

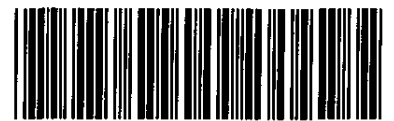
Registration number: 11780403

Westcoast Developments Group Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 March 2022

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Westcoast Developments Group Limited

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Westcoast Developments Group Limited

Company Information

Directors	Mr G K Heffer Mrs A M Heffer
Registered office	1st Floor 153 Commercial Road Poole Dorset BH14 0JJ
Auditors	Milsted Langdon LLP Chartered Accountants and Statutory Auditors Winchester House Deane Gate Avenue Taunton Somerset TA1 2UH

Westcoast Developments Group Limited

Strategic Report for the Year Ended 31 March 2022

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

Principal activity and fair review of the business

The principal activity of the parent entity is that of a holding company of investments in subsidiaries, collectively called the 'group'. The parent entity also leases and maintains the head office building for the group.

The group has undertaken a number of development projects during the year as well as the rental of investment properties and long term option agreements. The development projects are a mixture of commercial and residential, including new builds, conversions and refurbishments.

This year the group has had a successful year resulting in increases in turnover and profit.

The group's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2022	2021
Turnover	£	27,369,039	14,149,582
Operating profit	£	4,058,330	(692,224)
Profit before tax	£	5,879,360	(689,922)

Principal risks and uncertainties

The directors have reviewed the industry in which the group operates, and they consider there are no significant risks and uncertainty that need disclosing within this report, other than the below.

Economy – The property development industry is sensitive to changes in the general economic environment, such as inflation, interest rate rises and government policy as well as the housing market conditions in which the group operates. Deterioration in economic conditions, resulting from energy price rises, COVID-19 pandemic, and the continued impact of Brexit, for example, could affect demand and pricing for homes and commercial buildings. A decline in the economic environment, could result in tightened mortgage availability for customers resulting in less demand.

Labour – Shortages of skilled labour, driven in part through the effects of Brexit and from increased UK property developments activities, creates a risk of increased costs, delays and disruption to development projects.

Materials and land – ensuring access to the right quantity and quality of materials is critical in delivering high quality property builds. Increased levels of demand for materials may cause availability constraints and increased costs. Quality of the build may be compromised if unsuitable materials are procured leading to damage to the group's reputation and customer experience. Land may be purchased at too high a price, in the wrong location and at the wrong time which could have an impact on the demand and profit of the development projects.

In order to mitigate the above risks, the group regularly monitors the labour market, availability of materials, and changes in economic conditions and considers how these impact the ongoing development projects.

Westcoast Developments Group Limited
Strategic Report for the Year Ended 31 March 2022

Approved and authorised by the Board on 30 March 2023 and signed on its behalf by:

Mr G K Heffer
Director

Westcoast Developments Group Limited
Directors' Report for the Year Ended 31 March 2022

The directors present their report and the for the year ended 31 March 2022.

Directors of the group

The directors who held office during the year were as follows:

Mr G K Heffer

Mrs A M Heffer

Financial instruments

The group has procedures to identify and manage the risks that may hinder financial performance objectives. The group borrows funds to fund working capital for its development business. Key milestones are reviewed to assist with cashflow and financial planning for each project. The group does not consider it necessary to employ derivatives to manage risk based on the current activities of the group.

Objectives and policies

The group's objective is to operate a profitable property development business by creating premium residential homes and carrying out commercial development opportunities. The directors employ various policies to help them achieve this objective, safeguard its interest and limit liabilities.

Price risk, credit risk, liquidity risk and cash flow risk

The group's activities expose it to a number of financial risks

a) Price risk

The group is exposed to housing market and inflationary pressures in the general economy. Sales prices are constantly reviewed and agreed by management to ensure that they reflect any fluctuations within the housing market.

The group is exposed to interest rate risk in relation to sums borrowed to fund development projects. The group regularly monitors the working capital required for each development and the projected performance of each development and negotiates borrowings accordingly, as far as market conditions allow.

The group is exposed to cost inflation which will have some impact on profitability. However, as the group does not enter long term price agreements, cost increases can be passed on to customers in so far as market conditions allow.

b) Credit risk

In respect of the groups' property sales, full payment is generally required before title is passed, therefore exposure to credit risk is minimal. In respect of the groups' letting activities, credit reports and trade debtors are reviewed and proactively controlled on a regular basis. Considerations are made for doubtful debts when necessary

c) Liquidity risk

The group actively manages its cash and debt finance to ensure it has sufficient funds available through the preparation of cash and working capital forecasts.

d) Cash flow risk

The directors regularly review the cash position of the group using both short-term and long-term cash forecasts.

