Company Registration No. 116791

Great Western Developments Limited

Annual report and financial statements for the Year ended 31 December 2020

Great Western Developments Limited

Annual report and financial statements 2020

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Great Western Developments Limited

Annual report and financial statements 2020

Officers and professional advisers

Directors

Simon Derek Todd
Lee Show Chun
William Paul Turner (appointed 18 June 2020)
Erin Michelle Moffat (resigned 18 June 2020)

Registered office

47 Esplanade
St Helier
Jersey
JE1 0BD

Auditor

Deloitte LLP
Cambridge

Directors' report

The directors present their annual report and the audited financial statements of Great Western Developments Limited for the year ended 31 December 2020.

Principal activities

The company's principal activity is that of property development. The directors do not anticipate that there will be any change to the Company's principal activities in the foreseeable future.

Going concern

The directors have considered the financial position of the company, including the need for any impairment in relation to work in progress, and believe that the company is well placed to manage its business risks successfully.

Management has assessed the impact of COVID-19 and concluded that the impact on cashflows is minimal and the company can continue to operate with existing cash reserves and its committed funding from both bank and shareholders going forward. The directors have considered the external loan of £360m and the current drawn amount of £188m, leaving a total of £172m remaining unused in respect of external funding to continue the funding of the development. In doing so sensitivities have been considered including their impact on forecast cash flows and covenant compliance.

On the 18 January 2021, £150m loan notes were issued of which £18.7m were immediately subscribed for in exchange for the accrued interest as per note 11. The loan notes were issued at an interest rate of 7.9% and will fall due in 2025. The notes have been listed on The International Stock Exchange and have been issued in full to the company's parent undertaking Great Western Enterprises Limited.

On 29 January 2021 the company entered into an amendment to the existing loan facility agreement of £285.5m with Great Western Enterprise Limited, its immediate parent. The loan facility repayment date for the Great Western Development subsidiary was extended and is due for repayment on 31 May 2023.

After making enquires, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt a going concern basis in preparing the financial statements.

Subsequent events

On the 18 January 2021 £150m loan notes were issued of which £18.7m were immediately subscribed for in exchange for the accrued interest as per note 11. The loan note was issued at an interest rate of 7.9% and will fall due in 2025. The amounts have been listed on The International Stock Exchange and have been issued in full to the company's parent undertaking Great Western Enterprises Limited.

The emergence of COVID-19 coronavirus in 2020 has had a significant impact on economies and has resulted in severe restrictions of movement of people in United Kingdom. That said the company has continued to operate under Covid-19 measures for the past 9 months. The company notes that the UK has once again entered into a lockdown post year end which will restrict the movements of people and workers alike.

The impact of post year end COVID-19 lockdown has been considered whilst preparing the financial statements and at this time, the company has assessed the impact on the development and has concluded that the impact on the cashflow is minimal and the company can continue to operate with existing cash reserves and its committed funding from both the bank and parent/shareholders going forward. The business continues to be able to operate under such restrictions and at this time, no delays are expected to result from the post year end lockdown. It has been considered a non-adjusting post balance sheet event.

Dividends

No dividends have been paid during the year (2019 – nil) and to the date of signing the financial statements. The directors do not recommend the payment of a final dividend.

Director

The directors who served throughout the year, unless otherwise stated, and to the date of this report are as follows:

Simon Derek Todd
Lee Show Chun
Erin Michelle Moffat (resigned on 18 June 2020)
William Paul Turner (appointed on 18 June 2020)

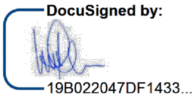
Directors' report (continued)

Auditor

Each person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the 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.

By order of the Board,



Director

Date: 18/2/2021

Directors' responsibilities statement

The directors are responsible for preparing 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

International Accounting Standard 1 requires that financial statements present fairly for each financial period the company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping proper accounting records that 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 (Jersey) Law 1991. 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.

