

Company Registration No. 12088975 (England and Wales)

**CORNOVII DEVELOPMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**  
**PAGES FOR FILING WITH REGISTRAR**

# CORNOVII DEVELOPMENTS LIMITED

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# CORNOVII DEVELOPMENTS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2021

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	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	4		21,147		-
Tangible assets	5		5,205		2,798
			<u>26,352</u>		<u>2,798</u>
<b>Current assets</b>					
Work in progress	6	1,214,967		155,449	
Debtors	7	44,762		5,109	
Cash at bank and in hand		2,910,840		993,060	
		<u>4,170,569</u>		<u>1,153,618</u>	
<b>Creditors: amounts falling due within one year</b>	8	(1,629,632)		(413,697)	
<b>Net current assets</b>			<u>2,540,937</u>		<u>739,921</u>
<b>Total assets less current liabilities</b>			<u>2,567,289</u>		<u>742,719</u>
<b>Creditors: amounts falling due after more than one year</b>	9		(3,132,515)		(960,772)
<b>Net liabilities</b>			<u>(565,226)</u>		<u>(218,053)</u>
<b>Capital and reserves</b>					
Called up share capital			1		1
Profit and loss reserves			(565,227)		(218,054)
<b>Total equity</b>			<u>(565,226)</u>		<u>(218,053)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 19 November 2021 and are signed on its behalf by:

Harpreet Rayet  
Director

Company Registration No. 12088975

# CORNOVII DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2021**

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### 1 Accounting policies

#### Company information

Cornovii Developments Limited is a private company limited by shares incorporated in England and Wales. The registered office is Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

#### 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.

More recently the emergence of Covid-19 is a new risk that presents concern for the company and the economy as a whole. Despite the challenges that Covid-19 presents the company remains confident in its ability to deliver on the aims contained within the business plan and to achieve its targets and for the company to continue as a going concern.

#### 1.3 Income and expenditure

Operational income is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Interest income is recognised in the profit and loss account on a cash basis when received.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Computer software	10% straight line
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#### 1.5 Tangible fixed assets

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

# CORNOVII DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

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#### 1 Accounting policies

(Continued)

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

IT Equipment 10% and 33% straight line

No depreciation is charged in the year of acquisition.

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.

#### 1.6 Borrowing costs related to work in progress

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 Work in progress

Work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost Include all costs pf purchase, costs of conversions and other costs incurred in bringing the work in progress to its present location and condition.

# CORNOVII DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 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 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.

#### 1.11 Taxation

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

##### **Current tax**

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet 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.

#### 1.12 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.

### 2 Employees

Wages and PAYE system is operated by the parent company, which employs the Director and four members of staff (FTE of four, on average, including the director). Agency costs are also included in the recharges from the parent.

# CORNOVII DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 3 Director's remuneration

	Year ended 31 March 2021 £	9 Months Ended 31 March 2020 £
Remuneration paid to director	110,586	18,560

Director's remuneration is recharged from the parent company, see Note 2 above.

### 4 Intangible fixed assets

	Computer software £
<b>Cost</b>	
At 1 April 2020	-
Additions	21,147
At 31 March 2021	21,147
<b>Amortisation</b>	
At 1 April 2020 and 31 March 2021	-
<b>Carrying amount</b>	
At 31 March 2021	21,147
At 31 March 2020	-

### 5 Tangible fixed assets

	IT Equipment £
<b>Cost</b>	
At 1 April 2020	2,798
Additions	2,687
At 31 March 2021	5,485
<b>Depreciation</b>	
At 1 April 2020	-
Depreciation charged in the year	280
At 31 March 2021	280
<b>Carrying amount</b>	
At 31 March 2021	5,205
At 31 March 2020	2,798

# CORNOVII DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 6 Work in progress

	2021 £	2020 £
Work in progress	1,214,967	155,449

### 7 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	1,230	-
Other debtors	43,532	5,109
	<u>44,762</u>	<u>5,109</u>

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

	2021 £	2020 £
Loan (secured - see note 10)	1,016,989	39,228
Trade creditors	236,529	363,337
Amounts owed to group undertakings	370,614	-
Other creditors	5,500	11,132
	<u>1,629,632</u>	<u>413,697</u>

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

	2021 £	2020 £
Loan (secured - see note 10)	3,132,515	960,772

### 10 Debentures

Debentures dated 25 February 2020 and 4 August 2020 were agreed between Cornovii Developments Limited and Shropshire Council, a registration of charge for each debenture has been registered at Companies House. The debentures relates to loan facilities. At 31 March 2021 the committed borrowing facility was £49,000,000 (2020: £14,000,000) of which £44,750,000 (2020:£13,250,000) was undrawn.

### 11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.



# CORNOVII DEVELOPMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2021**

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### **11 Audit report information**

**(Continued)**

The senior statutory auditor was John Hegney FCCA and the auditor was Azets Audit Services.

### **12 Events after the reporting period**

On 9 April 2021 250,000 Ordinary shares were issued and fully paid for non-cash consideration. The non-cash consideration comprised of the transfer of the title to freehold land owned by the holder of the shares which was valued at £250,000.

### **13 Financial commitments, guarantees and contingent liabilities**

At 31 March 2021 the company had identified the following contingent liabilities:

During the course of 2020/21 it was identified that the company is obliged to register as a Mainstream Contractor under the Construction Industry Scheme (CIS) prior to making any payments to sub-contractors. Retrospective registration is underway which will result in the submission of retrospective CIS returns covering the period February 2021 to the point of registration. All of the company's sub contractors currently have gross payment status for CIS so no deductions have been missed meaning all returns to date will be zero in value. The company may be charged a late filing fee for submitting the retrospective returns. The company has been advised that this is likely to be under £1,000 in total and will appeal any penalty.

### **14 Related party transactions**

The company has taken advantage of the exemption available under FRS 102 section 33.1A from disclosing transactions with other wholly owned subsidiaries of Shropshire Council.

### **15 Parent company**

The ultimate controlling party and parent is Shropshire Council, by virtue of its 100% shareholding. Consolidated group accounts can be obtained from Shropshire Council, The Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND.

# CORNOVII DEVELOPMENTS LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

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	Year ended 31 March 2021	9 Months ended 31 March 2020
	£	£
Opening work in progress - long term	148,799	-
	<hr/>	<hr/>
<i>Purchases and other direct costs</i>		
Raw materials purchases	975,337	148,799
Borrowing costs included in construction contract costs	90,830	-
	<hr/>	<hr/>
Total purchases and other direct costs	1,066,167	148,799
	<hr/>	<hr/>
Closing work in progress - long term	1,214,966	148,799
	<hr/>	<hr/>
<b>Other operating income</b>		
Other operating income	1,025	-
<b>Administrative expenses</b>		
Wages and salaries recharged	7,558	135,729
Staff costs	8	1,475
Directors' remuneration recharged	110,586	18,560
Software costs	9,432	-
Professional subscriptions	159	-
Legal and professional fees	103,428	3,640
Audit fees	5,750	3,625
Bank charges	200	-
Insurances	6,919	4,442
Stationery	41	(2,583)
Advertising	29,105	-
Telephone	824	46
Start up costs	-	20,582
Support costs	67,017	25,031
Depreciation	280	-
	<hr/>	<hr/>
	(341,307)	(210,547)
	<hr/>	<hr/>
<b>Operating loss</b>	(340,282)	(210,547)
<b>Interest payable and similar expenses</b>		
Non bank interest on loans	(6,891)	(7,507)
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<b>Loss before taxation</b>	(347,173)	(218,054)
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