

Company Registration No. SC409504 (Scotland)

WINCHBURGH DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

WINCHBURGH DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	J Hamilton P Cummings
Company number	SC409504
Registered office	1a Canal View Winchburgh Broxburn West Lothian Scotland EH52 6FE
Auditor	Johnston Carmichael LLP 227 West George Street Glasgow G2 2ND

WINCHBURGH DEVELOPMENTS LIMITED

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WINCHBURGH DEVELOPMENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Principal activities and review of the business

Formed in October 2011, Winchburgh Developments Limited (WDL) is a joint venture between CALA Management Limited and West Coast Capital Holdings Limited. The principal activity of Winchburgh Developments Limited is the sale of serviced land to residential house developers to deliver over 3400 new homes in the area. The masterplan expands the old Winchburgh Village with WDL investing in significant infrastructure improvements, new schools and leisure areas including a district park and marina.

2022 Year end results show a profit of £1.2m (2021 £1.1m) and turnover of £35.4m (2021 £12.4m). The nature and forecast of land sales will vary in terms of quantity and value year on year, therefore the comparison for turnover is not necessarily informative as to the financial performance of WDL.

New Block sales in the year contributing to revenue recognition included blocks referred to as CC / FF to Taylor Wimpey, blocks DD / EE to Barratt Homes and completion of the extension block O4C to CALA.

WDL continued with the delivery of its masterplan and infrastructure development during 2022 with the construction of the new M9 Motorway Junction which commenced in February 2022. Phase 1 of the junction opened in February 2023 allowing access to northbound roads with southbound routes to and from Winchburgh opening in April 2023. 2022 also saw the opening of both the Auldcathie District Park in Spring 2022 and the new school campus in August 2022.

Principal risks and uncertainties

The main business risk to WDL related to the strength of the housing and land market. 2022 saw a strong post-covid market for land sales with WDL capitalising on the strength of its placemaking strategy and delivery of 2022 infrastructure targets.

Inflation and Interest rate increases are also a key business risk to WDL in terms of revenue (Land Sales / Mortgage costs) and build costs. However, WDL expects its placemaking projects and investment will maintain Winchburgh as an attractive masterplan site offering a variety of amenities.

Build cost inflation is largely mitigated though the award of fixed price contracts. WDL's exposure to build cost inflation will significantly reduce by the end of 2024 when the project envisages circa 80% of infrastructure costs will be in contract.

Key performance indicators

The company created a financial model which forecasts project income and expenditure. WDL track performance against the model through the monitoring of a number of KPI's including margin, cost control and land sales.

Future outlook

WDL remain confident about demand for the company's land plots but does consider that timing of sales may be delayed.

On behalf of the board

J Hamilton
Director

29 September 2023

WINCHBURGH DEVELOPMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of the provision of serviced land within the Winchburgh Village Development for sale to property developers.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

J Hamilton

D T McGrath

P Cummings

(Resigned 5 August 2022)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

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

Matters addressed in the 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 future developments.

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

J Hamilton

Director

29 September 2023

WINCHBURGH DEVELOPMENTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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;
- 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.

WINCHBURGH DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF WINCHBURGH DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of Winchburgh Developments Limited (the 'company') for the year ended 31 December 2022 which comprise 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 31 December 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 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.

WINCHBURGH DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF WINCHBURGH DEVELOPMENTS 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 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 responsibilities for the audit of the financial statements

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

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

Extent to which the audit is 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 assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- Companies Act 2006;
- UK Tax legislation;
- VAT legislation; and
- UK Generally Accepted Accounting Practice.

WINCHBURGH DEVELOPMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF WINCHBURGH DEVELOPMENTS LIMITED

Extent to which the audit is capable of detecting irregularities, including fraud (continued)

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to:

- Management override of controls; and
- Revenue recognition.

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management 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 judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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.

James Hamilton (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

29 September 2023

Chartered Accountants
Statutory Auditor

227 West George Street
Glasgow
G2 2ND

WINCHBURGH DEVELOPMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	35,425,559	12,376,527
Cost of sales		(32,047,657)	(9,970,767)
Gross profit		3,377,902	2,405,760
Administrative expenses		(1,755,550)	(1,327,339)
Other operating income		234,525	93,403
Operating profit	4	1,856,877	1,171,824
Interest receivable and similar income	7	-	1,125
Interest payable and similar expenses	8	(591,866)	(442,708)
Profit before taxation		1,265,011	730,241
Tax on profit	9	(22,959)	393,803
Profit for the financial year		1,242,052	1,124,044

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

There are no items of other comprehensive income in the current or prior years and hence no separate statement of comprehensive income has been prepared.

