

Company Registration No. SC491311 (Scotland)

**WPH (LAND) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

# WPH (LAND) LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	I Rigby S W Cullis G Lyon
<b>Secretary</b>	I Rigby
<b>Company number</b>	SC491311
<b>Registered office</b>	3 Arthur Street Clarkston Glasgow G76 8BQ
<b>Auditor</b>	Campbell Dallas Audit Services Titanium 1 King's Inch Place Renfrew PA4 8WF

---

# **WPH (LAND) LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Profit and loss account	8
Group statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	12
Company statement of changes in equity	13
Group statement of cash flows	14
Notes to the financial statements	15 - 27

---

# WPH (LAND) LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

The directors present the strategic report for the year ended 30 September 2019.

### **Fair review of the business**

WPH (Land) Group is a property development group developing residential properties throughout the central belt of Scotland.

Following a restructure during 2017, WPH (Land) Limited became the new parent company for the Westpoint Homes group. New development projects have been commenced within the WPH (Land) Group and these are the first consolidated group accounts being prepared.

The results for the Group comprise 4 development companies the results of which are considered below in total.

The results for the Group show a pre-tax profit £1,740,602 (2018 - £128,923) for the year with turnover of £22.5m (2018 - £17.7m). The growth in turnover has been achieved through the successful completion and sale of plots at a number of key developments, such as Bankhead Road, Dalmeny and Capelrig Road, Newton Mearns which have been ongoing over the last 24 months.

The developments have performed well during the year and the group has a gross profit margin this year of 8% (2018 - 1%).

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

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

At the year end, the total Group has managed to improve its balance sheet position with net assets amounting to £0.30m (2018 - net liabilities of £1.30m).

### **Principal risks and uncertainties**

As a development group building residential properties, the group shares the majority of its risks with that of the house building sector. The key business risks affecting the Group combined are as follows:

- Market health and stability
- Current economic conditions
- Mortgage availability
- Funding availability
- Land supply
- Construction costs
- Brexit

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

# **WPH (LAND) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

### **Covid-19**

Following the global outbreak of the Covid-19 virus subsequent to the year end, there has been a significant increase in risk and uncertainty in the economy.

The Covid-19 pandemic and subsequent Government enforced lockdown towards the end of March 2020 presented unprecedented challenges and demands on the business with our sites closed from the end of March 2020 throughout April and May. During this time, the group took advantage of Government support measures where available and managed its working capital and cash flow closely to ensure it maintained sufficient financial resources at all times.

From late June 2020, our sites have started to re-open and the group is gearing up towards a return to normal operating levels in the near future.

The group is following Government guidance for the Property industry concerning all aspects of the pandemic to ensure best practice precautions are applied and risk to staff is mitigated. The group continues to communicate regularly with its staff, its suppliers, and customers as Government advice develops.

### **Future outlook**

Whilst it is too early to predict the long term impact of Covid-19 on the property sector, the group and its related parties continue to experience high demand from its customers.

Overall, we believe the group is well placed to meet the unprecedented challenges presented by Covid-19 and we remain positive about the future outlook for the Group.

### **Financial instruments**

Our financial risk management objectives are to ensure sufficient working capital and cash flow for the Group and to ensure there is sufficient support for its growth strategy. This is achieved through careful management of our cash resources and by obtaining bank or related party funding where necessary.

The group's principal financial instruments are bank loans and loans received from related parties. Such financial instruments are utilised to fund particular developments. Bank loans are secured over the developments to which they relate and are subject to market rate interest. Related party development loans are unsecured and are repaid upon completion of the development to which they relate to. These loans are subject to a return based on interest and an exit fee based on the profit generated by the development.

No treasury transactions or derivatives are entered into.

On behalf of the board

I Rigby  
**Director**

29 July 2020

# **WPH (LAND) LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2019***

---

The directors present their annual report and financial statements for the year ended 30 September 2019.

### **Principal activities**

The principal activity of the company and group continued to be that of property development.

