

Company Registration No. SC188997 (Scotland)

WESTPOINT DEVELOPMENTS (SCOTLAND) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

PAGES FOR FILING WITH REGISTRAR

WESTPOINT DEVELOPMENTS (SCOTLAND) LIMITED

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 8

WESTPOINT DEVELOPMENTS (SCOTLAND) LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2019

		2019		2018	
	Notes	£	£	as restated £	£
Current assets					
Stocks		2,802,218		7,922,164	
Debtors	3	526		37,363	
Cash at bank and in hand		92,783		153,099	
		<u>2,895,527</u>		<u>8,112,626</u>	
Creditors: amounts falling due within one year	4	<u>(2,522,362)</u>		<u>(8,119,856)</u>	
Net current assets/(liabilities)			373,165		(7,230)
			<u><u>373,165</u></u>		<u><u>(7,230)</u></u>
Capital and reserves					
Called up share capital	5		100		100
Profit and loss reserves			373,065		(7,330)
			<u>373,065</u>		<u>(7,330)</u>
Total equity			<u><u>373,165</u></u>		<u><u>(7,230)</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 29 July 2020 and are signed on its behalf by:

S W Cullis
Director

Company Registration No. SC188997

WESTPOINT DEVELOPMENTS (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

Company information

Westpoint Developments (Scotland) Limited is a private company limited by shares incorporated in Scotland. The registered office is 3 Arthur Street, Clarkston, Glasgow, 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Prior period restatement

The prior period has been restated to reflect the inclusion of cumulative interest and estimated fair value movements on certain financial liabilities that had been omitted in the prior year. As a policy of capitalising borrowing costs is adopted, all adjustments are capitalised to Work in progress. As such, these adjustments have no impact on equity brought forward or previously reported profits. Work in progress has been increased by £563,181 whilst current liabilities have increased by the same value.

WESTPOINT DEVELOPMENTS (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.3 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 meets its day to day working capital requirements through related party funding and finance leases. Management information tools including budgets and cash flow forecasts are used to monitor and manage current and future liquidity.

The company also pays special attention to the recent COVID-19 outbreak and the associated impact on the business. These risks include:

- Decreased economic activity impacting the property market through reduced demand and prices;
- The consequential impact of this on the company's property revenue and cash flow;
- Supply chain or sub-contractor disruptions resulting in delays to developments;
- Interruption to operations due to measures taken to contain an outbreak on our sites;
- The impact of the above on the company's ability to satisfy its liabilities as they fall due.

The company's going concern assessment considers its principal risks, including those in respect of COVID-19 and is dependant on a number of factors including financial performance and access to funding facilities. The directors acknowledge that the company could be adversely affected by the pandemic depending on how the situation evolves and how this impacts the property and construction market moving forward.

The current and future financial position of the company, its cash flows and liquidity position have been reviewed by the directors. This included reviewing the projected profitability of all ongoing and proposed developments.

Following this review, the directors have a reasonable expectation that the company has adequate resources to continue in operational existences for the foreseeable future. The company has also obtained assurances that its related party undertakings will continue to provide such financial support as necessary to facilitate the development and growth of the company and to meet its long-term objectives. This includes ensuring the company has sufficient headroom to meet any additional cash requirements that would be contingent on a downturn in activity in relation to the Covid -19 pandemic.

Accordingly, the directors consider it appropriate to prepare the financial statements on the going concern basis.

1.4 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 from the sale of properties is recognised when the significant risks and rewards of ownership of the property have passed to the buyer (usually upon legal completion), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

WESTPOINT DEVELOPMENTS (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

1.5 Stocks

Work in progress is represented by costs incurred, net of amounts transferred to cost of sales, after deducting foreseeable losses.

The company capitalises borrowing costs and loan interest incurred during the development or re-development of properties to be sold in work in progress. On completion of the development or re-development, such costs cease to be included in work in progress.

Borrowing and interest costs are not capitalised in work in progress during extended periods in which active development is interrupted.

1.6 Cash at bank and in hand

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.

1.7 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 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.

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.

WESTPOINT DEVELOPMENTS (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

1 Accounting policies

(Continued)

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

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.

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.

WESTPOINT DEVELOPMENTS (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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 work in progress

Work in progress is carried at the lower of cost and net realisable value. Calculation of the net realisable value requires management to use estimates regarding future selling prices and other projections which include a degree of uncertainty, particularly in relation to projects in the early stages of development.

Fair value of financial instruments

Non basic financial instruments are carried at fair value through profit and loss. Calculation of the fair value is based on management's best estimate regarding expected development profit, appropriate interest rates and discount rates. These estimates include a degree of uncertainty, particularly in relation to final projected profits during the early stages of development.

3 Debtors

	2019	2018
Amounts falling due within one year:	£	£
Other debtors	526	37,363
	<u> </u>	<u> </u>

WESTPOINT DEVELOPMENTS (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

4 Creditors: amounts falling due within one year

	2019	2018
	£	as restated £
Bank loans	-	4,070,072
Trade creditors	8,740	286,603
Amounts owed to group undertakings	600,000	-
Corporation tax	104,844	-
Other creditors	1,808,778	3,763,181
	<u>2,522,362</u>	<u>8,119,856</u>

In the prior year, the bank loan was secured by 1st ranking security over the developments at Bankhead Road, Dalmeny and Capelrig Road, Newton Mearns and a floating charge over all the assets of the company. Following repayment of the bank loans, this security was released.

Loans from West High Investments Limited, which are included within Other creditors, are secured by standard security and a floating charge.

5 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

There is one class of ordinary share with equal voting rights. There are no restrictions on the distribution of dividends and repayment of capital.

6 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Emphasis of matter

We draw attention to note 1.3 of the financial statements, which details the risks and uncertainties arising from the COVID-19 pandemic. Our opinion is not modified with respect to this matter.

The senior statutory auditor was Alan Brown.

The auditor was Campbell Dallas Audit Services.

WESTPOINT DEVELOPMENTS (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

7 Events after the reporting date

The global outbreak of COVID-19 after the year-end has resulted in an elevated level of uncertainty within the economy. The longer term effects of the virus, and the subsequent impact of the Government-imposed restrictions on movement and business, are not yet clear.

At this time, the directors believe there to be no quantifiable impact on the carrying value of assets in the balance sheet that results in either an adjusting or non-adjusting post balance sheet event.

8 Related party transactions

Transactions with related parties

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

	Purchase of construction services	
	2019	2018
	£	£
Companies with director(s) in common	4,074,707	4,015,345

	Finance costs recognised	
	2019	2018
	£	£
Companies with director(s) in common	502,251	356,828

The following amounts were outstanding at the reporting end date:

	2019	2018
	£	£
Amounts due to related parties		
Companies with director(s) in common	1,389,627	2,785,139

The company is a wholly owned subsidiary of WPH (Land) 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.

9 Parent company

The company's immediate parent company is Westpoint Homes Limited, a company incorporated and registered in Scotland under number SC137690.

WPH (Land) Limited, a company incorporated and registered in Scotland under number SC491311, is the ultimate parent company of the group. Copies of the accounts for the ultimate parent company can be obtained from 3 Arthur Street, Clarkston, Glasgow.

WPH (Land) Limited is controlled by S Cullis by virtue of his shareholding in that 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.