

PERMITTED DEVELOPMENTS INVESTMENTS NO 13 LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

PERMITTED DEVELOPMENTS INVESTMENTS NO 13 LIMITED

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PERMITTED DEVELOPMENTS INVESTMENTS NO 13 LIMITED

COMPANY INFORMATION

Directors	M R Shooter J M Weinzwieg
Registered number	11937440
Registered office	S223 - S224 Churchill House 120 Bunns Lane London England NW7 2AS
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

PERMITTED DEVELOPMENTS INVESTMENTS NO 13 LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £	As restated 2020 £
Current assets			
Stocks	4	27,948,287	19,232,603
Debtors: amounts falling due within one year	5	450,141	302,501
Cash at bank and in hand		12,656	4,715
		<u>28,411,084</u>	<u>19,539,819</u>
Creditors: amounts falling due within one year	6	(14,360,672)	(21,091,351)
Net current assets/(liabilities)		14,050,412	(1,551,532)
Total assets less current liabilities		14,050,412	(1,551,532)
Creditors: amounts falling due after more than one year	7	(17,656,528)	(46,667)
Net liabilities		(3,606,116)	(1,598,199)
Capital and reserves			
Called up share capital	9	120	120
Profit and loss account		(3,606,236)	(1,598,319)
Total deficit		(3,606,116)	(1,598,199)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M R Shooter

Director

Date: 7 August 2023

The notes on pages 3 to 10 form part of these financial statements.

PERMITTED DEVELOPMENTS INVESTMENTS NO 13 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Permitted Developments Investments No 13 Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office is S223 - S224 Churchill House, 120 Bunns Lane, London, England, NW7 2AS.

The prior period ran from 1 March 2020 to 31 December 2020, a period of 10 months. Therefore the prior period results presented in these financial statements are not entirely comparable.

The financial statements are presented in Sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis notwithstanding the fact that the company has a deficiency on total equity at the end of the year. The external finance facility held by the company is due for repayment in October 2023 and the company is reliant on either the sale of the property to make the repayment or the company's ability to refinance the loan. There is no guarantee that either the property will be sold before this date to fund the repayment or the loan can be extended. The company is reliant on its shareholders for day-to-day working capital support. These factors represent a material uncertainty casting significant doubt over the company's ability to continue as a going concern. The financial statements do not include any adjustment that might be required if the company were not to be a going concern.

The directors consider the going concern basis to be appropriate as the company is confident in its ability to sell the property or refinance the debt before the repayment date and has sufficient support available from its shareholders to fund its working capital requirements for a period of at least twelve months from the date these financial statements were approved, and has received a letter of financial support from its parent company in the event that the loan expires.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rental income

Other operating income includes rental income, insurance recharge and other recoveries from tenants of the company's property held in stock, net of value added tax. Rental income is recognised on an accruals basis in the period in which it is earned, in accordance with the terms of the lease.

PERMITTED DEVELOPMENTS INVESTMENTS NO 13 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost includes all statutory and professional fees relating to the acquisition of a property, obtaining planning consents, legal fees and the costs of construction and development/redevelopment. Loan finance costs are not capitalised within the stock balance.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

PERMITTED DEVELOPMENTS INVESTMENTS NO 13 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.8 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

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.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances and intercompany working capital balances, are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

PERMITTED DEVELOPMENTS INVESTMENTS NO 13 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

Financial instruments (continued)

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 and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

2.9 Share capital

Ordinary shares are classified as equity.

3. Employees

The average monthly number of employees, including directors, during the year was 2 (2020 - 2).