### **Directors**

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

I Rigby  
S W Cullis  
G Lyon

### **Results and dividends**

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

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

### **Post reporting date events**

Details with regards to subsequent events can be found in the notes to the financial statements.

### **Auditor**

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

### **Strategic report**

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

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board

I Rigby  
**Director**

29 July 2020

## **WPH (LAND) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2019***

---

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# WPH (LAND) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF WPH (LAND) LIMITED

---

#### Opinion

We have audited the financial statements of WPH (Land) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent company's affairs as at 30 September 2019 and of the group's 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.

#### Emphasis of matter - risks and uncertainties relating to COVID-19 pandemic

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.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### 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.



## **WPH (LAND) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF WPH (LAND) LIMITED**

---

##### **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.

##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent 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 group or the parent 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 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.

##### **Other matters which we are required to address**

In the previous accounting period, the directors took advantage of audit exemption under s477 of the Companies Act. Therefore the prior period financial statements were not subject to audit.

## **WPH (LAND) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF WPH (LAND) LIMITED**

---

##### **Use of our report**

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

**Alan Brown (Senior Statutory Auditor)**  
**for and on behalf of Campbell Dallas Audit Services**

29 July 2020

**Statutory Auditor**

Titanium 1  
King's Inch Place  
Renfrew  
PA4 8WF

## WPH (LAND) LIMITED

### GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	22,464,270	17,738,002
Cost of sales		(20,751,744)	(17,596,797)
<b>Gross profit</b>		<b>1,712,526</b>	<b>141,205</b>
Administrative expenses		(11,428)	(14,558)
Other operating income		-	800
<b>Operating profit</b>	<b>4</b>	<b>1,701,098</b>	<b>127,447</b>
Interest receivable and similar income	7	-	1,476
Other gains and losses	9	39,504	-
<b>Profit before taxation</b>		<b>1,740,602</b>	<b>128,923</b>
Tax on profit	10	(138,332)	(84,422)
<b>Profit for the financial year</b>	<b>19</b>	<b>1,602,270</b>	<b>44,501</b>

Profit for the financial year is all attributable to the owners of the parent company.

## **WPH (LAND) LIMITED**

### **GROUP STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 30 SEPTEMBER 2019***

---

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	1,602,270	44,501
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>1,602,270</u>	<u>44,501</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

# WPH (LAND) LIMITED

## GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Current assets</b>					
Stocks	14	35,699,850		19,695,068	
Debtors	15	497,351		389,688	
Cash at bank and in hand		661,661		584,845	
		<u>36,858,862</u>		<u>20,669,601</u>	
<b>Creditors: amounts falling due within one year</b>	16	(24,894,731)		(21,966,950)	
<b>Net current assets/(liabilities)</b>			11,964,131		(1,297,349)
<b>Creditors: amounts falling due after more than one year</b>	17		(11,659,210)		-
<b>Net assets/(liabilities)</b>			<u>304,921</u>		<u>(1,297,349)</u>
<b>Capital and reserves</b>					
Called up share capital	18		1,000		1,000
Profit and loss reserves	19		303,921		(1,298,349)
<b>Total equity</b>			<u>304,921</u>		<u>(1,297,349)</u>

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

## WPH (LAND) LIMITED

### COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2019

		2019		2018	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Investments	11		1		1
<b>Current assets</b>					
Stocks	14	149,115		148,725	
Debtors	15	1,000		1,000	
Cash at bank and in hand		-		10,014	
		<u>150,115</u>		<u>159,739</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(149,198)</u>		<u>(158,770)</u>	
<b>Net current assets</b>			917		969
<b>Total assets less current liabilities</b>			<u>918</u>		<u>970</u>
<b>Capital and reserves</b>					
Called up share capital	18		1,000		1,000
Profit and loss reserves	19		(82)		(30)
<b>Total equity</b>			<u>918</u>		<u>970</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £52 (2018 - £30 loss).

