

Company registration number 00700033 (England and Wales)

YELCON LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Apache

YELCON LIMITED

COMPANY INFORMATION

Directors	Mr T J Padian Mr M Rapley Mr J D A Rapley
Secretary	Mr T J Padian
Company number	00700033
Registered office	3 The Gateway North Marsh Lane LS9 8AX
Auditor	Ensors Accountants LLP Victory House Vision Park Chivers Way Histon CB24 9ZR

YELCON LIMITED

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YELCON LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

Turnover for the year increased almost 9% compared to the previous year, reflecting high levels of activity seen across the housing market, due in part to reductions in stamp duty land tax which ended in September 2021. However, the company experienced an increase in losses as a result of additional expenditure to complete a development, coupled with significant inflation in material and labour prices which were felt across the industry. The cessation of the government Furlough scheme and the partial reversal of an investment revaluation from the previous year further contributed to the increase in losses compared to 2020. During 2022, the company will complete the development which has been the source of its losses and will be able to focus on its pipeline of profitable projects.

Principal risks and uncertainties

The key business risks affecting the company are considered by the directors to be the uncertain general economic situation caused mainly by the ongoing aftereffects of Covid-19 and the cost of living crisis. The housing market has remained strong during 2022 despite the withdrawal of the stamp duty land tax assistance and revisions to the Help to Buy scheme which made it more restrictive in terms of limits on purchase prices and who was eligible. It remains to be seen how the housing market will perform as the cost of living crisis and recent interest rate hikes filter through.

The company manages these risks by forward planning and actively managing cash flow and budgets and ensuring it is in compliance with its borrowing covenants.

Health and Safety is paramount and risks assessments are carried out continuously for our office and site operations.

Development and performance

Whilst the results for the year are below expectation, the reasons are well understood and the directors consider that the financial position of the company remains strong. The company continues to maintain a strong financial position with net assets of £5.2m as compared to £6.86m in the prior year.

Taxation The company has expended considerable sums on Land Remediation on Yeadon. To date we have made one claim for the special tax relief on this expenditure. A further claim is being investigated for the current year.

Key performance indicators

There are a number of both financial and non-financial key performance indicators used by the directors to evaluate the company's performance. These indicators are applied to individual projects, and the company as a whole. The key financial indicators are turnover, gross profit and therefore gross margins achieved, in addition to operating profit.

	Year ended 2021	Year ended 2020
Turnover	10,437,974	9,582,093
Gross (loss)/profit	(1,406,326)	(278,739)
Operating (loss)/profit	(1,405,452)	(411,407)
Gross (loss)/profit margin (%)	-13.4	-2.9

The directors have reviewed the key performance indicators and whilst the trading result is showing a loss, the reasons are well understood and the net asset position at the year end is in line with expectations.

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YELCON LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

By order of the board

Mr T J Padian
Secretary

22 September 2022

YELCON LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

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

Results and dividends

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

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

Directors

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

Mr T J Padian

Mr M Rapley

Mr B S Brier

(Resigned 11 May 2022)

Mr J D A Rapley

Financial instruments

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on bank overdrafts and loans. The company uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Auditor

In accordance with the company's articles, a resolution proposing that Ensors Accountants LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

Mr T J Padian

Secretary

22 September 2022

YELCON LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

YELCON LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YELCON LIMITED

Opinion

We have audited the financial statements of Yelcon Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

YELCON LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF YELCON LIMITED

Matters on which we are required to report by exception

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 strategic report or the directors' report.

