

CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

**Report and Financial Statements
YEAR ENDED 31 MARCH 2020**

Company Registration No. SC153369

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CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

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CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

D C Clowes
G R Arthur
I D Dickinson

SECRETARY

A M Bock (resigned 20 December 2019)
N C Stevenson (appointed 20 December 2019, resigned 30 October 2020)
I D Dickinson (appointed 30 October 2020)

REGISTERED OFFICE

9 Coates Crescent
Edinburgh
EH3 7AL

AUDITOR

Grant Thornton UK LLP
Chartered Accountants and Statutory Auditor
Regent House
80 Regent Road
Leicester
LE1 7NH

BANKERS

The Royal Bank of Scotland plc
PO Box 412
62/63 Threadneedle Street
London
EC2R 8HP

CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2020. This directors' report has been prepared in accordance with the provisions applicable to companies subject to the small companies exemption, provided by Section 415A of the Companies Act 2006.

BUSINESS REVIEW

The company's principal activities are those of property development and ownership. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

As shown in the company's statement of income and retained earnings on page 6, turnover has increased due to the sale of one site and part sale of another plus similar residential plot sales in the current year as were made in the previous year. However, the company has increased rental income again through tenant management and new lettings and hence gross margin has improved substantially. Overheads have remained similar to last year so profit for the year has therefore increased.

The statement of financial position on page 7 of the financial statements shows that the company's financial position at the year end, in net asset terms, has improved due to the retained profit for the year.

During the year the value of work in progress and properties held for resale and development increased by £33,087 (0.13%) from 2019, due to the purchase of one property in the year and further expenditure on development of other properties less the cost of sale of properties sold.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure in the UK is a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing added value services to its tenants, and by maintaining strong relationships with agents, solicitors, other developers and support companies.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The company is partly financed by an overdraft facility from The Royal Bank of Scotland plc, but has no other third party debt. It therefore is exposed to interest rate movements to the extent of its overdraft. There are no significant levels of bad debt in the company and as such the credit risk is not considered by the directors to be significant.

GOING CONCERN

The financial statements have been prepared on the going concern basis as the directors consider the company has sufficient cash resources through the parent company overdraft facility to continue to operate for the foreseeable future. In reaching this view, the directors have reviewed the likely trading results of the company, the company's and group's cash flow forecasts taking into account the impact of Covid-19 and have ensured that adequate committed lending facilities will be available to meet all reasonable cash requirements for the period to 31 January 2022 (being a period of at least 12 months from the date of approval of these financial statements).

The directors of Clowes Developments (UK) Limited, who are also directors of this company, have confirmed that group support will be made available to this company if so required to meet its liabilities as they fall due.

RESULTS AND DIVIDENDS

The results of the company for the year are detailed on page 6 of these financial statements. The directors do not recommend the payment of a dividend (2019 : £nil).

DIRECTORS

The directors who served throughout the year and subsequently were as follows:

D C Clowes
G R Arthur
I D Dickinson

CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and of the profit or loss of the company for that period. In preparing those 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; 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITOR

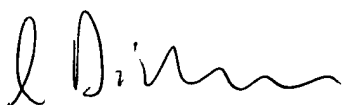
In the case of each of the persons who are directors of the company at the date when this report was approved:

- so far as each director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and
- each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Grant Thornton UK LLP have expressed their willingness to continue in office as auditor of the company and a resolution for that reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



I D Dickinson
Secretary
15 January 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

Opinion

We have audited the financial statements of Clowes Developments (Scotland) Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, 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 company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

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

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

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

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLOWES DEVELOPMENTS (SCOTLAND) LIMITED (CONTINUED)

Opinions on other matters 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report or from the requirements to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

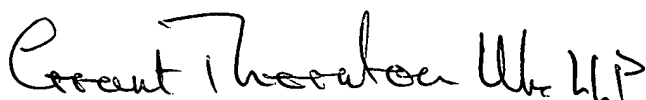
Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.



Christopher Frostwick
(Senior Statutory Auditor)
for and on behalf of

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

East Midlands

15 January 2021

CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS YEAR ENDED 31 MARCH 2020

	Note	2020 £	2019 £
TURNOVER	4	4,784,386	3,344,838
Cost of sales		(1,769,583)	(925,751)
GROSS PROFIT		3,014,803	2,419,087
Administrative expenses	5	(525,250)	(528,352)
OPERATING PROFIT	6	2,489,553	1,890,735
Interest receivable	8	22,730	44
Interest payable and similar charges	9	(941)	(23,767)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,511,342	1,867,012
Tax on profit on ordinary activities	10	(457,176)	(343,231)
PROFIT FOR THE FINANCIAL YEAR	21	2,054,166	1,523,781
Retained profits at 1 April		24,233,582	22,709,801
Retained profits at 31 March		26,287,748	24,233,582

Turnover and operating profit are derived from continuing operations.

