>		<u>21,548,499</u>
Provisions for liabilities	17		(314,250)		-
Net assets			<u>22,034,621</u>		<u>21,548,499</u>
Capital and reserves					
Called up share capital	19		2		2
Profit and loss reserves			<u>22,034,619</u>		<u>21,548,497</u>
Total equity			<u>22,034,621</u>		<u>21,548,499</u>

06/10/2021

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



.....
J C Campbell
Director

Company Registration No. SC132918

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2019		2	19,405,171	19,405,173
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	3,492,029	3,492,029
Dividends	10	-	(1,348,703)	(1,348,703)
Balance at 31 March 2020		2	21,548,497	21,548,499
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	2,184,282	2,184,282
Dividends	10	-	(1,698,160)	(1,698,160)
Balance at 31 March 2021		2	22,034,619	22,034,621

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Dundas Estates & Development Co. Limited is a private company limited by shares incorporated in Scotland. The registered office is Alderstone House, MacMillan Road, Livingston, EH54 7AW.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity under FRS 102 Section 1.2 on the grounds that its parent company (James Walker (Leith) Limited) prepares publicly available consolidated financial statements, in which the company results are included. These accounts are available from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

The company has therefore taken the following exemptions under the reduced disclosure framework of FRS 102:

- from the requirement to present a statement of cashflows.
- from the requirement of FRS 102 Section 11 paragraphs 11.39 to 11.48A relating to certain financial instrument disclosures as equivalent disclosures are included within consolidated financial statements.
- from the requirement to disclose key management personnel compensation.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have considered the implications of the ongoing COVID-19 pandemic and are satisfied that this does not impact the company's ability to continue to operate as a going concern and meet liabilities as these fall due.

1.3 Turnover

The turnover shown in the profit and loss account represents the fair value of the consideration received or receivable in relation to the sale of residential properties and land, recognised upon sale completion, exclusive of Value Added Tax.

1.4 Fixed asset investments

Interests in subsidiaries and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Stocks

Developments and work in progress are held at the lower of cost and net realisable value. Cost consists of land, direct materials, labour and attributable overheads. Net realisable value is based on the estimated selling price, less any further costs of realisation.

Turnover and profit for such developments is recognised in line with plot sales. If the development is forecast to be loss making, the entire loss will be recognised as soon as this is foreseen.

Work in progress is stated as costs incurred, less any amounts expensed through the profit and loss account and after adjusting for any foreseeable losses.

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

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.

Loans and receivables

Trade debtors, loans and other debtors are initially recognised at amortised cost using the effective interest method, less any impairment.

Long term receivables are discounted at a market rate of interest.

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.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

Financial liabilities

Trade payables are initially measured at transaction price, and thereafter are stated at amortised cost using the effective interest rate method.

Other financial liabilities

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.

Derecognition of financial liabilities

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

1.8 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.

1.9 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.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event and it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.11 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.

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.

Valuation of work in progress

In order to determine the profit or loss that the company recognises on its various developments in a specific period, the company has to include an estimate of future costs to complete a development in its calculation of gross margin. The assessment of costs still to be incurred requires a degree of estimation. A calculation of the development's total revenue also requires a degree of estimation in relation to units not sold at the accounting date. However, the company has robust long standing, established internal controls in place, which allow a review of the appropriateness of these estimates for each specific contract.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £	2020 £
Turnover analysed by class of business		
Sales of goods	31,715,234	32,321,410

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3	Turnover and other revenue	(Continued)	
		2021 £	2020 £
	Other significant revenue		
	Interest income	192,122	10,136
	Management charge	-	450,000
		2021 £	2020 £
	Turnover analysed by geographical market		
	United Kingdom	31,715,234	32,321,410
4	Operating profit	2021 £	2020 £
	Operating profit for the year is stated after charging:		
	Impairment of stocks recognised or reversed	1,061,590	-
	Operating lease charges	48,000	48,000
5	Auditor's remuneration	2021 £	2020 £
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the company	9,400	8,700
	For other services		
	Taxation compliance services	1,100	1,000
6	Employees	2021 £	2020 £
	Their aggregate remuneration comprised:		
	Wages and salaries	719,581	781,264

There are no employees of the company. Wages and salaries are recharged from a fellow subsidiary undertaking of James Walker (Leith) Limited. Included in the above is an amount of £103,000 (2020: £194,000) allocated to developments in progress.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Other interest income	192,122	10,136
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	310,383	540,648
	<u> </u>	<u> </u>

9 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	549,804	807,262
Adjustments in respect of prior periods	(20,394)	(52,646)
Group tax relief	17,482	-
	<u> </u>	<u> </u>
Total current tax	546,892	754,616
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(59,707)	(636)
Changes in tax rates	-	(609)
	<u> </u>	<u> </u>
Total deferred tax	(59,707)	(1,245)
	<u> </u>	<u> </u>
 Total tax charge	 487,185	 753,371
	<u> </u>	<u> </u>

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Taxation

(Continued)

The actual charge 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:

	2021 £	2020 £
Profit before taxation	2,671,467	4,245,400
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	507,579	806,626
Adjustments in respect of prior years	(20,394)	(52,646)
Group relief	(17,482)	-
Effect of tax rate charge on opening balances	-	(609)
Payment for group relief	17,482	-
Taxation charge for the year	487,185	753,371

A change in the future UK corporation tax rate was announced in the March 2021 budget. The rate will increase to 25% with effect from 1 April 2023. This change had not been substantively enacted at the year end date and therefore current and deferred tax is calculated at 19%, the rate enacted at the year end date. The rate was substantively enacted on the 24th of May 2021.