Westcoast Developments Group Limited

Directors' Report for the Year Ended 31 March 2022

Future developments

The group intends to complete the developments in progress and continue to seek new development opportunities in order to generate future profits.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 30 March 2023 and signed on its behalf by:

Mr G K Heffer
Director

Westcoast Developments Group Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 the 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 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; and
- 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 the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Westcoast Developments Group Limited

Independent Auditor's Report to the Members of Westcoast Developments Group Limited

Opinion

We have audited the financial statements of Westcoast Developments Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2022 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Westcoast Developments Group Limited

Independent Auditor's Report to the Members of Westcoast Developments Group Limited

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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters 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 Statement of Directors' Responsibilities set out on page 6, 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 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.

Westcoast Developments Group Limited

Independent Auditor's Report to the Members of Westcoast Developments Group Limited

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks or irregularities, including known and actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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.

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.

Robert Cadwallader (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP, Statutory Auditor

Winchester House
Deane Gate Avenue
Taunton
Somerset
TA1 2UH

31 March 2023

Westcoast Developments Group Limited

Consolidated Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover	3	27,369,039	14,149,582
Cost of sales		<u>(22,719,633)</u>	<u>(13,257,582)</u>
Gross profit		4,649,406	892,000
Administrative expenses		(631,438)	(1,586,723)
Other operating income	4	<u>40,362</u>	<u>2,499</u>
Operating profit/(loss)	6	<u>4,058,330</u>	<u>(692,224)</u>
Gain on financial assets at fair value through profit and loss account		1,760,000	68,724
Other interest receivable and similar income	8	153,537	-
Interest payable and similar expenses	9	<u>(92,507)</u>	<u>(66,422)</u>
		<u>1,821,030</u>	<u>2,302</u>
Profit/(loss) before tax		5,879,360	(689,922)
Tax on profit/(loss)	12	<u>(996,934)</u>	<u>1,128,531</u>
Profit for the financial year		<u>4,882,426</u>	<u>438,609</u>
Profit/(loss) attributable to:			
Owners of the company		<u>4,882,426</u>	<u>438,609</u>

The notes on pages 19 to 41 form an integral part of these financial statements.

Westcoast Developments Group Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 March 2022

	2022 £	2021 £
Profit for the year	4,882,426	438,609
Surplus on revaluation of other assets	556	-
Total comprehensive income for the year	<u>4,882,982</u>	<u>438,609</u>
Total comprehensive income attributable to:		
Owners of the company	<u>4,882,982</u>	<u>438,609</u>

Westcoast Developments Group Limited
(Registration number: 11780403)
Consolidated Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	185,842	198,987
Investment property	15	4,914,352	4,778,352
Investments	16	51	51
		<u>5,100,245</u>	<u>4,977,390</u>
Current assets			
Stocks	18	31,247,377	40,962,387
Debtors	19	4,310,173	2,990,739
Cash at bank and in hand	20	413,986	751,774
		<u>35,971,536</u>	<u>44,704,900</u>
Creditors: Amounts falling due within one year	21	<u>(23,775,919)</u>	<u>(41,788,967)</u>
Net current assets		<u>12,195,617</u>	<u>2,915,933</u>
Total assets less current liabilities		17,295,862	7,893,323
Creditors: Amounts falling due after more than one year	21	(16,857,291)	(12,753,500)
Provisions for liabilities	22	<u>(436,804)</u>	<u>(21,038)</u>
Net assets/(liabilities)		<u>1,767</u>	<u>(4,881,215)</u>
Capital and reserves			
Called up share capital	24	100	100
Revaluation reserve	25	556	-
Merger reserve	25	(316,999)	(316,999)
Profit and loss account	25	318,110	(4,564,316)
Equity attributable to owners of the company		<u>1,767</u>	<u>(4,881,215)</u>
Total equity		<u>1,767</u>	<u>(4,881,215)</u>

Approved and authorised by the Board on 30 March 2023 and signed on its behalf by:

Mr G K Heffer
Director

Westcoast Developments Group Limited

(Registration number: 11780403)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	14	141,736	151,852
Investments	16	6,102,548	317,917
		<u>6,244,284</u>	<u>469,769</u>
Current assets			
Debtors due after more than one year		2,234,983	8,784,660
Debtors due within one year	19	11,385,434	8,575,482
Cash at bank and in hand	20	28,711	749
		<u>13,649,128</u>	<u>17,360,891</u>
Creditors: Amounts falling due within one year	21	<u>(9,432,681)</u>	<u>(8,531,470)</u>
Net current assets		<u>4,216,447</u>	<u>8,829,421</u>
Total assets less current liabilities		10,460,731	9,299,190
Creditors: Amounts falling due after more than one year	21	<u>(10,710,000)</u>	<u>(7,600,000)</u>
Net (liabilities)/assets		<u>(249,269)</u>	<u>1,699,190</u>
Capital and reserves			
Called up share capital	24	100	100
Profit and loss account	25	<u>(249,369)</u>	<u>1,699,090</u>
Total equity		<u>(249,269)</u>	<u>1,699,190</u>

The company made a loss after tax for the financial year of £1,948,459 (2021 - profit of £2,640,095).

