

GREGORY PROPERTY GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The directors present their strategic report and Financial Statements for the year ended 30 June 2019.

Fair review of the business

I am reporting almost nine months after the Year End which enables me to be very up-to-date.

For the year to 30 June 2019 we incurred a further loss, before tax, of £294,629 with Shareholders Funds falling to £1,578,905. Profitability returned during the second half of 2019.

With the General Election held and Brexit passed at the end of January the property marketplace was anticipating stability and activity only to be confounded by the arrival of the Coronavirus which presages renewed uncertainty of a different kind.

Park 32, Pontefract industrial development reached Practical Completion a little ahead of forecast in May 2019. One of the four units has been sold freehold and on another an Agreement for Lease is in place; in both cases on predicted terms. As for the Link 45, Leeds site a change of plan on our Joint Venture partner's count resulted in the land being sold to its neighbour. The vendor Pension Fund has paid a Termination Fee by way of compensation. Our agreement to purchase a distribution site near Barnsley is still in place but we have been delayed by the local authority having to negotiate out certain difficulties with Homes England. We expect matters to move forward shortly including the submission of a full planning application.

As for traditional housing developments eight of the nine houses at Monk Fryston have been sold and the loan from Assetz repaid. At Eccleshill, Bradford the first two phases have been legally completed and negotiations are in hand to secure finance for phase three. At Dacre Banks, Harrogate phase one has been physically and legally completed and finance has been secured for commencement on phase two comprising eleven houses five of which have been pre-sold to Home Group.

We have a continuing reluctance to commence any further traditional housing sites. Instead, we shall concentrate on completing Hutton Hall, Eccleshill and Church View, Dacre Banks hopefully a year hence. At that stage equity in the two schemes can be recovered along with smaller than anticipated profits.

The major Leeds project known as The Refinery reported upon last time is well on its way to completion in August. It is a profitable venture which should improve the current year's Balance Sheet at 30 June 2020.

We continue to look out for other opportunities and shall endeavour to produce our current year's accounts more promptly than on this occasion.

By order of the board

G Barry Gregory
Chairman
12 March 2020