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. SC491311**

## WPH (LAND) LIMITED

### GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 October 2017</b>	1,000	(1,342,850)	(1,341,850)
<b>Year ended 30 September 2018:</b>			
Profit and total comprehensive income for the year	-	44,501	44,501
<b>Balance at 30 September 2018</b>	1,000	(1,298,349)	(1,297,349)
<b>Year ended 30 September 2019:</b>			
Profit and total comprehensive income for the year	-	1,602,270	1,602,270
<b>Balance at 30 September 2019</b>	1,000	303,921	304,921

## WPH (LAND) LIMITED

### COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 October 2017	1,000	-	1,000
Year ended 30 September 2018:			
Loss and total comprehensive income for the year	-	(30)	(30)
Balance at 30 September 2018	1,000	(30)	970
Year ended 30 September 2019:			
Loss and total comprehensive income for the year	-	(52)	(52)
Balance at 30 September 2019	1,000	(82)	918



# WPH (LAND) LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	23	(10,091,753)		(3,230,378)	
Interest paid		(1,863,307)		(1,728,110)	
Income taxes paid		(84,422)		-	
<b>Net cash outflow from operating activities</b>		(12,039,482)		(4,958,488)	
<b>Investing activities</b>					
Proceeds from other investments and loans		39,504		-	
Interest received		-		1,476	
<b>Net cash generated from investing activities</b>			39,504		1,476
<b>Financing activities</b>					
Proceeds from borrowings		5,853,330		6,422,721	
Repayment of borrowings		(1,076,722)		(610,508)	
Proceeds of new bank loans		11,445,340		4,082,666	
Repayment of bank loans		(4,070,072)		(5,239,217)	
<b>Net cash generated from financing activities</b>			12,151,876		4,655,662
<b>Net increase/(decrease) in cash and cash equivalents</b>			151,898		(301,350)
Cash and cash equivalents at beginning of year			509,763		811,113
<b>Cash and cash equivalents at end of year</b>			661,661		509,763
<b>Relating to:</b>					
Cash at bank and in hand			661,661		584,845
Bank overdrafts included in creditors payable within one year			-		(75,082)

# WPH (LAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

### **1 Accounting policies**

#### **Company information**

WPH (Land) Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is 3 Arthur Street, Clarkston, Glasgow, G76 8BQ.

The group consists of WPH (Land) Limited and all of its subsidiaries.

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

#### **1.2 Basis of consolidation**

Following a restructure during 2017, WPH (Land) Limited became the new parent company of the Westpoint Homes Group. The restructure was accounted for under the merger method. As a result, the investment was accounted for at the nominal value of the shares issued and any excess in value of share capital acquired was booked to the merger reserve.

These financial statements presented are the first consolidated financial statements presented for the Group with WPH (Land) Limited as the parent.

The consolidated financial statements incorporate those of WPH (Land) Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 30 September 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# WPH (LAND) 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 group will continue in business. In satisfaction of this responsibility the directors have considered the group's ability to meet its liabilities as they fall due.

The group meets its day to day working capital requirements through development bank loans and related party funding. Management information tools including budgets and cash flow forecasts are used to monitor and manage current and future liquidity.

The group 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 group'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 group's ability to satisfy its liabilities as they fall due.

The group's going concern assessment considers its principal risks, including those in respect of Covid-19 and is dependent on a number of factors including financial performance and access to funding facilities. The directors acknowledge that the group 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 group, 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 group has adequate resources to continue in operational existences for the foreseeable future. The group 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 group and to meet its long-term objectives. This includes ensuring the group 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.

# WPH (LAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

### 1 Accounting policies

(Continued)

#### 1.5 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

#### 1.6 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.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

# WPH (LAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

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

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

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

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group 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 group after deducting all of its liabilities.

#### **Basic financial liabilities**

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

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

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

#### **Other financial liabilities**

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 group's contractual obligations expire or are discharged or cancelled.

# WPH (LAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

### 1 Accounting policies

(Continued)

#### 1.9 Equity instruments

Equity instruments issued by the group 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 group.

#### 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 group'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 if, and only if, there is 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.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

## WPH (LAND) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

#### **2 Judgements and key sources of estimation uncertainty**

**(Continued)**

##### **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 releasable 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.