Approved and authorised by the Board on 30 March 2023 and signed on its behalf by:

Mr G K Heffer
Director

Westcoast Developments Group Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2022

Equity attributable to the parent company

	Share capital £	Revaluation reserve £	Merger reserve £	Retained earnings £	Total £
At 1 April 2021	100	-	(316,999)	(4,564,316)	(4,881,215)
Profit for the year	-	-	-	4,882,426	4,882,426
Other comprehensive income	-	556	-	-	556
Total comprehensive income	-	556	-	4,882,426	4,882,982
At 31 March 2022	100	556	(316,999)	318,110	1,767

	Share capital £	Revaluation reserve £	Merger reserve £	Retained earnings £	Total £
At 1 April 2020	100	-	(316,999)	(5,002,925)	(5,319,824)
Profit for the year	-	-	-	438,609	438,609
At 31 March 2021	100	-	(316,999)	(4,564,316)	(4,881,215)

The notes on pages 19 to 41 form an integral part of these financial statements.

Westcoast Developments Group Limited

Statement of Changes in Equity for the Year Ended 31 March 2022

	Share capital £	Retained earnings £	Total £
At 1 April 2021	100	1,699,090	1,699,190
Loss for the year	-	(1,948,459)	(1,948,459)
At 31 March 2022	100	(249,369)	(249,269)
	Share capital £	Retained earnings £	Total £
At 1 April 2020	100	(941,005)	(940,905)
Profit for the year	-	2,640,095	2,640,095
At 31 March 2021	100	1,699,090	1,699,190

The notes on pages 19 to 41 form an integral part of these financial statements.

Westcoast Developments Group Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		4,882,426	438,609
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	15,758	51,120
Impairment of goodwill		-	835,309
Changes in fair value of investment property	15	(1,760,000)	(68,724)
(Profit)/loss on disposal of tangible assets	5	(87,276)	2,222
Finance income	8	(153,537)	-
Finance costs	9	92,507	66,422
Income tax expense	12	996,934	(1,128,531)
		<u>3,986,812</u>	<u>196,427</u>
Working capital adjustments			
Decrease/(increase) in stocks	18	10,717,429	(3,577,197)
(Increase)/decrease in debtors	19	(837,763)	2,288,621
Decrease in creditors	21	(6,116,809)	(4,710,447)
Increase in provisions	22	44,911	-
Increase/(decrease) in deferred income, including government grants		<u>80,236</u>	<u>(15,000)</u>
Net cash flow from operating activities		<u>7,874,816</u>	<u>(5,817,596)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(2,057)	(2,186)
Proceeds from sale of tangible assets		-	11,849
Acquisition of intangible assets	13	-	(871,627)
Proceeds from sale of investment properties		2,719,905	-
Dividend income		153,537	-
Acquisition of investments in joint ventures and associates	16	(50)	-
Proceeds from disposal of investments in joint ventures and associates		50	2
Net assets acquired through business combinations		<u>(2,863,017)</u>	<u>871,623</u>
Net cash flows from investing activities		<u>8,368</u>	<u>9,661</u>
Cash flows from financing activities			
Interest paid	9	(92,507)	(66,422)
Proceeds from bank borrowing draw downs		7,023,958	3,151,125
Repayment of bank borrowing		(10,888,959)	(4,094,763)
Proceeds from other loans from related parties		-	6,976,455
Repayment of loans from related parties		<u>(4,297,059)</u>	<u>-</u>
Net cash flows from financing activities		<u>(8,254,567)</u>	<u>5,966,395</u>
Net (decrease)/increase in cash and cash equivalents		(371,383)	158,460

The notes on pages 19 to 41 form an integral part of these financial statements.

Westcoast Developments Group Limited

Consolidated Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash and cash equivalents at 1 April		721,361	548,950
Cash and cash equivalents acquired through business acquisitions		<u>64,008</u>	<u>13,951</u>
Cash and cash equivalents at 31 March		<u>413,986</u>	<u>721,361</u>