WINCHBURGH DEVELOPMENTS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	10	-	-
Investments	11	77,941	77,941
		<u>77,941</u>	<u>77,941</u>
Current assets			
Stocks	14	77,375,864	72,963,934
Debtors	15	4,831,502	3,540,314
Cash at bank and in hand		12,490,632	5,656,691
		<u>94,697,998</u>	<u>82,160,939</u>
Creditors: amounts falling due within one year	16	(51,266,295)	(42,214,082)
Net current assets		<u>43,431,703</u>	<u>39,946,857</u>
Total assets less current liabilities		<u>43,509,644</u>	<u>40,024,798</u>
Creditors: amounts falling due after more than one year	17	(17,241,227)	(14,998,433)
Net assets		<u>26,268,417</u>	<u>25,026,365</u>
Capital and reserves			
Called up share capital	21	106	106
Profit and loss reserves	22	26,268,311	25,026,259
Total equity		<u>26,268,417</u>	<u>25,026,365</u>

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

J Hamilton
Director

Company Registration No. SC409504

WINCHBURGH DEVELOPMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2021	106	23,902,215	23,902,321
Year ended 31 December 2021:			
Profit and total comprehensive income for the year	-	1,124,044	1,124,044
Balance at 31 December 2021	106	25,026,259	25,026,365
Year ended 31 December 2022:			
Profit and total comprehensive income for the year	-	1,242,052	1,242,052
Balance at 31 December 2022	106	26,268,311	26,268,417

WINCHBURGH DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Winchburgh Developments Limited is a private company limited by shares incorporated in Scotland. The registered office is 1a Canal View, Winchburgh, Broxburn, West Lothian, Scotland, EH52 6FE.

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 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: Interest income/expense and net gains/losses for financial instruments not measured at fair value; 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 Winchburgh Developments (Holdings) Limited. These consolidated financial statements are available from its registered office, 1a Canal View, Winchburgh, Broxburn, West Lothian, EH52 6FE.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The financial statements have been prepared on a going concern basis following an assessment by the directors of the company.

In making this assessment, the directors have prepared detailed cash flow projections for the overall development. The directors consider it is reasonable to conclude that the company can manage its financial obligations as they fall due from utilising existing funding facilities from its lenders and through the sale of land plots. A significant proportion of the infrastructure works are contracted providing the directors with confidence on the accuracy of costs in the model. There is uncertainty on the future sales prices that will be achieved on land plot sales, but the directors take confidence from the level of offers received on the most recent land plot sales. The directors are therefore satisfied the company continues to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover represents proceeds on sales of land and work in progress at invoiced amounts less value added tax. All turnover is generated in the United Kingdom.

WINCHBURGH DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Revenue from sale of land is recognised in accordance with underlying contractual obligations. This includes amounts recognised on unconditional exchange, namely when contracts are exchanged or missives concluded, on completion of pre-entry sellers works and on completion of post-entry sellers works.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.4 Tangible fixed assets

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

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

Computers	33.3% straight line
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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 the profit and loss account.

1.5 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 the profit and loss account.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Stocks

Stocks relate to land and development works in progress. The company's work in progress is stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises the direct cost associated with the purchase of land as well as those costs which have been incurred in bringing it to its present location and condition.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

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.

WINCHBURGH DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include certain 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.

Impairment of financial assets

Financial assets 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 the profit and loss account.

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 the profit and loss account.

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 certain creditors, other loans and amounts owed to fellow group companies, 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.

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.

WINCHBURGH DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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 the profit and loss account 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.

1.14 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 the profit and loss account.

WINCHBURGH DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Carrying value of development work in progress

The company's land and development work in progress is stated at the lower of cost and estimated selling price less costs to complete and sell. In order to assess the appropriateness of the carrying value and any potential impairment, the directors are required to consider market conditions and forecast development profitability when assessing estimated plot selling prices.

The directors are also required to exercise judgement in relation to development work in progress expensed to the profit and loss account on the sale of individual plots. As much of the development costs incurred relate to the wider development and infrastructure works rather than individual plots, the directors determine the expenditure to release on any given sale following consideration of forecast profitability on the overall development. The overall forecast profitability is reviewed by the directors on an on-going basis.

The carrying value of land and development work in progress at the reporting date is outlined at note 14.

Revenue recognition

In recognising revenue from the sale of land, the directors are required to consider the extent of revenue to be recognised on unconditional exchange and on completion of pre and post entry sellers works. The directors consider the company's underlying contractual obligations and completion/delivery of these obligations in making this assessment.