10 Dividends

	2021 £	2020 £
Declared and paid	1,698,160	1,348,703

11 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	23	2	2

Fixed asset investments represent shares held in subsidiaries and joint ventures. Further details are provided in note 23.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2020 & 31 March 2021	2
Carrying amount	
At 31 March 2021	2
At 31 March 2020	2

12 Stocks

	2021 £	2020 £
Developments in progress	28,938,548	41,168,738

13 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,526,007	291,940
Amounts owed by group undertakings	7,581,945	73,104
Other debtors	6,400	8,800
Prepayments and accrued income	54,981	29,317
	9,169,333	403,161
Deferred tax asset (note 18)	66,129	6,422
	9,235,462	409,583
Amounts falling due after more than one year:		
Trade debtors	1,074,702	833,843
Total debtors	10,310,164	1,243,426

Included in trade debtors more than one year is a bad debt provision of £266,175 (2020: £808,041).

Amounts owed by group undertakings are interest free and repayable on demand.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Loans and overdrafts

	2021 £	2020 £
Bank overdrafts	3,624,558	13,345,169
Payable within one year	3,624,558	13,345,169

15 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	14	3,624,558	13,345,169
Trade creditors		127,446	340,722
Amounts owed to group undertakings		9,847,694	5,240,706
Corporation tax		567,285	807,261
Accruals and deferred income		2,732,860	1,129,809
		16,899,843	20,863,667

Amounts owed to group undertakings are interest free and repayable on demand

16 Retirement benefit schemes

Defined contribution schemes

The company's parent undertaking operates a defined pension scheme on behalf of the group's employees. The company participates in this scheme. The assets of the scheme are held in separate trustee administered funds. More than one employer participates in the defined benefit scheme. The company is unable to identify its share of the underlying assets and liabilities in the scheme on a constant and reasonable basis. The contributions to the scheme have therefore been accounted for as if it were defined contribution scheme and are charged to the profit and loss account in the year in which they become payable. The directors are aware that at this time there is an excess of scheme liabilities over assets within the group scheme but are satisfied that the cost to the company of correcting any deficit attributable to its employees would not be material to the company's financial position at the year end.

17 Provisions for liabilities

	2021 £	2020 £
Cladding provision	314,250	-

The business has sold a small number of flatted development units historically which contained a modest amount of cladding materials. This is a highly complex area of which the industry has an initial understanding, but which is also the subject of evolving regulation. Our initial investigation suggests no significant risk to the business with the estimate of additional investigative works assessed at £314,250.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

17 Provisions for liabilities

(Continued)

Movements on provisions:

**Cladding
provision
£**

Additional provisions in the year

314,250

18 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2021 £	Assets 2020 £
Balances:		
Origination and reversal of timing differences	66,129	6,422
Movements in the year:		2021 £
Asset at 1 April 2020		(6,422)
Credit to profit or loss		(59,707)
Asset at 31 March 2021		(66,129)

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

19 Share capital

	2021 £	2020 £
Ordinary share capital Issued and fully paid		
2 Ordinary shares of £1 each	2	2

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

20 Securities

An inter-company guarantee exists in favour of the Royal Bank of Scotland Plc among James Walker (Leith) Limited, Walker Timber Group Limited, Walker Timber Limited, Patrick and Thompsons Limited, WTG Treatment Limited, Guildway Limited, Walker Timber Engineering Limited, Walker Healthcare Limited, Ferryfield House Limited, Mearns Kirk House Limited, Ellen's Glen House Limited, The Meadows Stockport Limited, Walker Facilities Management Limited, Cramond Residence Limited, Dundas Estates & Development Co. Limited, Dundas Building Co. Ltd, Walker Commercial Properties Limited, Walker Residential Properties Limited and Woodbridge Timber Limited.

As there is a net cash surplus for the companies noted above, there is no overall group exposure under the cross guarantee at the year end.

Standard securities exist over a limited number of properties held as stock housing within Developments in Progress (note 12).

21 Related party transactions

As a wholly owned subsidiary of James Walker (Leith) Limited, advantage has been taken of the exemption granted by Section 33 Related Party Disclosures 33.1A, not to disclose transactions entered into between two or more members of the group, with entities that are wholly owned by the common parent undertaking.

22 Operating lease commitments

Lessee

Operating lease payables represent rentals payable by the company for its head office.

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:

	2021	2020
	£	£
Within one year	48,000	48,000

23 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 and 31 March 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Sundial Dundas (Corstorphine) Limited	Scotland	Property development	Ordinary shares	100

Registered office for the subsidiary is Alderstone House, Macmillan Road, Livingston, United Kingdom, EH54 7AW.

DUNDAS ESTATES & DEVELOPMENT CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

24 Ultimate controlling party

The company's ultimate parent undertaking is James Walker (Leith) Limited, a company registered in Scotland, which is the smallest and largest group of companies for which group financial statements are prepared. Copies of the group financial statements are available to the public from Companies House, 4th Floor, Edinburgh Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.