Westcoast Developments Group Limited

Statement of Cash Flows for the Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
(Loss)/profit for the year		(1,948,459)	2,640,095
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	11,348	11,111
Finance income		(14,927)	(3,022,143)
Finance costs		39,828	-
		<u>(1,912,210)</u>	<u>(370,937)</u>
Working capital adjustments			
Decrease in trade debtors	19	3,739,725	3,834,112
Decrease in trade creditors	21	(1,175,456)	(5,091,869)
Increase in deferred income, including government grants		-	7,500
Net cash flow from operating activities		<u>652,059</u>	<u>(1,621,194)</u>
Cash flows from investing activities			
Acquisition of subsidiaries	16	(5,784,583)	(200)
Proceeds from sale of subsidiaries		2	-
Acquisitions of tangible assets		(1,232)	-
Dividend income		14,927	3,022,143
Acquisition of investments in joint ventures and associates	16	(50)	-
Net cash flows from investing activities		<u>(5,770,936)</u>	<u>3,021,943</u>
Cash flows from financing activities			
Interest paid		(39,828)	-
Proceeds from bank borrowing draw downs		2,076,667	-
Proceeds from loans from related parties		3,110,000	-
Repayment of loans from related parties		-	(1,400,000)
Net cash flows from financing activities		<u>5,146,839</u>	<u>(1,400,000)</u>
Net increase in cash and cash equivalents		27,962	749
Cash and cash equivalents at 1 April		749	-
Cash and cash equivalents at 31 March		<u>28,711</u>	<u>749</u>

The notes on pages 19 to 41 form an integral part of these financial statements.

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

1st Floor
153
Commercial Road
Poole
Dorset
BH14 0JJ
England

These financial statements were authorised for issue by the Board on 30 March 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2022.

No Profit and Loss Account is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a loss after tax for the financial year of £1,948,459 (2021 - profit of £2,640,095).

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

In a previous year shares were issued to effect a group reconstruction of Westcoast Developments Group Limited. Under the group reconstruction, Westcoast Developments Group Limited acquired the entire issued share capital of a number of companies, in exchange for shares in Westcoast Developments Group Limited in the same proportion to the existing shareholdings in the subsidiary companies.

The results of these transactions is a merger of all entities previously under common control with the same ultimate controlling party and the equity interests of the owners remaining the same.

The directors consider that the group reconstruction met the requirements for merger accounting and in adopting this approach correctly disclosed the substance of the transaction. As such, true and fair override has been enacted in accordance with FRS 102 to present these financial statements using merger accounting.

Where merger accounting has been used, the acquired entities' assets and liabilities are not adjusted to fair value so no new goodwill arises and the entities' assets and liabilities are brought in at the amounts at which the individual entities recorded them in their books before the combination.

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

The differences between the nominal value of the shares issued plus the fair value of any other consideration given and the nominal value of the shares received in exchange is shown as a movement in other reserves.

Under merger accounting, the combined entities' results and financial positions are shown in the consolidated financial statements as if they had always been combined and the comparative numbers in the consolidation reflect this. This presentation is considered appropriate and there has been no change in the substance of the shareholders investment.

The ultimate shareholders of the parent and its subsidiaries remains the same and their rights relative to each other are unchanged. No minority's interest in the net assets of the group is altered by the transfer of shareholdings and reconstruction of the group.

Going concern

These financial statements have been prepared on a going concern basis. The directors have confirmed their willingness to continue to support the group.

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.

The carrying value of work in progress:

In estimating the net realisable value of a site, management considers, on a site by site basis, the expected sales prices and estimated costs to complete in order to determine whether an impairment is needed. The carrying amount is £31,247,377 (2021- £40,962,387).

Deferred tax asset:

The deferred tax asset has been recognised for unutilised tax losses to the extent that it is probable that future taxable profits will be available against which the the losses can be utilised. Estimations have been made to predict the expected future profit of the group. The carrying amount is £879,880 (2021- £1,505,959).

Valuation of investment properties:

The fair value of the investment properties are determined by the directors using their knowledge and experience of the property market. Each property is assessed separately as each property is individual in character, nature and location. The carrying amount is £4,914,352 (2021- £4,778,352).

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the group's activities.

Government grants

Government grants are accrued or deferred on a systematic basis over the period that the related costs have been recognised. Where the costs have already been incurred then government grants are credited to the profit and loss account in full.

Tax

The tax expense for the period comprises deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property improvements	Straight line over 15 years
Fixtures, fittings and equipment	Straight line over 3 years
Artwork	Nil

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by the directors. The directors use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Business combinations

Business combinations are accounted for using the purchase method or merger accounting as appropriate. For the purchase method the consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line over 10 years

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Finance costs that are directly attributable to the acquisition and construction of the land and properties have been included as part of the work in progress.

Investments in land without the benefit of a planning consent are initially included at cost. Regular reviews are carried out to identify any impairments in the value of the land considering the existing use value of the land and the likelihood of achieving a planning consent and the value thereof. Provision is made to reflect any irrecoverable amounts.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

A dividend distribution to the group's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Financial assets are derecognised when

- a) the contractual rights to the cash flows from the asset expire or are settled, or
- b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or
- c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Basic financial liabilities, including trade and other payables and loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of estimated cash flows discounted at the liability's original effective interest rate.