Revenue recognised in the year is outlined at note 3.

Deferred tax asset

The company has recognised a deferred tax asset in respect of certain losses which are available for offset against the company's future trading profits. In assessing the extent of losses on which a deferred tax asset is recognised, the directors consider the probability and likelihood of being able to utilise losses in the shorter term where they are able to forecast with more certainty.

Details of the deferred tax asset recognised and gross losses available for future offset are outlined at note 19.

3 Turnover and other revenue

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

	2022	2021
	£	£
Turnover analysed by class of business		
Sale of land plots	35,425,559	12,376,527

WINCHBURGH DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover and other revenue (Continued)

	2022	2021
	£	£
Other significant revenue		
Interest income	-	1,125
Sundry income	234,525	93,403
	<u>234,525</u>	<u>93,403</u>

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	22,000	20,000
Operating lease charges	4,695	9,160
	<u>26,695</u>	<u>29,160</u>

5 Employees

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

	2022	2021
	Number	Number
Administrative	7	5
	<u>7</u>	<u>5</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	558,760	494,997
Social security costs	73,069	52,478
Pension costs	61,170	31,661
	<u>692,999</u>	<u>579,136</u>

6 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	142,451	215,749
Company pension contributions to defined contribution schemes	15,500	14,420
	<u>157,951</u>	<u>230,169</u>

WINCHBURGH DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Directors' remuneration

(Continued)

Directors remuneration outlined above is in respect of 1 (2021 – 1) company director who is remunerated by the company.

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

7 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Other interest income	-	1,125
	<u> </u>	<u> </u>

8 Interest payable and similar expenses

	2022 £	2021 £
Interest on borrowings	591,866	398,042
Other interest	-	44,666
	<u> </u>	<u> </u>
	<u>591,866</u>	<u>442,708</u>

WINCHBURGH DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Taxation

	2022 £	2021 £
Deferred tax		
Origination and reversal of timing differences	22,959	(98,054)
Changes in tax rates	-	(295,749)
	<u>22,959</u>	<u>(393,803)</u>
Total deferred tax	<u>22,959</u>	<u>(393,803)</u>

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	1,265,011	730,241
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	240,352	138,746
Tax effect of expenses that are not deductible in determining taxable profit	11,024	5,795
Change in unrecognised deferred tax assets	(306,961)	3,149,559
Effect of change in corporation tax rate	79,181	(3,688,093)
Other differences	323	190
Fixed asset differences	(960)	-
Taxation charge/(credit) for the year	<u>22,959</u>	<u>(393,803)</u>

A change in the future UK Corporation tax rate to 25% with effect from 1 April 2023 was announced in the March 2021 budget and substantively enacted on 24 May 2021. This change will have a consequential effect on the Company's future tax charge in the UK and as the 25% tax rate was substantively enacted prior to the reporting date, deferred tax expected to unwind after 1 April 2023 has been calculated at 25% as opposed to the current tax rate of 19%.

10 Tangible fixed assets

	Computers £
Cost	
At 1 January 2022 and 31 December 2022	2,520
Depreciation and impairment	
At 1 January 2022 and 31 December 2022	2,520
Carrying amount	
At 31 December 2022	-
At 31 December 2021	-

WINCHBURGH DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	12	77,941	77,941
Investments in joint ventures	13	-	-
		<u>77,941</u>	<u>77,941</u>

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Winchburgh Retail Limited	See below	Dormant holding company	Ordinary	100.00	-
Regenco (Niddry Castle) Limited	See below	Dormant	Ordinary	0	100.00
Chapelcross Limited	See below	Dormant	Ordinary	100.00	-
John Cadzow (Glendevon) Limited	See below	Farming	Ordinary	100.00	-
John Cadzow (Auldcaithie) Limited	See below	Dormant	Ordinary	0	100.00
Winchburgh (Town Centre) Limited	See below	Dormant	Ordinary	100.00	-
Pacific Shelf 1773 Limited	See below	Dormant	Ordinary	100.00	-

The registered office of all of the company's subsidiaries is 1a Canal View, Winchburgh, Broxburn, West Lothian, EH52 6FE.

Regenco (Niddry Castle) Limited is held indirectly through the company's shareholding in Winchburgh Retail Limited. John Cadzow (Auldcaithie) Limited is held indirectly through the company's shareholding in John Cadzow (Glendevon) Limited.

13 Joint ventures

Details of the company's joint ventures at 31 December 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Interest held	% Held	
				Direct	Indirect
Winchburgh Motorway Junction Limited	See below	Holding title for land development	Ordinary	50.00	-

The registered office of Winchburgh Motorway Junction Limited is 1a Canal View, Winchburgh, Broxburn, West Lothian, EH52 6FE.

