

Company Registration No. SC491311 (Scotland)

**WPH (LAND) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

# WPH (LAND) LIMITED

## COMPANY INFORMATION

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<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 United Kingdom G76 8BQ
<b>Auditor</b>	Azets Audit Services Titanium 1 Kings Inch Place Renfrew Renfrewshire United Kingdom PA4 8WF

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# **WPH (LAND) LIMITED**

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# **WPH (LAND) LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2021***

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The directors present the strategic report for the year ended 30 September 2021.

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

WPH (Land) Group is a property development group developing residential properties throughout the central belt of Scotland. The results for the Group comprise 3 development companies the results of which are considered below in total.

The results for the Group show a pre-tax profit of £2,168,173 (2020 - £4,340,825) for the year with turnover of £32.3m (2020 - £17.2m).

The increase in turnover is largely due to the timing of developments. Plot sales that were delayed due to the pandemic came through and the group saw a significant increase in demand as restrictions were lifted and the economy recovered.

In general, the developments have performed well during the year and the group has posted a gross profit margin of 8% (2020 - 6%) despite difficult trading conditions, specifically in relation to labour supply and price inflation.

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

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

At the year end, the total Group has managed to improve its balance sheet position with net assets amounting to £7.12m (2020 - £5.36m).

### **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 and inflationary pressures
- Mortgage availability
- Funding availability
- Land supply
- Construction materials costs and supply

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

### **Future outlook**

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

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

## **WPH (LAND) LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 SEPTEMBER 2021***

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#### **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**

23 June 2022

# **WPH (LAND) LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2021***

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The directors present their annual report and financial statements for the year ended 30 September 2021.

### **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.

### **Auditor**

The auditor, Azets 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**

23 June 2022

## **WPH (LAND) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 30 SEPTEMBER 2021***

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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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and 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

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#### 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 2021 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 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 2021 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.

#### 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 group's and parent 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.



## **WPH (LAND) LIMITED**

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

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

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##### **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 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 company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

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

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

## **WPH (LAND) LIMITED**

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

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

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

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

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

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

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

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

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

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

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

24 June 2022

**Chartered Accountants**  
**Statutory Auditor**

Titanium 1  
Kings Inch Place  
Renfrew  
Renfrewshire  
United Kingdom  
PA4 8WF

## WPH (LAND) LIMITED

### GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	32,342,523	17,238,775
Cost of sales		(30,148,753)	(16,220,255)
<b>Gross profit</b>		<b>2,193,770</b>	<b>1,018,520</b>
Administrative expenses		(25,608)	(26,611)
Other operating income		764	4,425
Gain on sale of subsidiary	4	-	3,337,458
<b>Operating profit</b>		<b>2,168,926</b>	<b>4,333,792</b>
Interest payable and similar expenses	7	(753)	(532)
Other gains and losses	8	-	7,565
<b>Profit before taxation</b>		<b>2,168,173</b>	<b>4,340,825</b>
Tax on profit	9	(412,174)	717,825
<b>Profit for the financial year</b>	<b>19</b>	<b>1,755,999</b>	<b>5,058,650</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 2021*

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	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	1,755,999	5,058,650
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>1,755,999</u>	<u>5,058,650</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 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	10		101,250		-
<b>Current assets</b>					
Stocks	13	27,071,573		35,287,360	
Debtors	14	6,429,475		5,536,765	
Cash at bank and in hand		1,250,011		2,221,867	
		<u>34,751,059</u>		<u>43,045,992</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(27,021,149)</u>		<u>(36,444,430)</u>	
<b>Net current assets</b>			7,729,910		6,601,562
<b>Total assets less current liabilities</b>			7,831,160		6,601,562
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(711,590)</u>		<u>(1,237,991)</u>
<b>Net assets</b>			<u>7,119,570</u>		<u>5,363,571</u>
<b>Capital and reserves</b>					
Called up share capital	18		1,000		1,000
Profit and loss reserves	19		7,118,570		5,362,571
<b>Total equity</b>			<u>7,119,570</u>		<u>5,363,571</u>

The financial statements were approved by the board of directors and authorised for issue on 23 June 2022 and are signed on its behalf by:

S W Cullis  
Director

## WPH (LAND) LIMITED

### COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	10		1,101		1,101
<b>Current assets</b>					
Stocks	13	61,161		61,161	
Debtors	14	4,501,000		4,501,000	
		<u>4,562,161</u>		<u>4,562,161</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(62,345)</u>		<u>(62,345)</u>	
<b>Net current assets</b>			4,499,816		4,499,816
<b>Net assets</b>			<u>4,500,917</u>		<u>4,500,917</u>
<b>Capital and reserves</b>					
Called up share capital	18		1,000		1,000
Profit and loss reserves	19		4,499,917		4,499,917
<b>Total equity</b>			<u>4,500,917</u>		<u>4,500,917</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 profit for the year was £nil (2020 - £4,499,999 profit).

The financial statements were approved by the board of directors and authorised for issue on 23 June 2022 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 2021*

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 October 2019</b>	1,000	303,921	304,921
<b>Year ended 30 September 2020:</b>			
Profit and total comprehensive income for the year	-	5,058,650	5,058,650
<b>Balance at 30 September 2020</b>	1,000	5,362,571	5,363,571
<b>Year ended 30 September 2021:</b>			
Profit and total comprehensive income for the year	-	1,755,999	1,755,999
<b>Balance at 30 September 2021</b>	1,000	7,118,570	7,119,570

## WPH (LAND) LIMITED

### COMPANY STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 30 SEPTEMBER 2021*

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 October 2019</b>	1,000	(82)	918
<b>Year ended 30 September 2020:</b>			
Profit and total comprehensive income for the year	-	4,499,999	4,499,999
<b>Balance at 30 September 2020</b>	1,000	4,499,917	4,500,917
<b>Year ended 30 September 2021:</b>			
Profit and total comprehensive income for the year	-	-	-
<b>Balance at 30 September 2021</b>	1,000	4,499,917	4,500,917



# WPH (LAND) LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

		2021	2020
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	22	8,319,315	1,852,351
Interest paid		(1,642,617)	(2,254,510)
Income taxes paid		(36,667)	-
<b>Net cash inflow/(outflow) from operating activities</b>		6,640,031	(402,159)
<b>Investing activities</b>			
Proceeds from other investments and loans		-	7,565
<b>Net cash (used in)/generated from investing activities</b>		-	7,565
<b>Financing activities</b>			
Proceeds from borrowings		3,902,498	6,404,841
Repayment of borrowings		(3,285,044)	(10,326,496)
Proceeds of new bank loans		7,879,046	10,226,366
Repayment of bank loans		(16,108,387)	(4,349,911)
<b>Net cash (used in)/generated from financing activities</b>		(7,611,887)	1,954,800
<b>Net (decrease)/increase in cash and cash equivalents</b>		(971,856)	1,560,206
Cash and cash equivalents at beginning of year		2,221,867	661,661
<b>Cash and cash equivalents at end of year</b>		1,250,011	2,221,867

# WPH (LAND) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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### **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, United Kingdom, 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 Business combinations**

Following a restructure during 2017, WPH (Land) Limited became the parent company of the 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.

#### **1.3 Basis of consolidation**

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 2021. 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.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

# WPH (LAND) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.4 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 related party funding and bank finance.

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

The current and future financial position of the group, its cash flows and liquidity 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 be able 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 its objectives. Accordingly, the directors consider it appropriate to prepare the financial statements on the going concern basis.

#### 1.5 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.

#### 1.6 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.

# WPH (LAND) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.7 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.

#### 1.8 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.

#### 1.9 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 GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 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 GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.10 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.

#### 1.11 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.

#### 1.12 Foreign exchange

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

### 2 Judgements and key sources of estimation uncertainty

In the application of the 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 GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

#### 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.

#### 3 Turnover and other revenue

	2021	2020
	£	£
<b>Turnover analysed by class of business</b>		
Sale of property	32,342,523	17,238,775

#### 4 Exceptional item

	2021	2020
	£	£
<b>Expenditure</b>		
Gain on sale of subsidiary	-	(3,337,458)
	-	(3,337,458)

In the prior year, the group disposed of its 100% shareholding in Westpoint Homes Limited as part of a wider group restructure. The gain arising in the prior year represents the difference between the sales proceeds of £4.5m and the net asset value at date of disposal.