All activities are classed as continuing activities.

There is no other comprehensive income for the year (2019 : £nil).

The notes on pages 8 to 14 form part of these financial statements.

CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

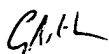
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible fixed assets	11	-	101
Investments	12	<u>352,977</u>	<u>352,977</u>
		352,977	353,078
CURRENT ASSETS			
Stocks	13	24,846,360	24,813,273
Debtors	15	2,358,129	961,758
Cash at bank and in hand	16	4,098,034	1,478,707
		<u>31,302,523</u>	<u>27,253,738</u>
CREDITORS: amounts falling due within one year	17	(5,367,750)	(3,373,232)
NET CURRENT ASSETS		<u>25,934,773</u>	<u>23,880,506</u>
PROVISION FOR LIABILITIES			
Deferred tax liability	18	-	-
TOTAL ASSETS LESS CURRENT LIABILITIES: BEING NET ASSETS		<u><u>26,287,750</u></u>	<u><u>24,233,584</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	2	2
Profit and loss account	21	26,287,748	24,233,582
SHAREHOLDERS' FUNDS		<u><u>26,287,750</u></u>	<u><u>24,233,584</u></u>

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

These financial statements were approved by the Board of Directors and authorised for issue on 15 January 2021.

Signed on behalf of the Board of Directors



G R Arthur
Director

Company Registration Number: SC153369

The notes on pages 8 to 14 form part of these financial statements.

CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2020

1 COMPANY INFORMATION

Clowes Developments (Scotland) Limited is a private company limited by shares, incorporated in Scotland. Its registered office is 9 Coates Crescent, Edinburgh EH3 7AL.

The company's principal activities are as disclosed in the Directors' Report on page 2 of these Financial Statements.

2 BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£).

Going Concern

The financial statements have been prepared on the going concern basis as the directors consider the company has sufficient cash resources through the parent company overdraft facility to continue to operate for the foreseeable future. In reaching this view, the directors have reviewed the likely trading results of the company, the company's and group's cash flow forecasts taking into account the impact of Covid-19 and have ensured that adequate committed lending facilities will be available to meet all reasonable cash requirements for the period to 31 January 2022 (being a period of at least 12 months from the date of approval of these financial statements).

3 SIGNIFICANT JUDGEMENTS AND ESTIMATES

Preparation of the financial statements can require management to make significant judgements and estimates. In preparing the financial statements for Clowes Developments (Scotland) Limited, the directors consider that the only significant judgements or estimates that have been made relate to the carrying values of work-in-progress and properties held for resale to ensure that they are at the lower of cost and net realisable value.

4 PRINCIPAL ACCOUNTING POLICIES

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Clowes Developments (UK) Limited as at 31 March 2020 copies of which can be obtained as disclosed in note 22.

Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight line method. The rates applicable are:

Fixtures & fittings	4 years
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Stocks and work-in-progress

Stocks and work-in-progress are stated at the lower of cost and net realisable value.

Debtors

Debtors are measured at transaction price, less any impairment.

Creditors

Creditors are measured at transaction price.

CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2020

4 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Operating leases: Lessor

Rentals receivable under operating leases are credited to profit or loss on a straight line basis over the period of the lease.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Turnover

Turnover shown in the statement of income and retained earnings represents amounts chargeable during the year exclusive of value added tax. Turnover from development sales is recognised when the sale contract is complete. Turnover derived from rental income and management charges is recognised on an accruals basis.

Turnover is wholly attributable to the principal activities of the company and arises solely within the United Kingdom.

Taxation

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only 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. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Dividends

The company does not pay dividends currently and re-invests any cash surpluses in re-developing existing properties and purchasing new properties.