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

3 Turnover

The analysis of the group's turnover for the year from continuing operations is as follows:

	2022 £	2021 £
Sale of goods	27,027,926	13,769,664
Rendering of services	61,670	-
Rental income from investment property	213,445	279,981
Other revenue	65,998	99,937
	<u>27,369,039</u>	<u>14,149,582</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2022 £	2021 £
Miscellaneous other operating income	<u>40,362</u>	<u>2,499</u>

5 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2022 £	2021 £
Gain/(loss) on disposal of tangible assets	<u>87,276</u>	<u>(2,222)</u>

6 Operating profit/(loss)

Arrived at after charging/(crediting):

	2022 £	2021 £
Depreciation expense	15,758	14,802
Amortisation expense	-	36,318
Impairment loss	-	835,309
Operating lease expense - other	409	3,254
(Profit)/loss on disposal of property, plant and equipment	<u>(87,276)</u>	<u>2,222</u>

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

7 Government grants

Government grants include furlough income received.

The furlough grant is accrued on a systematic basis over the period that the related costs have been recognised. Where the costs have already been incurred then government grants are credited to the profit and loss account in full.

The amount of grants recognised in the financial statements was £1,000 (2021 - £15,125).
There are no unfulfilled conditions attached to the grant income.

8 Other interest receivable and similar income

	2022 £	2021 £
Dividend income	<u>153,537</u>	<u>-</u>

9 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and borrowings	<u>92,507</u>	<u>66,422</u>

10 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	308,197	322,648
Social security costs	21,107	23,893
Pension costs, defined contribution scheme	<u>7,778</u>	<u>8,239</u>
	<u>337,082</u>	<u>354,780</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Administration and support	4	6
Sales, marketing and distribution	2	2
Other departments	<u>2</u>	<u>2</u>
	<u>8</u>	<u>10</u>

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

11 Auditors' remuneration

	2022 £	2021 £
Audit of these financial statements	<u>20,000</u>	<u>-</u>

12 Taxation

Tax charged/(credited) in the income statement:

	2022 £	2021 £
Deferred taxation		
Arising from origination and reversal of timing differences	<u>996,934</u>	<u>(1,128,531)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit/(loss) before tax	<u>5,879,360</u>	<u>(689,922)</u>
Corporation tax at standard rate	1,117,078	(131,085)
Effect of revenues exempt from taxation	(100,850)	(574,207)
Effect of expense not deductible in determining taxable profit (tax loss)	144,553	758,963
(Decrease)/increase from tax losses for which no deferred tax asset was recognised	(100,695)	170,167
Deferred tax credit from unrecognised temporary difference from a prior period	(413,527)	(181,393)
Tax decrease from effect of capital allowances and depreciation	-	(13,545)
Tax increase/(decrease) from effect of unrelieved tax losses carried forward	<u>350,375</u>	<u>(1,157,431)</u>
Total tax charge/(credit)	<u>996,934</u>	<u>(1,128,531)</u>

During the year the enacted tax rate increased to 25% from 19%.

Deferred tax

Group

Deferred tax assets and liabilities

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

	Asset £	Liability £
2022		
Revaluation of investment property	-	391,893
Tax losses carried forward	879,880	-
	<u>879,880</u>	<u>391,893</u>
2021		
Revaluation of investment property	-	21,038
Tax losses carried forward	1,505,959	-
	<u>1,505,959</u>	<u>21,038</u>

13 Intangible assets

Group

	Goodwill £	Total £
Cost or valuation		
At 1 April 2021	<u>871,627</u>	<u>871,627</u>
At 31 March 2022	<u>871,627</u>	<u>871,627</u>
Amortisation		
At 1 April 2021	<u>871,627</u>	<u>871,627</u>
At 31 March 2022	<u>871,627</u>	<u>871,627</u>
Carrying amount		
At 31 March 2022	<u>-</u>	<u>-</u>

Impairment

Goodwill

The amount of impairment loss included in profit or loss is £Nil (2021 - £835,309). The impairment loss is included in administrative expenses.

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

14 Tangible assets

Group

	Freehold land and buildings £	Leasehold property improvements £	Furniture, fittings and equipment £	Artwork £	Total £
Cost or valuation					
At 1 April 2021	-	166,667	26,061	37,500	230,228
Revaluations	-	-	556	-	556
Additions	-	-	2,057	-	2,057
Acquired through business combinations	3,099,156	-	-	-	3,099,156
Transfers to stock	(3,099,156)	-	-	-	(3,099,156)
At 31 March 2022	-	166,667	28,674	37,500	232,841
Depreciation					
At 1 April 2021	-	14,815	16,426	-	31,241
Charge for the year	-	11,111	4,647	-	15,758
Acquired through business combinations	1,088,108	-	-	-	1,088,108
Transfers to stock	(1,088,108)	-	-	-	(1,088,108)
At 31 March 2022	-	25,926	21,073	-	46,999
Carrying amount					
At 31 March 2022	-	140,741	7,601	37,500	185,842
At 31 March 2021	-	151,852	9,635	37,500	198,987

Included within the net book value of land and buildings above is £Nil (2021 - £Nil) in respect of freehold land and buildings and £140,741 (2021 - £151,852) in respect of short leasehold land and buildings.