# WPH (LAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 3 Turnover and other revenue

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Sale of property	22,464,270	17,738,002

	2019 £	2018 £
<b>Other significant revenue</b>		
Interest income	-	1,476

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging:		
Cost of stocks recognised as an expense	20,370,354	17,233,670

### 5 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	5,250	-
Audit of the financial statements of the company's subsidiaries	20,000	-
	25,250	-

### 6 Employees

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Directors	3	3	3	3
	3	3	3	3



# WPH (LAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 7 Interest receivable and similar income

	2019	2018
	£	£
<b>Interest income</b>		
Interest on bank deposits	-	1,476
	<u>          </u>	<u>          </u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	1,476
	<u>          </u>	<u>          </u>

### 8 Interest payable and similar expenses

	2019	2018
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest and similar expenses on bank overdrafts and loans	881,179	594,427
	<u>          </u>	<u>          </u>
	881,179	594,427
<b>Other finance costs:</b>		
Finance costs for financial instruments measured at fair value through profit or loss	3,608,361	1,499,351
	<u>          </u>	<u>          </u>
Total finance costs	4,489,540	2,093,778
	<u>          </u>	<u>          </u>

All of the borrowing costs above relate to specific developments and were capitalised into work-in-progress during the year.

### 9 Other gains and losses

	2019	2018
	£	£
Gain on disposal of financial assets	39,504	-
	<u>          </u>	<u>          </u>

Other gains and losses relate to gains made on the realisation of shared equity debtors.

### 10 Taxation

	2019	2018
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	138,332	84,422
	<u>          </u>	<u>          </u>

# WPH (LAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 10 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:

	2019 £	2018 £
Profit before taxation	1,740,602	736,191
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	330,714	139,876
Tax effect of utilisation of tax losses not previously recognised	(192,072)	(55,078)
Permanent capital allowances in excess of depreciation	(310)	(376)
Taxation charge	138,332	84,422

Deferred tax is not recognised in respect of tax losses of £4.63m due to uncertainty over when they will be recovered against future taxable profits. This equates to an unrecognised deferred tax asset of £0.79m.

### 11 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	12	-	-	1	1

#### Movements in fixed asset investments

##### Company

##### Shares in group undertakings

#### Cost or valuation

At 1 October 2018 and 30 September 2019

£

1

#### Carrying amount

At 30 September 2019

1

At 30 September 2018

1

# WPH (LAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 12 Subsidiaries

Details of the company's subsidiaries at 30 September 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Westpoint Homes Limited	See below	Property Development	Ordinary	100.00	0
Westpoint Developments (Scotland) Limited	See below	Property Development	Ordinary	0	100.00
Westpoint Property Company (Scotland) Limited	See below	Property Development	Ordinary	0	100.00
Westpoint Homes (West) Limited	See below	Property Development	Ordinary	0	100.00

The registered office address of all subsidiaries is 3 Arthur Street, Clarkston, Glasgow, G76 7BQ.

### 13 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	16,621	84,768	1,000	1,000
Instruments measured at fair value through profit or loss	237,032	303,840	-	-
	<u>253,653</u>	<u>388,608</u>	<u>1,000</u>	<u>1,000</u>
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	19,736,948	14,064,336	-	-
Measured at amortised cost	14,563,002	7,534,110	149,198	158,770
	<u>19,736,948</u>	<u>14,064,336</u>	<u>149,198</u>	<u>158,770</u>

### 14 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Work in progress	35,699,850	19,695,068	149,115	148,725
	<u>35,699,850</u>	<u>19,695,068</u>	<u>149,115</u>	<u>148,725</u>

Included within work in progress is £4,100,239 (2018 - £1,401,069) in respect of capitalised borrowing costs and £310,000 (2018 - £607,268) in relation to impairment provisions.