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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

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

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

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

YELCON LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF YELCON LIMITED

Use of our report

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

Jayson Lawson
Senior Statutory Auditor
For and on behalf of Ensors Accountants LLP

26 September 2022

Chartered Accountants
Statutory Auditor

Victory House
Vision Park
Chivers Way
Histon
CB24 9ZR

YELCON LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Turnover	3	10,437,974	9,582,093
Cost of sales		(11,844,300)	(9,860,832)
Gross loss		(1,406,326)	(278,739)
Administrative expenses		(382,303)	(520,739)
Other operating income		383,177	388,071
Operating loss	4	(1,405,452)	(411,407)
Interest receivable and similar income	8	349	40,274
Interest payable and similar expenses	9	(188,145)	(271,748)
Amounts written off investments	10	(60,000)	106,628
Loss before taxation		(1,653,248)	(536,253)
Tax on loss	11	-	32,631
Loss for the financial year		(1,653,248)	(503,622)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

YELCON LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Loss for the year	(1,653,248)	(503,622)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(1,653,248)</u>	<u>(503,622)</u>

YELCON LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	12		54,928		90,775
Investment properties	13		90,000		150,000
Investments	14		3,359,510		3,359,510
			<u>3,504,438</u>		<u>3,600,285</u>
Current assets					
Stocks	16	4,029,674		11,335,852	
Debtors	17	5,173,045		3,966,657	
Cash at bank and in hand		455,752		442,216	
		<u>9,658,471</u>		<u>15,744,725</u>	
Creditors: amounts falling due within one year	18	<u>(7,337,869)</u>		<u>(9,483,961)</u>	
Net current assets			<u>2,320,602</u>		<u>6,260,764</u>
Total assets less current liabilities			<u>5,825,040</u>		<u>9,861,049</u>
Creditors: amounts falling due after more than one year	19		(500,000)		(2,842,814)
Provisions for liabilities					
Provisions	22	115,463		155,410	
		<u>(115,463)</u>		<u>(155,410)</u>	
Net assets			<u>5,209,577</u>		<u>6,862,825</u>
Capital and reserves					
Called up share capital	25		1,000		1,000
Profit and loss reserves			5,208,577		6,861,825
Total equity			<u>5,209,577</u>		<u>6,862,825</u>

The financial statements were approved by the board of directors and authorised for issue on 22 September 2022 and are signed on its behalf by:

Mr T J Padian
Director

Company Registration No. 00700033

YELCON LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2020	1,000	7,365,447	7,366,447
Year ended 31 December 2020:			
Loss and total comprehensive income for the year	-	(503,622)	(503,622)
Balance at 31 December 2020	1,000	6,861,825	6,862,825
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(1,653,248)	(1,653,248)
Balance at 31 December 2021	1,000	5,208,577	5,209,577

YELCON LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Yelcon Limited is a private company limited by shares incorporated in England and Wales. The registered office is 3 The Gateway North, Marsh Lane, LS9 8AX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Scotfield Group Limited. These consolidated financial statements are available from Companies House.

The company is a parent that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

YELCON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on the dispatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	33% pa reducing balance
Fixtures, fittings & equipment	33% pa reducing balance
Motor vehicles	25% pa reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

YELCON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

YELCON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

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

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

YELCON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

YELCON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation 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 amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

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

YELCON LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****2 Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Significant areas requiring the use of estimates relate to the valuation of stock, the determination of accruals and other liabilities and the disclosure of contingent liabilities, if any, at the balance sheet date.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Property development	10,437,974	9,582,093
	<u>10,437,974</u>	<u>9,582,093</u>
	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	10,437,974	9,582,093
	<u>10,437,974</u>	<u>9,582,093</u>
	2021	2020
	£	£
Other revenue		
Interest income	349	40,274
Grants received	25,302	114,334
	<u>25,651</u>	<u>154,608</u>

4 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging/(crediting):		
Government grants	(25,302)	(114,334)
Depreciation of owned tangible fixed assets	3,474	4,634
Depreciation of tangible fixed assets held under finance leases	15,559	25,625
Loss on disposal of tangible fixed assets	2,816	3,324
	<u>16,547</u>	<u>19,255</u>

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	14,000	13,390
	<u>14,000</u>	<u>13,390</u>

YELCON LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021****6 Employees**

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

	2021	2020
	Number	Number
Directors	4	3
Staff	16	14
	<hr/>	<hr/>
Total	20	17
	<hr/> <hr/>	<hr/> <hr/>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	27,872	197,960
Social security costs	-	16,501
Pension costs	14,000	12,312
	<hr/>	<hr/>
	41,872	226,773
	<hr/> <hr/>	<hr/> <hr/>