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Company

	Short leasehold land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2021	166,667	-	166,667
Additions	-	1,232	1,232
At 31 March 2022	<u>166,667</u>	<u>1,232</u>	<u>167,899</u>
Depreciation			
At 1 April 2021	14,815	-	14,815
Charge for the year	11,111	237	11,348
At 31 March 2022	<u>25,926</u>	<u>237</u>	<u>26,163</u>
Carrying amount			
At 31 March 2022	<u>140,741</u>	<u>995</u>	<u>141,736</u>
At 31 March 2021	<u>151,852</u>	<u>-</u>	<u>151,852</u>

Included within the net book value of land and buildings above is £140,741 (2021 - £151,852) in respect of short leasehold land and buildings.

15 Investment properties

Group

	2022 £
At 1 April	4,778,352
Transfer from stock	1,008,629
Disposals	(2,632,629)
Fair value adjustments	<u>1,760,000</u>
At 31 March	<u>4,914,352</u>

There has been no valuation of investment property by an independent valuer.

The fair value of the investment properties are determined by the directors using their knowledge and experience of the property market. Each property is assessed separately as each property is individual in character, nature and location.

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

16 Investments

Group

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows.

The following subsidiary undertakings share the registered office of 1st Floor 153 Commercial Road Poole, Dorset, England BH14 0JJ, and 100% of the proportion of voting rights and shares were held in 2022 and 2021 and have the principal activity of property development unless stated otherwise:

Westcoast Developments (2009) Limited

West Coast Developments (Sandbanks) Limited

West Coast Developments (Fairfields) Limited

HDM Leisure Limited - the principal activity is rental and management, and property development

Westcoast (Bristol) Limited

Westcoast Convenience Limited

Westcoast (Guildford) Limited - the principal activity is property development consultancy

Westcoast (Purbeck) Limited

HDM (Sandhurst) Limited - the principal activity is provision of loans to subsidiaries and joint ventures

Westcoast (Burton) Limited

Westcoast Developments (South) Limited

Westcoast Developments (Projects) Limited

Genepi Salisbury Limited

Westcoast Property Investments Limited - the principal activity is the holding and letting of investment property

Westcoast Purbeck 2018 Limited - the principal activity is the holding and letting of investment property

Westcoast Contractors (South) Limited

Westcoast (East Overcliff) Limited

Westcoast (Frampton) Limited

HDM Shaftesbury Limited

Towerview Sandhurst Limited - the parent company is HDM (Sandhurst) Limited who own 100% of voting rights and shares held in 2022, 100% in 2021

Towerview Guildford Limited - the parent company is HDM (Sandhurst) Limited who own 100% of voting rights and shares held in 2022, 100% in 2021

Harrow House International College (Swanage) Limited - 100% of voting rights and shares held in 2022, 0% in 2021.

Westcoast (HCF) Limited - 0% of voting rights and shares held in 2022, 100% in 2021. This company was dissolved during the year.

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Joint ventures				
Brewers Quay (Weymouth) Limited	Towngate House, 2-8 Parkstone Road Poole, Dorset, BH15 2PW	Ordinary	50%	0%
Towerview Guildford 2 Limited	1st Floor 153 Commercial Road Poole, Dorset, England BH14 0JJ	Ordinary	50%	50%

The carrying amount of investments in joint ventures at the year end is £51 (2021: £51).

For the year ending 31 March 2022 the following subsidiaries were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

West Coast Developments (Fairfields) Limited
HDM Leisure Limited
Westcoast Convenience Limited
Westcoast (Guildford) Limited
Westcoast (Purbeck) Limited
HDM (Sandhurst) Limited
Westcoast Developments (South) Limited
Westcoast Developments (Projects) Limited
Genepi Salisbury Limited
Westcoast Property Investments Limited
Westcoast Purbeck 2018 Limited
Westcoast Contractors (South) Limited
Westcoast (East Overcliff) Limited
Westcoast (Frampton) Limited
HDM Shaftesbury Limited
Harrow House International College (Swanage) Limited
Towerview Sandhurst Limited
Towerview Guildford Limited

Company

	2022 £	2021 £
Investments in subsidiaries	6,102,498	317,917
Investments in joint ventures	50	-
	<u>6,102,548</u>	<u>317,917</u>

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Subsidiaries	£
Cost or valuation	
At 1 April 2021	317,917
Additions	5,784,583
Disposals	<u>(2)</u>
At 31 March 2022	<u>6,102,498</u>
Provision	
Carrying amount	
At 31 March 2022	<u>6,102,498</u>
At 31 March 2021	<u>317,917</u>
Joint ventures	£
Cost	
Additions	<u>50</u>
Provision	
Carrying amount	
At 31 March 2022	<u>50</u>

17 Business combinations

On 11 February 2022 Westcoast Developments Group Limited acquired 100% of the issued share capital of Harrow House International College (Swanage) Limited, obtaining control. The acquisition method has been used to account for this business combination.