Independent auditor's report to the members of Great Western Developments Limited

Report on the audit of the financial statements

1. Opinion

In our opinion the financial statements of Great Western Developments Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of the company's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been properly prepared in accordance with Companies (Jersey) Law, 1991.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in shareholders' equity;
- the cash flow statement;
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

2. 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 Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, 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.

3. Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was the valuation of inventory.
Materiality	The materiality that we used for the financial statements in the current year was £3.7m which was determined on the basis of 1% of total assets.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

4. 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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included our consideration of the nature of the company, its business model and related risks including where relevant the impact of the Covid-19 pandemic, the requirements of the applicable financial reporting framework and the system of internal control. We evaluated the directors' assessment of the company's ability to continue as a going concern, including challenging the underlying data and key assumptions used to make the assessment, and evaluated the directors' plans for future actions in relation to their going concern assessment. We also assessed the financing available to the business over the next 12 months, the covenants associated with these, the ability to control development costs and the expected project progression.

Independent auditor's report to the members of Great Western Developments Limited

Report on the audit of the financial statements (continued)

4. Conclusions relating to going concern (continued)

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.
These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Valuation of inventory

Key audit matter description	At 31 December 2020, the Company held inventory at cost of £378.5m (31 December 2019: £274.1m). Inventory is held at cost on the company's Balance Sheet as the property situated at Paddington station is classified as a development asset under IAS 2. As a result of this, a risk arises over the carrying value of the inventory, which is stated at the lower of cost and net realisable value of the property. Due to the nature of the property, the net realisable value is deemed to be the market value of the asset under development. The valuation represents the most significant area of estimation and judgement within the company financial statements, which is why we consider this to be a key audit matter. The net realisable value is calculated by third party valuation experts using factual information, such as the project appraisal and costs incurred to date, and their professional judgement concerning market conditions and factors impacting the future gross development value. The key estimates associated with this balance which can lead to significant valuation movements relate to property yields, estimated rental values and the level of expenditure required to complete the development. Covid-19 further increased judgement in relation to assumptions around: • future occupier demand and solvency; and • development progress on site and timelines to completion and letting. See also key sources of estimation uncertainty in Note 4 and the Inventory in Note 9 of the Financial Statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls in the inventory valuation process, including management's review of the project appraisal, information provided to third party valuers and approval of third party valuations. Management's process for challenging the appropriateness of property valuations has been assessed. We held virtual meetings with the third party valuers appointed by management to value the inventory. We challenged the significant judgements and assumptions applied in their valuation model, including where relevant, the impact of Covid-19 on the sector and asset. We further verified the movements in the key judgements and benchmarked the inputs against market data. We assessed the state of local markets from publicly available market commentaries. We tested the integrity of data and information pertaining to project appraisal and development costs provided by management to external valuers and utilised in the valuation. We assessed the competence and objectivity of the third party valuers..

Report on the audit of the financial statements (continued)

	We assessed management's assessment and disclosure of the impact of Brexit and Covid-19 on the recoverability of the company's inventory in respect of occupier demand and solvency, asset liquidity and the performance of assets in different property sectors
Key observations	Based on the procedures performed, we concluded that the company's inventory is carried at the lower of cost and net realisable value. We concluded that the methodology and assumptions used in valuing the inventory are appropriate in performing the assessment of the inventory recoverability. We concurred with the disclosures included in the financial statements in respect of inventory.

