

Company Registration No. 06684862 (England and Wales)

PENDLE ENTERPRISE & REGENERATION (2) LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

PAGES FOR FILING WITH REGISTRAR

PENDLE ENTERPRISE & REGENERATION (2) LIMITED

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PENDLE ENTERPRISE & REGENERATION (2) LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	3		20,188		24,514
Investments	4		1		1
			<u>20,189</u>		<u>24,515</u>
Current assets					
Stocks		7,184,236		5,971,891	
Debtors	5	974,755		664,300	
Cash at bank and in hand		52,362		980,350	
		<u>8,211,353</u>		<u>7,616,541</u>	
Creditors: amounts falling due within one year	6	(3,688,608)		(3,302,581)	
Net current assets			<u>4,522,745</u>		<u>4,313,960</u>
Total assets less current liabilities			<u>4,542,934</u>		<u>4,338,475</u>
Creditors: amounts falling due after more than one year	7		(4,637,484)		(4,514,456)
Net liabilities			<u>(94,550)</u>		<u>(175,981)</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			(94,650)		(176,081)
Total equity			<u>(94,550)</u>		<u>(175,981)</u>

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

For the financial year ended 31 March 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

PENDLE ENTERPRISE & REGENERATION (2) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2020

The financial statements were approved by the board of directors and authorised for issue on 8 October 2020 and are signed on its behalf by:

Ms J H Whittaker

Director

Company Registration No. 06684862

PENDLE ENTERPRISE & REGENERATION (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

Pendle Enterprise & Regeneration (2) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Nelson Town Hall, Market Street, Nelson, Lancashire, BB9 7LG.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The company is reliant upon the financial support of its shareholders in order to meet its liabilities as they fall due. The shareholders have indicated that this support will continue for the foreseeable future and, as a result, the directors have continued to adopt the going concern basis in preparing the financial statements.

Whilst the directors have adopted the going concern basis set out above, the impact of the worldwide Coronavirus pandemic, Covid-19, on all businesses represents an uncertainty and the true impact will only become apparent over time.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for development work done, and rent and other fees receivable, 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.

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 dispatch of the 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.

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 equipment	15% reducing balance
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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.

PENDLE ENTERPRISE & REGENERATION (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.5 Borrowing costs related to fixed assets

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 their intended use or sale.

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

1.6 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.

1.7 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

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.

PENDLE ENTERPRISE & REGENERATION (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.9 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.

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.

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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

2 Employees

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

	2020 Number	2019 Number
Total	11	11

PENDLE ENTERPRISE & REGENERATION (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2019 and 31 March 2020	28,840
Depreciation and impairment	
At 1 April 2019	4,326
Depreciation charged in the year	4,326
At 31 March 2020	8,652
Carrying amount	
At 31 March 2020	20,188
At 31 March 2019	24,514

4 Fixed asset investments

	2020 £	2019 £
Other investments other than loans	1	1

Fixed asset investments not carried at market value

Investments are held at cost.

The unlisted investment represents a £1 share held in Pendle Enterprise and Regeneration (Brierfield Mill) Limited.

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 April 2019 & 31 March 2020	1
Carrying amount	
At 31 March 2020	1
At 31 March 2019	1

PENDLE ENTERPRISE & REGENERATION (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Debtors	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	51,673	36,231
Amounts owed by group undertakings	919,511	623,294
Other debtors	3,571	4,775
	<u>974,755</u>	<u>664,300</u>

The company is owed £919,511 (2019 - £623,294) by Pendle Enterprise and Regeneration Limited.

6 Creditors: amounts falling due within one year	2020	2019
	£	£
Trade creditors	667,475	1,499,590
Other creditors	3,021,133	1,802,991
	<u>3,688,608</u>	<u>3,302,581</u>

Other creditors includes £3,013,572 (2019 - £nil) due to Lancashire County Council (on behalf of the Lancashire Enterprise Partnership) which is secured upon the land owned by the company at Carry Lane, Colne and at Skipton Road, Colne.

Other creditors includes £nil (2019 - £1,533,966) due to Homes England which is secured upon the land owned by the company at Clitheroe Road, Brierfield.

It also includes £nil (2019 - £240,000) due to a connected company, Barnfield Construction Limited.

7 Creditors: amounts falling due after more than one year	2020	2019
	£	£
Other creditors	<u>4,637,484</u>	<u>4,514,456</u>

Other creditors represent loan notes issued by the company to Barnfield Investment Properties Limited and Pendle Borough Council. The amounts due are £3,244,710 (2019 - £3,158,631) and £1,392,774 (2019 - £1,355,799) respectively.

The loan notes are unsecured and bear interest at the rate of 2% over the Barclays Bank plc base rate, they are repayable at the discretion of the company and the directors have resolved that they do not intend to repay these loans within 12 months of the date of approval of the financial statements.

PENDLE ENTERPRISE & REGENERATION (2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8	Called up share capital	2020	2019
		£	£
	Ordinary share capital		
	Issued and fully paid		
	70 A Ordinary shares of £1 each	70	70
	30 B Ordinary shares of £1 each	30	30
		<hr/>	<hr/>
		100	100
		<hr/>	<hr/>

9 **Contingent liability**

The company is party to an unlimited composite guarantee between the company and Pendle Enterprise and Regeneration Limited, a fellow subsidiary company. At the year end date the amount outstanding was £807,016 (2019 - £877,192).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.