4. Stocks

	2021	As restated 2020
	£	£
Development property	<u>27,948,287</u>	<u>19,232,603</u>

5. Debtors

	2021	2020
	£	£
Trade debtors	57,837	(388)
Other debtors	385,068	132,721
Prepayments and accrued income	7,236	170,168
	<u>450,141</u>	<u>302,501</u>

PERMITTED DEVELOPMENTS INVESTMENTS NO 13 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. Creditors: Amounts falling due within one year

	2021	As restated 2020
	£	£
Bank loans	13,333	9,232,837
Trade creditors	345,855	1,133,797
Amounts owed to group undertakings	11,365,366	9,163,900
Corporation tax	281	281
Other creditors	168,956	86,781
Accruals and deferred income	2,466,881	1,473,755
	<u>14,360,672</u>	<u>21,091,351</u>

7. Creditors: Amounts falling due after more than one year

	2021	As restated 2020
	£	£
Bank loans	<u>17,656,528</u>	<u>46,667</u>

Bank loans are secured by way of fixed and floating charges over the property held within stock.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

8. Loans

Analysis of the maturity of loans is given below:

	2021 £	As restated 2020 £
Bank loans falling due within one year	13,333	9,232,837
Bank loans falling due 1-2 years	17,629,861	10,000
Bank loans falling due 2-5 years	26,667	30,000
Bank loans falling due after more than 5 years	-	6,667
	<u>17,669,861</u>	<u>9,279,504</u>

Bank loans of £17,629,861 (2020: £Nil) are subject to interest charges of 5.25% per annum, are repayable in April 2023 and are secured by way of fixed and floating charges over the property held within stock. Subsequent to the year end, the prepayment date was extended to October 2023.

Bank loans of £50,000 (2020: £50,000) are subject to interest charges of 2.5% per annum, are repayable between 2022 and 2026 and are unsecured.

Bank loans of £Nil (2020: £9,232,837) were subject to interest charges of 8.4% per annum, were repaid in 2021 and were secured by way of fixed and floating charges over the property held within stock.

9. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
40 (2020 - 40) Ordinary A shares of £1.00 each	40	40
40 (2020 - 40) Ordinary B shares of £1.00 each	40	40
40 (2020 - 40) Ordinary C shares of £1.00 each	40	40
	<u>120</u>	<u>120</u>

PERMITTED DEVELOPMENTS INVESTMENTS NO 13 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. Prior year adjustment

A prior period adjustment has been made to recognise an additional interest expense in the period ended 31 December 2020 of £695,118. Of this amount, £225,708 relates to additional interest due on a commercial loan where finance costs were incorrectly included within the stock figure in previous years due to a clerical error. The remaining amount of £469,410 relates to interest payable on an intercompany loan which was treated as interest free in 2020 due to a clerical error.

The comparative period effect of the adjustments is to increase interest payable by £695,118, decrease stock by £858,704, increase creditors by £604,318 and decrease retained earnings brought forward by £767,904. The impact on net assets as at 31 December 2020 is a decrease of £1,463,022.

The comparative other debtors and amounts owed to group undertakings have both been reduced by £351,000, representing a reclassification adjustment. There is no impact on net assets or profit in the prior year or brought forward net assets.

11. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

During the year, the company received £2,002,388 (2020: £869,851) from, and made payment of £384,325 (2020: £895,500) to, entities with common ownership as the company. At the balance sheet date, the company owed £1,592,414 to entities with common ownership as the company (2020: was owed £25,469). These amounts are unsecured, interest free and repayable on demand.

During the year, the company received £522,045 (2020: £221,500) from, and made payment of £878,440 (2020: £221,500) to, other related parties. Amounts of £52,178 (2020: £Nil) were written off as not recoverable. At the balance sheet date, the company was owed £304,217 (2020: £Nil) by other related parties. These amounts are unsecured, interest free and repayable on demand.

12. Controlling party

The immediate parent undertaking of the company is Gold Wynn UK Holdings Limited, whose registered office is at 16 Great Queen Street, London, United Kingdom, WC2B 5DG.

The ultimate controlling party is Jeffrey Weinzwieg.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2021 was unqualified.

In their report, the auditor emphasised the following matter without qualifying their report:

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the external loan funding provided to the company is due for repayment in October 2023 with no guarantee that either the property will be sold ahead of this date or that the loan can be refinanced. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 11 August 2023 by Jacqueline Oakes (Senior statutory auditor) on behalf of Blick Rothenberg Audit LLP.

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.