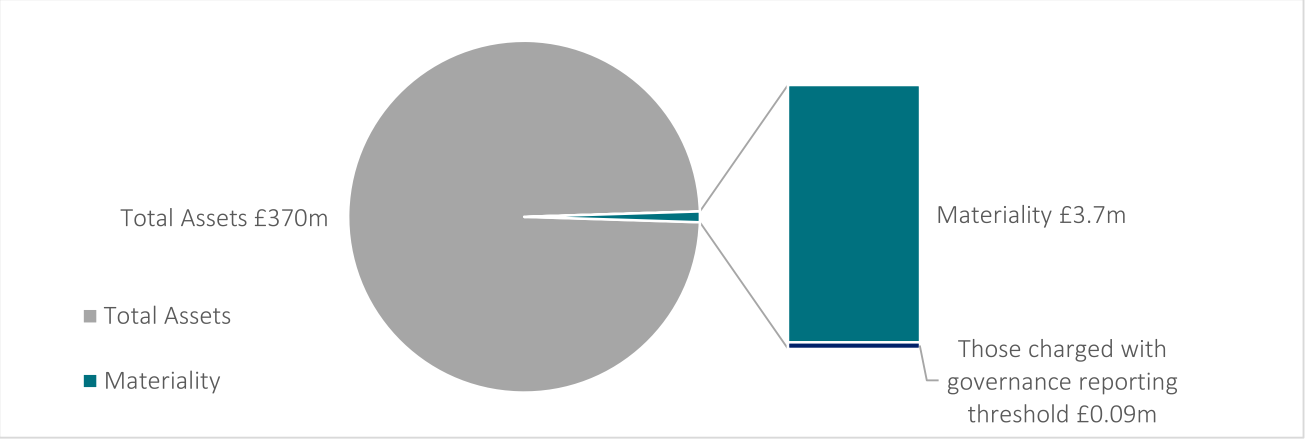
6. Our application of materiality

6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£3.7m
Basis for determining materiality	1% of total assets
Rationale for the benchmark applied	Total assets is the most appropriate benchmark because it appropriately reflects the valuation of inventory which is of key interest to the users of the Financial Statements.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2020 audit. In determining performance materiality, we have considered:

- Our risk assessment, including our assessment of the company's overall control environment;
- There have been no significant changes in the business; and
- our past experience of the audit, which has indicated a low number of corrected and uncorrected misstatements identified in prior periods.

Independent auditor's report to the members of Great Western Developments Limited

Report on the audit of the financial statements (continued)

6.3. Error reporting threshold

We agreed with the Directors that we would report to those charged with governance all audit differences in excess of £0.09m, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to those charged with governance on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

8. Other information

The other information comprises the information included in the annual report, inclusive of the directors' report, but other than the financial statements and our auditor's report thereon. The directors' are responsible for the other information contained within the director's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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.

10. 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent auditor's report to the members of Great Western Developments Limited
Report on the audit of the financial statements (continued)

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance ;
- results of our enquiries of management and the Board of Directors about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the valuation of inventory. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.
We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies (Jersey) Law 1991, The International Stock Exchange rules and tax legislation.

In addition, we considered provisions of other laws and regulations do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Town and Country Planning Regulations 1992 and Right to Light (Common Law/Prescription Act 1832).

11.2. Audit response to risks identified

As a result of performing the above, we identified valuation of inventory as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.
In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Board of Directors and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Independent auditor's report to the members of Great Western Developments Limited
Report on the audit of the financial statements (continued)

11.2. Audit response to risks identified (continued)

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Matters on which we are required to report by exception

12.1. Adequacy of explanations received and accounting records

Under the Companies (Jersey) Law, 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept, or proper 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.

We have nothing to report in respect of these matters.

13. Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law, 1991. 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.

Matthew Hall

Matthew Hall, FCA
For and on behalf of Deloitte LLP
Cambridge, United Kingdom

Date: 18 February 2021

Statement of comprehensive income
For the year ended 31 December 2020

	Notes	2020 £	2019 £
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(159,836)	(117,981)
Operating Loss before tax		(159,836)	(117,981)
Tax	7	-	-
Loss for the year	5	(159,836)	(117,981)

The company's results for the year above are derived entirely from continuing activities.

There are no items which would be recognised in a separate statement of comprehensive income other than the loss for the year and other comprehensive expense attributable to the equity holders of the company and therefore, the company has adopted the approach allowable in IAS 1.81(a) to present one statement of comprehensive income.