Harrow House International College (Swanage) Limited contributed £Nil revenue and £(21,498) to the group's profit for the period between the date of acquisition and the Balance Sheet date.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	Book value 2022 £	Revaluation adjustments 2022 £	Fair value 2022 £
Assets and liabilities acquired			
Financial assets	943,095	-	943,095
Stocks	-	2,920,466	2,920,466
Tangible assets	2,011,048	-	2,011,048
Financial liabilities	<u>(91,126)</u>	<u>-</u>	<u>(91,126)</u>
Total identifiable assets	2,863,017	2,920,466	5,783,483

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

	Book value 2022 £	Revaluation adjustments 2022 £	Fair value 2022 £
	-	-	-
Total consideration	<u>2,863,017</u>	<u>2,920,466</u>	<u>5,783,483</u>
Satisfied by:			
Cash	867,630	2,920,466	3,788,096
Debt instruments	<u>1,995,387</u>	<u>-</u>	<u>1,995,387</u>
Total consideration transferred	<u>2,863,017</u>	<u>2,920,466</u>	<u>5,783,483</u>

18 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Work in progress	31,197,377	40,912,387	-	-
Other inventories	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
	<u>31,247,377</u>	<u>40,962,387</u>	<u>-</u>	<u>-</u>

Group

The amount of borrowing costs incurred during the year that have been included within work in progress totals £832,169 (2021 - £571,336). There is no capitalisation rate applied as all funds borrowed are specifically in relation to the qualifying assets.

Impairment of stock

The amount of impairment loss included in profit or loss is £586,076 (2021 - £641,882). The impairment loss is included in cost of sales.

19 Debtors

		Group 2022 £	2021 £	Company 2022 £	2021 £
Current	Note				
Trade debtors		888,391	80,454	4,245	9,952
Amounts owed by related parties	29	481,372	252,709	13,435,924	17,319,338
Other debtors		282,449	603,960	133,307	23,352
Prepayments		58,751	14,837	46,941	7,500
Accrued income		1,698,172	532,820	-	-
Deferred tax assets	12	879,880	1,505,959	-	-
Income tax asset	12	<u>21,158</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>4,310,173</u>	<u>2,990,739</u>	<u>13,620,417</u>	<u>17,360,142</u>

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Details of non-current trade and other debtors

Company

£2,234,983 (2021 - £8,784,660) of amounts owed by connected companies is classified as non current.

20 Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Cash at bank	413,986	751,774	28,711	749
Bank overdrafts	-	(30,413)	-	-
Cash and cash equivalents in statement of cash flows	<u>413,986</u>	<u>721,361</u>	<u>28,711</u>	<u>749</u>

21 Creditors

		Group		Company	
	Note	2022	2021	2022	2021
		£	£	£	£
Due within one year					
Loans and borrowings	26	6,330,854	11,695,059	2,076,667	-
Trade creditors		1,826,343	7,623,029	9,650	16,452
Amounts due to related parties	29	48,075	49,885	4,436,505	1,308,426
Social security and other taxes		34,781	107,460	-	-
Outstanding defined contribution pension costs		1,372	1,324	-	-
Other creditors		14,518,239	21,285,910	2,808,104	7,190,352
Accruals		928,519	1,018,800	94,255	8,740
Deferred income		<u>87,736</u>	<u>7,500</u>	<u>7,500</u>	<u>7,500</u>
		<u>23,775,919</u>	<u>41,788,967</u>	<u>9,432,681</u>	<u>8,531,470</u>
Due after one year					
Loans and borrowings	26	3,647,291	2,178,500	-	-
Other non-current financial liabilities		<u>13,210,000</u>	<u>10,575,000</u>	<u>10,710,000</u>	<u>7,600,000</u>
		<u>16,857,291</u>	<u>12,753,500</u>	<u>10,710,000</u>	<u>7,600,000</u>

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

22 Provisions for liabilities

Group

	Deferred tax £	Other provisions £	Total £
At 1 April 2021	21,038	-	21,038
Additional provisions	-	44,911	44,911
Increase (decrease) in existing provisions	<u>370,855</u>	<u>-</u>	<u>370,855</u>
At 31 March 2022	<u>391,893</u>	<u>44,911</u>	<u>436,804</u>

23 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £7,778 (2021 - £8,239).

Contributions totalling £1,372 (2021 - £1,324) were payable to the scheme at the end of the year and are included in creditors.

24 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

The ordinary shares have full voting rights, entitlement to dividend payments and a distribution upon winding up.