#### 5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	4,800	4,500
Audit of the financial statements of the company's subsidiaries	15,300	14,250
	20,100	18,750

# WPH (LAND) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 6 Employees

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

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Directors	3	3	-	-
	3	3	-	-

### 7 Interest payable and similar expenses

	2021 £	2020 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest and similar expenses on bank overdrafts and loans	1,378,613	979,247
	1,378,613	979,247
<b>Other finance costs:</b>		
Finance costs for financial instruments measured at fair value through profit or loss	491,967	1,918,044
Other interest	753	-
Total finance costs	1,870,580	2,897,291

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

### 8 Other gains and losses

	2021 £	2020 £
Gain on disposal of financial assets	-	7,565

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

### 9 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	190,311
Adjustments in respect of prior periods	-	(68,177)
Total current tax	-	122,134



# WPH (LAND) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 9 Taxation

(Continued)

	2021 £	2020 £
<b>Deferred tax</b>		
Previously unrecognised tax loss, tax credit or timing difference	-	(839,959)
Utilisation of tax losses	412,174	-
Total deferred tax	412,174	(839,959)
Total tax charge/(credit)	412,174	(717,825)

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:

	2021 £	2020 £
Profit before taxation	2,168,173	4,340,825
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	411,953	824,757
Tax effect of expenses that are not deductible in determining taxable profit	-	(219)
Gains not taxable	-	(634,117)
Tax effect of utilisation of tax losses not previously recognised	-	(110)
Unutilised tax losses carried forward	221	(839,959)
Adjustments in respect of prior years	-	(68,177)
Taxation charge/(credit)	412,174	(717,825)

### 10 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	11	-	-	1,101	1,101
Unlisted investments		101,250	-	-	-
		101,250	-	1,101	1,101

Unlisted investments represent the company's % ownership in residential property. On future sale of the property, the company will receive 25% of sales proceeds.

# WPH (LAND) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

<b>10</b>	<b>Fixed asset investments</b>	<b>(Continued)</b>
<b>Movements in fixed asset investments</b>		<b>Investments</b>
<b>Group</b>		<b>£</b>
<b>Cost or valuation</b>		
At 1 October 2020		-
Additions		101,250
At 30 September 2021		101,250
<b>Carrying amount</b>		
At 30 September 2021		101,250
At 30 September 2020		-
<b>Movements in fixed asset investments</b>		<b>Shares in</b>
<b>Company</b>		<b>subsidiaries</b>
		<b>£</b>
<b>Cost or valuation</b>		
At 1 October 2020 and 30 September 2021		1,101
<b>Carrying amount</b>		
At 30 September 2021		1,101
At 30 September 2020		1,101

## 11 Subsidiaries

Details of the company's subsidiaries at 30 September 2021 are as follows:

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

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

# WPH (LAND) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 12 Financial instruments

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Carrying amount of financial assets</b>				
Instruments measured at fair value through profit or loss	101,250	130,000	-	-
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	15,000,553	14,383,099	-	-

### 13 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Work in progress	27,071,573	35,287,360	61,161	61,161

Included within work in progress is £3,419,543 (2020 - £3,992,887) in respect of capitalised borrowing costs and £nil (2020 - £60,000) in relation to impairment provisions.

### 14 Debtors

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Amounts falling due within one year:</b>				
Other debtors	6,001,690	4,696,806	4,501,000	4,501,000
Deferred tax asset (note 17)	427,785	839,959	-	-
	6,429,475	5,536,765	4,501,000	4,501,000

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	7,317,456	15,502,396	-	-
Other borrowings	15,632,553	14,383,099	-	-
Trade creditors	1,993,416	1,617,594	-	-
Corporation tax payable	190,311	226,978	-	-
Other creditors	1,035,413	1,929,570	62,345	62,345
Accruals and deferred income	852,000	2,784,793	-	-
	27,021,149	36,444,430	62,345	62,345

## WPH (LAND) LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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

(Continued)

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 20 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.

A 2nd ranking security is held by The Scottish Ministers over the development at Doonfoot Road, Ayr. Standard security has also been granted to Glasgow City Council and Almond Hill Kirkliston Limited in respect of amounts due for the purchase of land.