Statement of financial position
As at 31 December 2020

	Notes	2020 £	2019 £
Current assets			
Inventories	8	378,489,308	274,134,499
Trade and other receivables	9	6,248,968	7,713,379
Cash at bank and in hand		10,118,574	4,298,250
Total assets		394,856,850	286,146,128
Current liabilities			
Trade and other payables	10	(27,906,496)	(25,265,126)
Borrowings	11	(173,443,269)	(121,449,403)
		(201,349,765)	(146,714,529)
Net current assets		193,507,085	139,431,599
Non-current liabilities			
Borrowings	12	(188,603,949)	(134,368,627)
Total liabilities		(389,953,714)	(281,083,156)
Net Assets		4,903,136	5,062,972
Equity			
Called-up share capital	13	10	10
Retained earnings	14	4,903,126	5,062,962
Total equity		4,903,136	5,062,972

The financial statements of Great Western Developments Limited (registered number 116791) were approved by the Board of Directors and authorised for issue on 18 February 2021.

They were signed on its behalf by:

DocuSigned by:

19B022047DF1433...

Director

Date: 18/2/2021

Statement of changes in shareholders' equity
As at 31 December 2020

	Notes	Share Capital £	Retained earnings £	Equity total £
Balance at 1 January 2019		10	5,180,943	5,180,953
Loss and total comprehensive expense for the year	14	-	(117,981)	(117,981)
Balance at 31 December 2019		10	5,062,962	5,062,972
Loss and total comprehensive expense for the year	14	-	(159,836)	(159,836)
Balance at 31 December 2020		10	4,903,126	4,903,136

Cash flow statement
For the year ended 31 December 2020

	Note	2020	2019
		£	£
Net cash outflow from operating activities	15	(100,408,864)	(69,168,799)
Financing activities			
Drawdown on Shareholder loan		51,993,865	26,975,426
Drawdown on Bank loans		54,235,322	32,502,631
Net cash from financing activities		106,229,188	59,478,057
Net increase/(decrease) in cash and cash equivalents		5,820,324	(9,690,742)
Cash and cash equivalents at beginning of year		4,298,250	13,988,992
Cash and cash equivalents at end of year		10,118,574	4,298,250

Notes to the financial statements
For the year ended 31 December 2020

1. General information

Great Western Developments Limited is a private company limited by shares and is incorporated under the Companies (Jersey) Law 1991. The address of the registered office is given on page 1. The company's activity is that of property development.

The company is consolidated in the financial statements of its parent Great Western Enterprises Limited, which may be obtained from its registered office at 47 Esplanade, St Helier Jersey JE1 0BD.

These financial statements are presented in pounds sterling (GBP) because that is the currency of the primary economic environment in which the company operates (its functional currency).

2. Adoption of new and revised standards

In the current year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Annual Improvements to IFRS Standards 2018–2020 (May 2020)	Annual Improvements to IFRS Standards 2018–2020 (May 2020)
Amendments to IFRS 3 (May 2020)	Reference to the Conceptual Framework
Amendments to IAS 37 (May 2020)	Onerous Contracts - Cost of Fulfilling a Contract
IFRS 17	Insurance Contracts
Amendments to IFRS 17	IFRS 17
Amendments to IAS 1	Classification of liabilities as current or non-current
Amendments to IAS 1	Classification of Liabilities as Current or Non-current — Deferral of Effective Date
Amendments to IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9

The directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the company in future periods.

3. Accounting policies

The principal accounting policies that have been applied in the current and prior years unless otherwise stated in preparation of the financial statements are set out below.

Basis of presentation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs, as adopted by the European Union.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

3. Accounting policies (continued)

Going concern

The directors have considered the financial position of the company, including the need for any impairment in relation to work in progress, and believe that the company is well placed to manage its business risks successfully.