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	-	68,033
	<hr/> <hr/>	<hr/> <hr/>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	349	40,274
	<hr/> <hr/>	<hr/> <hr/>

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	184,977	266,770
Interest on finance leases and hire purchase contracts	3,168	4,978
	<hr/>	<hr/>
	188,145	271,748
	<hr/> <hr/>	<hr/> <hr/>

YELCON LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****10 Amounts written off investments**

	2021	2020
	£	£
Changes in the fair value of investment properties	(60,000)	106,628
	<u>(60,000)</u>	<u>106,628</u>

11 Taxation

	2021	2020
	£	£
Deferred tax		
Adjustment in respect of prior periods	-	(32,631)
	<u>-</u>	<u>(32,631)</u>

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Loss before taxation	(1,653,248)	(536,253)
	<u>(1,653,248)</u>	<u>(536,253)</u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(314,117)	(101,888)
Tax effect of expenses that are not deductible in determining taxable profit	11,400	433
Tax effect of income not taxable in determining taxable profit	-	(20,259)
Gains not taxable	(11,400)	-
Group relief	298,889	-
Permanent capital allowances in excess of depreciation	470	348
Deferred tax adjustments in respect of prior years	-	(32,631)
Deferred tax not recognised	14,758	121,366
	<u>14,758</u>	<u>121,366</u>
Taxation charge/(credit) for the year	-	(32,631)
	<u>-</u>	<u>(32,631)</u>

YELCON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Tangible fixed assets

	Plant and machinery	Fixtures, Motor vehicles fittings & equipment	Total
	£	£	£
Cost			
At 1 January 2021	51,252	23,037	156,169
Disposals	(15,998)	(23,037)	(34,707)
At 31 December 2021	<u>35,254</u>	<u>-</u>	<u>121,462</u>
Depreciation and impairment			
At 1 January 2021	37,944	22,759	78,980
Depreciation charged in the year	3,327	69	15,637
Eliminated in respect of disposals	(14,033)	(22,828)	(20,067)
At 31 December 2021	<u>27,238</u>	<u>-</u>	<u>74,550</u>
Carrying amount			
At 31 December 2021	<u>8,016</u>	<u>-</u>	<u>46,912</u>
At 31 December 2020	<u>13,308</u>	<u>278</u>	<u>77,189</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021	2020
	£	£
Motor vehicles	<u>46,675</u>	<u>76,878</u>

13 Investment property

	2021
	£
Fair value	
At 1 January 2021	150,000
Net gains or losses through fair value adjustments	(60,000)
At 31 December 2021	<u>90,000</u>

These investment properties are carried at the fair value determined annually by the directors, derived from the current market rents and investment property yields for comparable real estate.

14 Fixed asset investments

	Notes	2021	2020
		£	£
Investments in subsidiaries	15	<u>3,359,510</u>	<u>3,359,510</u>

YELCON LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021****15 Subsidiaries**

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Camstead Limited	England	Property development	Ordinary	100.00
The Mirador (Sheffield) Limited	England	Dormant	Ordinary	100.00

16 Stocks

	2021 £	2020 £
Work in progress	3,993,299	11,299,477
Finished goods and goods for resale	36,375	36,375
	<u>4,029,674</u>	<u>11,335,852</u>

17 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	-	136,812
Amounts owed by group undertakings	4,782,752	3,578,039
Other debtors	326,599	159,213
Prepayments and accrued income	61,183	90,082
	<u>5,170,534</u>	<u>3,964,146</u>
Deferred tax asset (note 23)	2,511	2,511
	<u>5,173,045</u>	<u>3,966,657</u>

YELCON LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****18 Creditors: amounts falling due within one year**

	Notes	2021 £	2020 £
Bank loans	20	3,494,511	6,578,867
Obligations under finance leases	21	10,821	34,928
Trade creditors		2,471,308	1,350,994
Amounts owed to group undertakings		735,906	735,906
Corporation tax		74	74
Other taxation and social security		44,342	41,010
Other creditors		536,427	528,342
Accruals and deferred income		44,480	213,840
		<u>7,337,869</u>	<u>9,483,961</u>

All bank loans are secured by first mortgages over various freehold properties and a fixed charge over book and other debts and a floating charge over all other assets.