5 ADMINISTRATIVE EXPENSES

	2020	2019
	£	£
Administrative expenses	525,250	528,352
	<u>525,250</u>	<u>528,352</u>

6 OPERATING PROFIT

	2020	2019
	£	£
a) Operating profit is stated after charging / (crediting):		
Depreciation	101	498
Auditor's remuneration	<u>6,480</u>	<u>6,480</u>

b) The analysis of the auditor's remuneration is as follows:

Fees payable to the company's auditor for the audit of the company's annual accounts	4,320	4,320
Fees payable to the company's auditor and their associates for the provision of tax services	<u>2,160</u>	<u>2,160</u>
	<u>6,480</u>	<u>6,480</u>

CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2020

7 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2020 £	2019 £
Directors' emoluments		
Remuneration	<u>234,205</u>	<u>124,535</u>
Highest paid director		
Total emoluments	<u>234,205</u>	<u>124,535</u>
Staff costs during the year		
Wages and salaries	488,277	411,937
Social security costs	51,266	37,770
Pension contributions	47,339	41,925
	<u>586,882</u>	<u>491,632</u>

There were 10 employees during the year (2019 : 10) other than the directors. Only 1 director is remunerated by the company for services to the company. That director is not a member of a money purchase pension scheme. Other directors emoluments are borne by other group companies for services provided to the company. Their remuneration is fully disclosed in the accounts of Clowes Developments (UK) Limited, the parent undertaking of this company. It is not practicable to split their remuneration between the services provided to Clowes Developments (Scotland) Limited and other group companies.

8 INTEREST RECEIVABLE

	2020 £	2019 £
Interest receivable from group undertakings	22,730	-
Other interest receivable	-	44
	<u>22,730</u>	<u>44</u>

9 INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £	2019 £
Interest payable to group undertakings	-	23,452
Other interest payable	941	315
	<u>941</u>	<u>23,767</u>

10 TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of charge for the year

	2020 £	2019 £
Current tax		
UK corporation tax at 19% (2019: 19%) based on the profit for the year	477,149	286,837
Adjustments in respect of previous periods	(19,521)	(7)
Total current tax	<u>457,628</u>	<u>347,133</u>
Deferred taxation		
Origination and reversal of timing differences	56	(3,908)
Adjustment in respect of previous periods	-	6
Effect of changes in tax rates	(508)	-
	<u>(452)</u>	<u>(3,902)</u>
Tax on profit on ordinary activities (see note 10b)	<u>457,176</u>	<u>343,231</u>

CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020**

10 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

b) Factors affecting the tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£	£
Profit on ordinary activities before tax	<u>2,511,342</u>	<u>1,867,012</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK at 19% (2019: 19%)	477,155	354,732
Effects of:		
Additional deduction for land remediation expenditure	-	(11,961)
Expenses not deductible for tax purposes	49	-
Adjustments to tax charge in respect of previous periods - current tax	(19,521)	(7)
Adjustments to tax charge in respect of previous periods - deferred tax	-	6
Adjustment to opening deferred tax to average rate of 19% (2019: 19%)	-	(47)
Adjustment to closing deferred tax to average rate of 19% (2019: 19%)	-	507
Remeasurement of deferred tax for changes in tax rates	(507)	-
Other differences	-	1
Tax on profit on ordinary activities (see note 10a)	<u>457,176</u>	<u>343,231</u>

Deferred tax assets and liabilities are measured at the standard corporation tax rate of 19% at 31 March 2020.

11 TANGIBLE FIXED ASSETS

	Fixtures and fittings	Total
	£	£
Cost		
At 1 April 2019 & 31 March 2020	7,022	7,022
Depreciation		
At 1 April 2019	6,921	6,921
Charge for the year	101	101
At 31 March 2020	<u>7,022</u>	<u>7,022</u>
Net book value		
At 31 March 2020	<u>-</u>	<u>-</u>
At 31 March 2019	<u>101</u>	<u>101</u>

CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2020

12 INVESTMENTS

Unquoted Investments

	£
Cost	
At 1 April 2019	352,977
Purchase of shares in subsidiary undertakings	-
At 31 March 2020	<u>352,977</u>
Net book value	
At 31 March 2020	<u><u>352,977</u></u>
At 31 March 2019	<u><u>352,977</u></u>

The company owns 100% of the ordinary share capital of Land Partners (Scotland) Limited, a company incorporated in Scotland, whose principal activity is property development.

The company owns 100% of the ordinary share capital of Silverbrae Limited, a company incorporated in Scotland, whose principal activity is property development.

The company owns 100% of the ordinary share capital of Clowes Developments (Cart Corridor) Limited, a company incorporated in Scotland, whose principal activity is property development.

The company owns 100% of the ordinary share capital of Ardersier Port Limited, a company incorporated in England, whose principal activity is property development.

13 STOCKS

	2020 £	2019 £
Work in progress and properties held for resale and development	<u>24,846,360</u>	<u>24,813,273</u>

There is no material difference between the balance sheet value of stocks and their replacement value.

Stock recognised in cost of sales during the year as an expense was £1,202,084 (2019: £255,822).