Management has assessed the impact of COVID-19 and concluded that the impact on cashflows is minimal and the company can continue to operate with existing cash reserves and its committed funding from both bank and shareholders going forward. The directors have considered the external loan of £360m and the current drawn amount of £188m, leaving a total of £172m remaining unused in respect of external funding to continue the funding of the development. In doing so sensitivities have been considered including their impact on forecast cash flows and covenant compliance.

On the 18 January 2021, £150m loan notes were issued of which £18.7m were immediately subscribed for in exchange for the accrued interest as per note 11. The loan notes were issued at an interest rate of 7.9% and will fall due in 2025. The notes have been listed on The International Stock Exchange and have been issued in full to the company's parent undertaking Great Western Enterprises Limited.

On 29 January 2021 the company entered into an amendment to the existing loan facility agreement of £285.5m with Great Western Enterprise Limited, its immediate parent. The loan facility repayment date for the Great Western Development subsidiary was extended and is due for repayment on 31 May 2023.

After making enquires, the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt a going concern basis in preparing the financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable on an accruals basis and is stated net of discount and VAT.

Cash

Cash comprises cash in hand and deposits repayable on demand.

Borrowing costs

The company capitalises borrowing costs in accordance with IAS 23 Borrowing Costs. Borrowing costs are included in Inventories as they are considered a cost to acquire and develop the site. Borrowing costs have been capitalised from the date the property was acquired as the directors consider this is the date that the criteria of incurring these costs on assets intended for sale as set out in IAS 23 had been met. For the borrowing costs to be capitalised, expenditure must have been incurred on the asset, borrowing costs had commenced and activities necessary to prepare the asset for its intended use or sale had begun.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

In Jersey the tax rate applicable to the company's operations is 0%. The company is subject to UK income tax at 19.00% for the current year (2019 - 19.00%) on its UK gross development profits.

3. Accounting policies (continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted at the statement of financial position date. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Inventories

Inventories represent the costs incurred to date to acquire the property and develop the site and are stated at the lower of cost and net realisable value. Cost comprises direct materials, and where applicable direct labour costs, and those overheads and interest and borrowing costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. The inventory value is supported by the overall scheme forecast and an external valuation of the site reflecting various market assumptions.

Trade receivables, loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as ‘loans and receivables’. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade debtors and contract assets. To measure the expected credit losses, trade debtors and contract assets have been grouped based on shared credit risk characteristics and the number of days past due. The expected loss rates are based on payment profiles of sales over a preceding 36 month period and the corresponding historical credit losses experienced within this period. When appropriate the historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debtors where a trend exists.

Trade debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the company, and a failure to make contractual payments for an extended period. Amounts recoverable on contracts are included in trade debtors and represent revenue recognised in excess of payments on account.

Loans to group undertakings are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less provision for impairment. The company recognises expected credit losses which uses a lifetime expected loss allowance for all debt investments unless the asset is considered to have low credit risk, in which case the loss allowance recognised is limited to 12 months’ expected losses.

3. Accounting policies (continued)

Trade payables

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method. There is no difference in the period between fair value and amortised cost.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount can be measured reliably.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangements as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the net assets of the company.

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Inventories

The directors consider the key source of estimation uncertainty to relate to the carrying value of the development property which is held at the lower of cost and net realisable value. In estimating the requirement for impairment of this development property, management make assumptions and judgements on the value of these investments using inherently subjective underlying asset valuations. Examples include market yield, expected rental yields and costs to complete. The inventory balance held at year end totals £378,489,308 (2019 - £274,134,449) as per note 9.

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical judgements in applying the company's accounting policies

Capitalisation of borrowing costs

The key judgement area is the point of capitalisation of borrowing costs under IAS 23. Management believe they have met the criteria for capitalisation at the point at which the borrowing costs were originally incurred and therefore have capitalised the costs from 2017. The borrowing costs capitalised in the year totals ££4,393,945 (2019 - £3,716,796) as per note 9.