Obligations under finances lease and hire purchase contracts are secured against the related assets.

19 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	20	500,000	2,821,587
Obligations under finance leases	21	-	21,227
		<u>500,000</u>	<u>2,842,814</u>

20 Loans and overdrafts

	2021 £	2020 £
Bank loans	<u>3,994,511</u>	<u>9,400,454</u>
Payable within one year	3,494,511	6,578,867
Payable after one year	<u>500,000</u>	<u>2,821,587</u>

The rate of interest on facility A loan is 2.75% over base rate and on facility B loan is 3.25% over base rate.

Bank loans are repaid as each property is sold.

The CBILS loan is repayable in quarterly instalments at 3.49% over base rate.

YELCON LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021**

21 Finance lease obligations	2021	2020
	£	£
Future minimum lease payments due under finance leases:		
Within one year	10,821	34,928
In two to five years	-	21,227
	<u>10,821</u>	<u>56,155</u>

22 Provisions for liabilities	2021	2020
	£	£
Maintenance provision	49,500	50,410
Site completion costs	65,963	105,000
	<u>115,463</u>	<u>155,410</u>

Movements on provisions:

	Maintenance provision	Site completion costs	Total
	£	£	£
At 1 January 2021 and 31 December 2021	<u>49,500</u>	<u>65,963</u>	<u>115,463</u>

The maintenance provision is for rectification work on property construction.

The costs to complete provision is for estimated costs to complete fully sold developments.

23 Deferred taxation

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

Balances:	Assets 2021	Assets 2020
	£	£
Accelerated capital allowances	(5,351)	(5,351)
Short term timing difference	7,862	7,862
	<u>2,511</u>	<u>2,511</u>

There were no deferred tax movements in the year.

YELCON LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****23 Deferred taxation (Continued)**

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

24 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	14,000	12,312
	<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

25 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

26 Financial commitments, guarantees and contingent liabilities

Yelcon Limited, Camstead Limited and Scotfield Group Limited have together provided a composite guarantee to its bankers in respect of bank borrowings with these group companies. At the end of the year the total bank borrowings of these group companies amounted to £14,090,064 (2020 - £18,198,480).

The bank holds a guarantee in favour of Huntingdon District Council for £6,500 (2020 - £6,500), Leeds City Council for £205,000 (2020 - £205,000), Yorkshire Water Services Limited for £38,100 (2020 - £38,100).

27 Related party transactions**Transactions with related parties**

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

YELCON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

27 Related party transactions

(Continued)

Transactions with group companies

The company has taken advantage of the exemption available in section 33 of FRS102 related party disclosure from the requirement to disclose transactions with wholly owned group companies.

Transactions with directors

Included within expenses are rental costs in respect of a show home owned by a director totalling £18,000 (2020 - £24,000).

Included within other creditors at the year end is a balance of £414,813 (2020 - £454,813) owed to a director. This loan is interest free and repayable on demand. The maximum overdrawn balance during the year was £nil (2020- £nil).

During the year no motor vehicles were sold to a director (2020 - two vehicles were sold for aggregate proceeds of £23,500)

Transactions with other related parties

Included within other operating income is a share of losses amounting to £nil (2020 - £2,128) made by Stirling Scotfield (Huddersfield) LLP, an LLP in which Yelcon Limited is a designated member. Included within creditors at the year end is a balance of £4,826 (2020 - £4,826) owed to Stirling Scotfield (Huddersfield) LLP.

28 Ultimate controlling party

The company's ultimate parent undertaking is Scotfield Group Limited, a company registered in England and Wales whose financial statements are the only consolidation in which the results of Yelcon Limited are consolidated. Copies of the accounts of Scotfield Group Limited can be obtained from Companies House.

The Company's ultimate controlling party is M Rapley by virtue of his majority shareholding in Scotfield Group Limited.

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