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

	Group 2021	2020	Company 2021	2020
Notes	£	£	£	£
Bank loans and overdrafts	561,590	605,991	-	-
Other borrowings	-	632,000	-	-
Accruals and deferred income	150,000	-	-	-
	<u>711,590</u>	<u>1,237,991</u>	<u>-</u>	<u>-</u>

#### 17 Deferred taxation

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

	Assets 2021	Assets 2020
Group	£	£
Tax losses	<u>427,785</u>	<u>839,959</u>

The company has no deferred tax assets or liabilities.

	Group 2021	Company 2021
Movements in the year:	£	£
Asset at 1 October 2020	(839,959)	-
Charge to profit or loss	<u>412,174</u>	<u>-</u>
Asset at 30 September 2021	<u>(427,785)</u>	<u>-</u>

# WPH (LAND) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 17 Deferred taxation

(Continued)

A deferred tax asset has been recognised in respect of tax losses of £2.25m (2020 - £4.42m) which equates to a deferred tax asset of £0.43m (2020 - £0.84m). The deferred tax asset set out above is expected to reverse within 12 months and has therefore been recognised at a tax rate of 19%.

### 18 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital Issued and fully paid</b>				
Ordinary A Shares of £1 each	572	572	572	572
Ordinary B Shares of £1 each	428	428	428	428
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

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 2021 £	2020 £	Company 2021 £	2020 £
At the beginning of the year	5,362,571	303,921	4,499,917	(82)
Profit for the year	1,755,999	5,058,650	-	4,499,999
At the end of the year	<u>7,118,570</u>	<u>5,362,571</u>	<u>4,499,917</u>	<u>4,499,917</u>

### 20 Related party transactions

#### Transactions with related parties

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

	Sales		Purchase of construction services	
	2021 £	2020 £	2021 £	2020 £
<b>Group</b>				
Companies with director(s) in common	-	-	14,996,100	16,820,468
Other related parties	<u>303,750</u>	<u>-</u>	<u>-</u>	<u>-</u>

# WPH (LAND) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 20 Related party transactions (Continued)

	Finance costs recognised		Sale of subsidiary	
	2021	2020	2021	2020
	£	£	£	£
<b>Group</b>				
Companies with director(s) in common	614,760	858,516	-	4,500,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Company</b>				
Companies with director(s) in common	-	-	-	4,500,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2021	2020
	£	£
<b>Group</b>		
Companies with director(s) in common	14,639,009	14,705,663
	<u>          </u>	<u>          </u>
<b>Company</b>		
Companies with director(s) in common	62,346	62,346
	<u>          </u>	<u>          </u>

£2,838,456 (2020 - £3,522,564) of the amounts due above is unsecured, due on demand and no interest is applied. The remaining £11,800,553 (2020 - £11,183,099) is also unsecured and due on demand, but accrues interest 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.

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2021	2020
	Balance	Balance
	£	£
<b>Group</b>		
Companies with director(s) in common	5,994,842	4,513,970
	<u>          </u>	<u>          </u>
<b>Company</b>		
Companies with director(s) in common	4,500,000	4,500,000
	<u>          </u>	<u>          </u>

### 21 Controlling party

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

# WPH (LAND) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

### 22 Cash generated from group operations

	2021 £	2020 £
Profit for the year after tax	1,755,999	5,058,650
<b>Adjustments for:</b>		
Taxation charged/(credited)	412,174	(717,825)
Finance costs	753	532
Gain on sale of subsidiary	-	(3,177,458)
Amounts written off investments	-	(7,565)
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	9,857,651	(3,601,274)
Increase in debtors	(1,406,134)	(2,377,521)
(Decrease)/increase in creditors	(2,301,128)	6,674,812
<b>Cash generated from operations</b>	<b>8,319,315</b>	<b>1,852,351</b>

### 23 Analysis of changes in net debt - group

	1 October 2020 £	Cash flows £	30 September 2021 £
Cash at bank and in hand	2,221,867	(971,856)	1,250,011
Borrowings excluding overdrafts	(31,123,486)	7,611,887	(23,511,599)
	<b>(28,901,619)</b>	<b>6,640,031</b>	<b>(22,261,588)</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.