5. Loss for the year

Loss for the year has been arrived at after charging:

	2020	2019
The analysis of the auditor's remuneration is as follows:	£	£
Fees payable to the auditor for the audit for the company's annual accounts	35,000	18,000
Fees payable to the auditor and their associates for other services to the company	28,000	46,000

6. Staff costs

Directors' emoluments in the current year and preceding year were £nil.

There were no staff employed by the company in the current year or preceding year.

7. Tax

	2020	2019
(a) Analysis of charge in the year	£	£
UK income tax on profits of the year		
Deferred tax	-	-
Tax charge on profit	-	-
(b) Factors affecting total tax charge		
Loss before taxation	(159,836)	(117,981)
UK income tax at standard rate at 19% (2019 – 19%)	(30,369)	(22,416)
Effect of :		
Losses carried forward	30,369	22,416
Tax on profit	-	-

In the UK Finance Bill 2016 enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. As substantive enactment occurred before the balance sheet date, the changes in respect of the rate have been applied to tax balances within these financial statements.

As we continue to make a loss year on year, we have an ever-growing balance of losses carried forward, for which we do not recognized a deferred tax asset against. The unprovided tax losses at year end were £519,947 (2019 - £401,966). The company have not recognised unprovided tax losses yet, as the timing of future profit is uncertain.

8. Inventories

	2020	2019
	£	£
Development property	378,489,308	274,134,499

The development property relates to the purchase of a property and associated costs including borrowing costs and is held as security as disclosed in notes 12 and 13 Borrowing costs capitalised in the year total £4,393,945 (2019 - £3,716,796).

9. Trade and other receivables

	2020	2019
	£	£
VAT	4,445,343	2,144,116
Other receivables	1,803,625	5,569,263
	6,248,968	7,713,379

Other receivables are made up of funds transferred to the Company service provider.

10. Trade and other payables

	2020	2019
	£	£
Current		
Trade payables	1,121,805	4,727,842
Accruals	8,041,390	1,793,983
Accrued interest	18,743,301	18,743,301
	27,906,496	25,265,126

The directors consider that the carrying amount of trade payables approximates to their fair value.

11. Borrowings - current liabilities

	2020 £	2019 £
Shareholder loan	173,443,269	121,449,403

The Shareholder loan is interest free, unsecured and is repayable on demand or on the expiry of the term on 10 March 2020. On 29 January 2021, the loan was extended to 31 May 2023.

12. Borrowings – Non - current liabilities

	2020 £	2019 £
Secured borrowing		
Bank loan	188,603,949	134,368,626
	188,603,949	134,368,626

A bank facility of £360m was made available to the company on 21 December 2018 and is repayable on 20 June 2023. The loan is secured by a fixed and floating charge over the company's development property. Interest is payable at a variable rate based on 1.75% above LIBOR. The bank loan includes amortised arrangement fees of £868,731 (2019 - £1,798,513).

13. Called-up share capital

	2020 £	2019 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
Issued and fully paid		
10 ordinary shares of £1 each	10	10

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

14. Retained earnings

	2020 £	2019 £
Balance at beginning of year	5,062,962	5,180,943
Loss for the year	(159,836)	(117,981)
Balance at end of year	4,903,126	5,062,962

15. Notes to the cash flow statement

	2020 £	2019 £
Loss for the year	(159,836)	(117,981)
Operating cashflows before movement in working capital	(159,836)	(117,981)
Increase in inventories	(104,354,809)	(66,931,514)
Decrease/(Increase) in receivables	1,464,211	(5,859,789)
Increase in payables	2,641,369	5,180,485
Decrease in provisions	-	(1,440,000)
Cash used in operations	(100,249,029)	(69,050,818)
Net cash used in operating activities	(100,408,864)	(69,168,799)

Changes in liabilities from financing activities

	1 January 2020	Financing cashflows	31 December 2020
Shareholder loans	121,449,404	51,993,865	173,443,269
Bank loans	134,368,626	54,235,322	188,603,949
Total liabilities from financing activities	255,818,030	106,229,188	362,047,218

Cash and cash equivalents relate solely to cash and bank balances at the 31 December 2020

16. Financial instruments

The company's activities expose it to a variety of financial instrument risks. The risk management policies employed by the company to manage these risks are discussed below. The primary objectives of the financial instrument risk management function are to establish risk limits, and then ensure that exposure to risks stay within these limits. IFRS 9 Financial Instruments has been adopted in the preparation of the financial statements and there is no material impact.