25 Reserves

Group

Profit and loss account

This reserves represents accumulated profits net of any distributions made to shareholders.

Merger reserve

Arising on consolidation under merger accounting, this reserve represents the difference between the par value of shares issued plus the fair value of any consideration given and the nominal value of shares received in exchange net of any share premium reserves in subsidiaries.

Revaluation reserve

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

This reserve represents the revaluation of assets.

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	Revaluation reserve £	Total £
Surplus/deficit on revaluation of other assets	<u>556</u>	<u>556</u>

Company

Profit and loss account

This reserves represents accumulated profits net of any distributions made to shareholders.

26 Loans and borrowings

	Group 2022 £	2021 £	Company 2022 £	2021 £
Non-current loans and borrowings				
Bank borrowings	<u>3,647,291</u>	<u>2,178,500</u>	<u>-</u>	<u>-</u>

	Group 2022 £	2021 £	Company 2022 £	2021 £
Current loans and borrowings				
Bank borrowings	6,330,854	11,664,646	2,076,667	-
Bank overdrafts	<u>-</u>	<u>30,413</u>	<u>-</u>	<u>-</u>
	<u>6,330,854</u>	<u>11,695,059</u>	<u>2,076,667</u>	<u>-</u>

Group

Bank borrowings

Bank loans are denominated in GBP with a nominal interest rate of 0.95% to 8.25% plus base rate, and the final instalment is due on 30 June 2023. The carrying amount at year end is £9,978,145 (2021 - £13,843,146).

Bank borrowings of £8,278,145 is secured over inventory, £700,000 is secured over investment property and £1,000,000 is unsecured.

The share capital of Westcoast (East Overcliff) Limited, a subsidiary in the group, has been provided as security for borrowings totalling £1,947,291.

Company

Bank borrowings

Bank loans are denominated in GBP with a nominal interest rate of 2%, and the final instalment is due on 10 February 2023. The carrying amount at year end is £2,076,667 (2021 - £Nil).

The bank loan is secured over the inventory of a subsidiary company.

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

27 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	45,000	45,000
Later than one year and not later than five years	180,000	180,000
Later than five years	337,500	382,500
	<u>562,500</u>	<u>607,500</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £45,000 (2021 - £37,500).

Company

Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	45,000	45,000
Later than one year and not later than five years	180,000	180,000
Later than five years	337,500	382,500
	<u>562,500</u>	<u>607,500</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £45,000 (2021 - £37,500).

28 Dividends

	2022 £	2021 £
Final dividend of £Nil (2021 - £Nil) per ordinary share	<u>-</u>	<u>-</u>

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

29 Related party transactions

Group

Key management personnel

Key management are considered to be directors of the group.

Summary of transactions with key management

During the year the group received a loan from key management. The loan is interest free.

During the year, key management personally guaranteed £3,123,511 which is included within loans and borrowings.

Summary of transactions with other related parties

Other related parties are considered to be companies with a common director or shareholder

During the year the group made loans to and received loans from other related parties.

Loans to related parties

	Other related parties £	Total £
2022		
At start of period	252,709	252,709
Advanced	228,663	228,663
At end of period	<u>481,372</u>	<u>481,372</u>
	Other related parties £	Total £
2021		
At start of period	132,539	132,539
Advanced	120,170	120,170
At end of period	<u>252,709</u>	<u>252,709</u>

Westcoast Developments Group Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

Loans from related parties

	Key management £	Other related parties £	Total £
2022			
At start of period	31,667,087	49,885	31,716,972
Repaid	<u>(4,066,586)</u>	<u>(1,810)</u>	<u>(4,068,396)</u>
At end of period	<u>27,600,501</u>	<u>48,075</u>	<u>27,648,576</u>
	Key management £	Other related parties £	Total £
2021			
At start of period	24,690,632	-	24,690,632
Advanced	<u>6,976,455</u>	<u>49,885</u>	<u>7,026,340</u>
At end of period	<u>31,667,087</u>	<u>49,885</u>	<u>31,716,972</u>

Company

Key management personnel

Key management are considered to be directors of the company.

Summary of transactions with key management

During the year the company received a loan from key management. The loan is interest free.

During the year, key management personally guaranteed £2,076,667 which is included within loans and borrowings.

Summary of transactions with other related parties

Other related parties are considered to be companies with a common director or shareholder

Loans from related parties

	Key management £	Total £
2022		
At start of period	14,781,352	14,781,352
Repaid	<u>(1,272,248)</u>	<u>(1,272,248)</u>
At end of period	<u>13,509,104</u>	<u>13,509,104</u>
	Key management £	Total £
2021		
At start of period	20,186,588	20,186,588
Repaid	<u>(5,405,236)</u>	<u>(5,405,236)</u>
At end of period	<u>14,781,352</u>	<u>14,781,352</u>