### 15 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>Amounts falling due within one year:</b>				
Other debtors	497,351	389,688	1,000	1,000
	<u>497,351</u>	<u>389,688</u>	<u>1,000</u>	<u>1,000</u>

# WPH (LAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 16 Creditors: amounts falling due within one year

	Group 2019	2018	Company 2019	2018
Notes	£	£	£	£
Bank loans and overdrafts	6,227,346	5,484,752	-	-
Other borrowings	14,736,492	13,820,004	-	-
Trade creditors	1,778,064	2,124,440	-	-
Amounts owed to group undertakings	-	-	149,198	158,770
Corporation tax payable	138,332	84,422	-	-
Other creditors	2,000	246,332	-	-
Accruals and deferred income	2,012,497	207,000	-	-
	<u>24,894,731</u>	<u>21,966,950</u>	<u>149,198</u>	<u>158,770</u>

Bank loans are provided on a development by development basis. They are secured by 1st ranking security over the underlying developments being funded, by floating charge over all the assets of the company and by cost overrun guarantees provided by Stephen Cullis.

Included within Other borrowings are loans from related parties and funding provided by West High Investments Limited. Details with regards to loans from related parties can be found in note 21 to these financial statements. Loans provided by West High Investments Limited are secured by standard security and a floating charge over the underlying development being funded.

Standard security has also been granted to The Trustees of the John Menzies Trust for Scotus College and Catholic Education, and to Glasgow City Council in respect of amounts due for the purchase of land for development.

### 17 Creditors: amounts falling due after more than one year

	Group 2019	2018	Company 2019	2018
Notes	£	£	£	£
Bank loans and overdrafts	6,557,592	-	-	-
Other borrowings	4,400,000	-	-	-
Accruals and deferred income	701,618	-	-	-
	<u>11,659,210</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 18 Share capital

	Group and company	
	2019	2018
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
572 Ordinary A Shares of £1 each	572	572
428 Ordinary B Shares of £1 each	428	428
	<u>1,000</u>	<u>1,000</u>

# WPH (LAND) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

### 18 Share capital

(Continued)

The Ordinary A Shares rank pari passu in all respects with the Ordinary B Shares. Both classes of shares have full voting rights. There are no restrictions over the distribution of dividends in respect of capital.

### 19 Profit and loss reserves

	Group 2019 £	2018 £	Company 2019 £	2018 £
At the beginning of the year	(1,298,349)	(1,342,850)	(30)	-
Profit/(loss) for the year	1,602,270	44,501	(52)	(30)
At the end of the year	303,921	(1,298,349)	(82)	(30)

### 20 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.

### 21 Related party transactions

#### Transactions with related parties

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

	Purchase of construction services	
	2019 £	2018 £
<b>Group</b>		
Companies with director(s) in common	15,733,309	12,617,774
	<u>15,733,309</u>	<u>12,617,774</u>
	Finance costs recognised	
	2019 £	2018 £
<b>Group</b>		
Companies with director(s) in common	2,631,430	948,905
	<u>2,631,430</u>	<u>948,905</u>

## WPH (LAND) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

#### 21 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2019 £	2018 £
<b>Group</b>		
Companies with director(s) in common	15,598,827	12,761,342

£5,457,750 (2018 - £5,574,187) of the amounts due to companies with at least one mutual director is unsecured, due on demand and no interest is applied. The remaining £10,141,077 (2018 - £7,448,890) is also unsecured and due on demand, but accrues interest at LIBOR + 5% and a % exit fee on completion of the underlying development.

As permitted by exemption under the terms of FRS 102 has made no disclosure of transactions with wholly owned subsidiaries within the group.

#### 22 Controlling party

The controlling party is S W Cullis by virtue of his shareholding in the company.

#### 23 Cash absorbed by group operations

	2019 £	2018 £
Profit for the year after tax	1,602,270	44,501
<b>Adjustments for:</b>		
Taxation charged	138,332	84,422
Investment income	-	(1,476)
Amounts written off investments	(39,504)	-
<b>Movements in working capital:</b>		
Increase in stocks	(12,899,977)	(4,531,687)
(Increase)/decrease in debtors	(107,663)	21,298
Increase in creditors	1,214,789	1,152,564
<b>Cash absorbed by operations</b>	<b>(10,091,753)</b>	<b>(3,230,378)</b>

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.