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the company uses other publicly available financial information and its own trading records to rate its major customers. The company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. The Group has assessed the credit losses applicable to the company and noted that the only considerations to make are in respect of the other receivable amount due to the group's service provide as per note 9. The group has assessed the ECL's and as a result have not provided for losses in the current or prior year.

16. Financial instruments (continued)

Credit risk (continued)

In assessing whether credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the company considers both quantitative and qualitative information that is reasonable and supportable including historical experience and forward-looking information that is available without undue cost of effort. The company continues to monitor credit risk on an ongoing basis in order to determine the following framework, which comprises as follows.

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past due amounts	12m ECL
Doubtful debt	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery	Amount is written off

The Company has assessed the credit losses applicable to the company and noted that the only considerations to make are in respect of the other receivable amount due to the company's service provide as per note 10. The company has assessed the ECL's and as a result have not provided for losses in the current or prior year

Exchange rate risk

The company's functional currency is Pounds Sterling (GBP) and had no exposure to exchange risk during the year.

Liquidity risk

Liquidity risk is defined as the risk that the company does not have sufficient financial resources to meet its commitments when they fall due, or can secure them only at excessive cost. The company closely monitors cash flow and anticipates that there are sufficient funds available to meet the operational needs.

The following table details the remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which they will be required to pay.

	Interest rate	Within one year	Between one and five years	More than five years
		£	£	£
Trade and other payables	-	9,163,195	-	-
Shareholder loan	0%	173,443,269	-	-
Other loans	0%	18,743,301	-	-
Bank loans and borrowings	Libor + 1.75 %	-	188,603,949	-
		201,349,765	**188,603,949**	**-**

16. Financial instruments (continued)

Liquidity risk (continued)

The maturity analysis of financial instruments at 31 December 2020 is as follows:

	Demand and less than one year	Between one and five years	More than five years	Total
	£	£	£	£
Assets				
Receivables	6,248,968	-	-	6,248,968
Cash at bank and in hand	10,118,574	-	-	10,118,574
Total assets	**16,367,542**	**-**	**-**	**16,367,542**
Liabilities				
Trade and other payables	9,163,195	-	-	9,163,195
Shareholder loan*	173,443,269	-	-	173,443,269
Other loans*	18,743,301	-	-	18,743,301
Bank borrowings*	-	188,603,949	-	188,603,949
Total liabilities	**201,349,765**	**188,603,949**	**-**	**389,953,714**

* The fair value of bank borrowings (floating rate loan), shareholder loan and other loans approximates to their book value.

The comparative tables at 31 December 2019 was:

	Demand and less than one year	Between one and five years	More than five years	Total
	£	£	£	£
Assets				
Receivables	7,713,379	-	-	7,713,379
Cash at bank and in hand	4,298,250	-	-	4,298,250
Total assets	**12,011,629**	**-**	**-**	**12,011,629**
Liabilities				
Trade and other payables	6,521,825	-	-	6,521,825
Shareholder loan*	121,449,403	-	-	121,449,403
Other loans*	18,743,301	-	-	18,743,301
Bank borrowings*	-	134,368,627	-	134,368,627
Total liabilities	**146,714,529**	**134,368,627**	**-**	**281,083,156**

16. Financial instruments (continued)

Liquidity risk (continued)

* The fair value of bank borrowings (floating rate loan), shareholder loan and other loans approximates to their book value.