14 CHARGES AND SECURITY

The company, along with other companies under common ultimate ownership, has provided its bankers, The Royal Bank of Scotland plc, with first fixed charges over certain assets held as stocks (note 13) to secure group borrowings as follows:

	2020 £	2019 £
Stocks - work in progress and properties held for resale and development	<u>15,564,110</u>	15,564,110
	<u><u>15,564,110</u></u>	<u><u>15,564,110</u></u>

15 DEBTORS

	2020 £	2019 £
Trade debtors	931,670	52,867
Amounts due from group undertakings	1,161,306	854,610
Amounts due from related undertakings	57,226	18,872
Other taxation and social security	141,167	-
Deferred tax asset (see note 18)	4,764	4,312
Other debtors	35,129	3,852
Prepayments	26,867	27,245
	<u><u>2,358,129</u></u>	<u><u>961,758</u></u>

All debtors are due within one year.

Trade debtors are stated after a provision for bad and doubtful debts of £959,546 (2019: £959,546).

CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2020**

16 CASH AND CASH EQUIVALENTS

	At 1 April 2019 £	Cash flow £	At 31 March 2020 £
Cash in hand	300	39	339
Cash at bank	1,478,407	2,619,288	4,097,695
	<u>1,478,707</u>	<u>2,619,327</u>	<u>4,098,034</u>

17 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	199,218	107,015
Amounts owed to group undertakings	3,550,153	2,104,472
Amounts owed to related undertakings	18,914	13,262
Other taxation and social security	10,427	11,844
Corporation tax	451,431	265,931
Other creditors	890,701	729,981
Accruals and deferred income	246,906	140,727
	<u>5,367,750</u>	<u>3,373,232</u>

18 DEFERRED TAXATION

	2020 £	2019 £
Opening deferred tax (asset)	(4,312)	(410)
Deferred tax charge in the statement of income and retained earnings for the year	(452)	(3,902)
Closing deferred tax (asset) (see note 15)	<u>(4,764)</u>	<u>(4,312)</u>

There is no unprovided deferred taxation. Amounts provided are:

	2020 £	2019 £
Fixed asset timing differences	(339)	(352)
Short term timing differences	(4,425)	(3,960)
	<u>(4,764)</u>	<u>(4,312)</u>

19 CONTINGENT LIABILITIES

The company, together with certain other companies under common ultimate ownership, has entered into an agreement with its bankers whereby an overall facility is available and the bank has a right to offset balances amongst all of the companies who are party to the agreement. Hence all companies within the agreement have joint and several liability for any net borrowings that remain. At 31 March 2020, the net bank overdrafts of the companies who were party to the agreement is £2,597,882 (2019 : net bank balances of £485,729). Of this amount, bank balances of £4,097,695 relate to this company (2019 : bank balances of £1,478,407). The combined net assets of the companies who were party to the agreement substantially exceeds these amounts.

20 CALLED UP SHARE CAPITAL

	2020 £	2019 £
Called up, allotted and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

Called up share capital represents the nominal value of shares that have been issued.

CLOWES DEVELOPMENTS (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 31 MARCH 2020

21 RESERVES

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

22 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of Clowes Developments (UK) Limited, the company is exempt from the requirements of FRS 102 to disclose transactions with other members of the group headed by Clowes Developments (UK) Limited.

The company entered into the following trading transactions with related parties and joint venture undertakings:

	Nature	Profit & Loss		At 31 March	
		Income / (Expense)		Debtor / (Creditor)	
		2020	2019	2020	2019
		£	£	£	£
Related parties					
Clowes Estates Limited	Aeroplane usage	(18,809)	(4,759)	(18,914)	(13,262)
Clowes Securities (West Midlands) LLP	Recharge staff costs	11,682	12,439	19,375	5,071
Mayfair Property Management Company (Derby) Limited	Collection of debt	19,996	2,302	32,851	8,801
Land Partners (England) Limited	Loan	-	-	5,000	5,000
		<u>12,869</u>	<u>9,982</u>	<u>38,312</u>	<u>5,610</u>

The company's immediate and ultimate parent undertaking is Clowes Developments (UK) Limited. Group accounts have been prepared for Clowes Developments (UK) Limited and its subsidiary undertakings. Copies of the group accounts can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

The Clowes Trust 2014 is the controlling party by virtue of its controlling interest in the equity capital of Clowes Developments (UK) Limited.

23 OPERATING LEASE AGREEMENTS WHERE THE COMPANY IS A LESSOR

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Within one year	1,973,194	2,082,390
In two to five years	947,515	6,064,137
In over five years	210,659	7,035,031
	<u>3,131,368</u>	<u>15,181,558</u>