WINCHBURGH DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Stocks

	2022 £	2021 £
Land and development work in progress	77,375,864	72,963,934

The company has provided an environmental indemnity over certain development land held at the reporting date.

At the reporting date the company had entered into contractual commitments in respect of infrastructure works totalling £89.3m.

15 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	10,529	27,933
Amounts owed by group undertakings	94,699	75,518
Amounts owed by undertakings in which the company has a participating interest	7,177	4,758
Other debtors	2,166,613	454
Prepayments and accrued income	1,245,099	2,101,307
	<u>3,524,117</u>	<u>2,209,970</u>
Amounts falling due after more than one year:		
Deferred tax asset (note 19)	1,307,385	1,330,344
	<u>4,831,502</u>	<u>3,540,314</u>
Total debtors		

16 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Other borrowings	18	-	5,999,999
Trade creditors		5,977,036	2,111,336
Amounts owed to group undertakings		44,584,009	30,584,009
Amounts owed to undertakings in which the company has a participating interest		16,201	16,201
Taxation and social security		-	1,069,443
Other creditors		622,063	255,674
Accruals and deferred income		66,986	2,177,420
		<u>51,266,295</u>	<u>42,214,082</u>

Details of security in respect of other borrowings is outlined at note 18.

WINCHBURGH DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Other borrowings	18	17,241,227	14,998,433

Details of security in respect of other borrowings is outlined at note 18.

Other borrowings include £17,241,227 (2021 - £10,998,433) which is due after 5 years and payable by instalments.

18 Loans and overdrafts

	2022 £	2021 £
Loans from undertakings with control, joint control or significant influence over the company	-	4,000,000
Other loans	17,241,227	16,998,432
	<u>17,241,227</u>	<u>20,998,432</u>
Payable within one year	-	5,999,999
Payable after one year	17,241,227	14,998,433

Loans from undertakings with control, joint control or significant influence over the company relate to amounts owed to the joint venture shareholders of the company's parent, Winchburgh Developments (Holdings) Limited. The loans are secured by debenture and the timing of repayment is linked to performance and progression of the company's development masterplan. The £4m loan brought forward from the prior year has been reassigned to the company's parent Winchburgh Developments (Holdings) Limited.

Other loans include £17,241,227 (2021 - £10,998,433) provided to the company by West Lothian Council under the Housing Infrastructure Fund (Loan) Scheme. The loan is subject to standard security over land held within the company and attracts interest of 4.2% per annum. Repayment of capital is linked to housing occupancy levels which trigger the requirement for capital repayments and amounts expected to fall due after 5 years are outlined at note 17.

Other loans also includes contractual obligations to third parties amounting to £Nil (2021 - £5,999,999) which represent amounts due in connection with the purchase of land held for development. Prior to settlement, contractual obligations were subject to standard security over land held within the company.

19 Deferred taxation

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

	Assets 2022 £	Assets 2021 £
Balances:		
Tax losses	1,307,385	1,330,344

WINCHBURGH DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Deferred taxation (Continued)

Movements in the year:	2022
	£
Asset at 1 January 2022	(1,330,344)
Charge to profit or loss	22,959
Asset at 31 December 2022	<u>(1,307,385)</u>

The company had estimated tax losses of £60.1m (2021 - £61.5m) available for offset against future trading profits at the reporting date.

20 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	61,170	31,661

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.

21 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	106	106	106	106

22 Reserves

Profit and loss reserves

Profit and loss reserves represent total comprehensive income for the year and prior periods less dividends paid.

23 Related party transactions

Transactions with related parties

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

	Sales	
	2022	2021
	£	£
Entities with control, joint control or significant influence over the company	3,277,345	5,115,600

WINCHBURGH DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

23 Related party transactions

(Continued)

	Fees incurred		Loan notes advanced by the company	
	2022	2021	2022	2021
	£	£	£	£
Entities with control, joint control or significant influence over the company	83,920	112,982	-	4,000,000

	2022	2021
	£	£
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	-	4,000,000

Reporting exemptions

The company has taken advantage of the disclosure exemptions available under Section 33 of FRS 102 whereby it has not disclosed transactions entered into with any wholly-owned entity of the group.

24 Parent undertaking

The immediate and ultimate parent undertaking is Winchburgh Developments (Holdings) Limited which has its registered office at 1a Canal View, Winchburgh, Broxburn, West Lothian, EH52 6FE.

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.