Interest rate risk

The directors anticipate interest rates to rise in the foreseeable near future, impacting the interest charged on the bank loan borrowing. They have however not entered into any SWAPs to hedge against rises in interest rates at the current moment.

A change in interest rates of 1% would increase or decrease the company's rate exposure by £1,886,039 (2019- £1,343,686) due to its exposure to interest rates on its variable rate borrowings.

Capital risk management

The capital structure of the company consists of net debt, which includes the bank loans disclosed in note 12 and 13 less cash and cash equivalents, and equity attributable to equity holders, comprising issued capital and retained earnings as disclosed in notes 14 and 15.

The company is not subject to any externally imposed capital requirements.

The Management monitors the company's capital structure through a combination of investment appraisal and disposal processes, management of finance costs, monitoring risks, controlling solvency and reviewing key financial ratios. The key financial measures include cash flow projections, monitoring of interest cover, debt service ratio cover and loan to value covenants and ensuring contracted commitments are adequately funded.

The capital structure of the company at the year-end is as follows:

	2020	**2019**
	£	**£**
Debt	(362,047,218)	(255,818,030)
Cash and cash equivalents	10,118,574	4,298,250
Net debt	(351,928,844)	(251,519,780)
Equity	10	10

17. Related party transactions

	2020	**2019**
Amounts owed to related parties	**£**	**£**
Great Western Enterprises Limited	173,443,269	121,449,403
Anchorage View PTE Limited	5,623,775	5,623,775
HPL (Paddington) PTE Limited	13,119,526	13,119,526

17. Related party transactions (continued)

The amount outstanding to Great Western Enterprises Limited is subject to interest at nil% and is unsecured. Great Western Enterprises Limited is a related party of the company because they are a shareholder.

Interest at 12% is in the unsecured amounts owed to Anchorage View PTE Limited of £5,623,775 (2019 – £5,623,775) and HPL (Paddington) PTE Limited of £13,119,526 (2019 - £13,119,526). Both companies are a related party of the company because they are a shareholder in Great Western Enterprises Limited. Anchorage View PTE Limited holds a 30% share equity and HPL (Paddington) PTE Limited 70%.

During the year, management fees of £300,000 (2019 - £200,000) were paid to HPL (UK) Limited, which is a company incorporated in England and Wales. At 31 December 2020, the amount outstanding was £nil (2019- £nil). HPL (UK) Limited is under control of Hotel Properties Limited which is incorporated in Singapore.

18. Ultimate controlling party

The intermediate and ultimate parent undertaking is Great Western Enterprises Limited whose registered office is at 47 Esplanade, St Helier Jersey JE1 0BD. Great Western Enterprises Limited is the head of the largest and smallest group of companies in which the results of the company are consolidated. The directors consider that there is no ultimate controlling party of Great Western Enterprises Limited and therefore there is no ultimate controlling party of Great Western Developments Limited.

19. Subsequent events

On the 18 January 2021 £150m loan notes were issued of which £18.7m were immediately subscribed for in exchange for the accrued interest as per note 10. The loan note was issued at an interest rate of 7.9% and will fall due in 2025. The notes have been listed on The International Stock Exchange and have been issued in full to the company's parent undertaking Great Western Enterprises Limited.

The emergence of COVID-19 coronavirus in 2020 has had a significant impact on economies and has resulted in severe restrictions of movement of people in United Kingdom. That said the company has continued to operate under Covid-19 measures for the past 9 months. The company notes that the UK has once again entered into a lockdown post year end which will restrict the movements of people and workers alike.

The impact of post year end COVID-19 lockdown has been considered whilst preparing the financial statements and at this time, the company has assessed the impact on the development and has concluded that the impact on the cashflow is minimal and the company can continue to operate with existing cash reserves and its committed funding from both the bank and parent/shareholders going forward. The business continues to be able to operate under such restrictions and at this time, no delays are expected to result from the post year end lockdown. It has been considered a non-adjusting post balance sheet event.