

Penlaw Northwest Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 October 2017

Penlaw Northwest Limited

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Penlaw Northwest Limited

Company Information

Directors	R J Gray M Ahmed P Glackin
Registered office	5 Prospect Place Millennium Way Pride Park Derby DE24 8HG
Bankers	HSBC Plc 91 High Street Brentwood Essex CM14 4RU
Accountants	Ashgates Corporate Services Limited 5 Prospect Place Millennium Way Pride Park Derby DE24 8HG

**Chartered Certified Accountants' Report to the Board of Directors on the Preparation of
the Unaudited Statutory Accounts of
Penlaw Northwest Limited
for the Year Ended 31 October 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Penlaw Northwest Limited for the year ended 31 October 2017 as set out on pages 3 to 12 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.accaglobal.com/en/member/professional-standards/rules-standards/acca-rulebook.html>.

This report is made solely to the Board of Directors of Penlaw Northwest Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Penlaw Northwest Limited and state those matters that we have agreed to state to the Board of Directors of Penlaw Northwest Limited, as a body, in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at http://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Penlaw Northwest Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Penlaw Northwest Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Penlaw Northwest Limited. You consider that Penlaw Northwest Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Penlaw Northwest Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

.....
Ashgates Corporate Services Limited
5 Prospect Place
Millennium Way
Pride Park
Derby
DE24 8HG

23 July 2018

Penlaw Northwest Limited

(Registration number: 05154708)
Balance Sheet as at 31 October 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	<u>4</u>	1,407,639	1,339,172
Investments	<u>5</u>	1,200	1,200
		<u>1,408,839</u>	<u>1,340,372</u>
Current assets			
Stocks	<u>6</u>	247,598	233,320
Debtors	<u>7</u>	1,694,450	1,407,278
Cash at bank and in hand		<u>381,571</u>	<u>360,561</u>
		2,323,619	2,001,159
Creditors: Amounts falling due within one year	<u>8</u>	<u>(2,319,379)</u>	<u>(2,052,771)</u>
Net current assets/(liabilities)		<u>4,240</u>	<u>(51,612)</u>
Total assets less current liabilities		1,413,079	1,288,760
Creditors: Amounts falling due after more than one year	<u>8</u>	(52,146)	(56,823)
Provisions for liabilities		<u>(22,810)</u>	<u>(8,307)</u>
Net assets		<u>1,338,123</u>	<u>1,223,630</u>
Capital and reserves			
Called up share capital		1,000	1,000
Share premium reserve		449,340	449,340
Revaluation reserve		244,489	244,887
Profit and loss account		<u>643,294</u>	<u>528,403</u>
Total equity		<u>1,338,123</u>	<u>1,223,630</u>

The notes on pages 5 to 12 form an integral part of these financial statements.

Penlaw Northwest Limited
(Registration number: 05154708)
Balance Sheet as at 31 October 2017

For the financial year ending 31 October 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 23 July 2018 and signed on its behalf by:

.....

R J Gray

Director

The notes on pages 5 to 12 form an integral part of these financial statements.

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of the registered office is given in the company information on page 1 of the financial statements.

The principal place of business is:

Penlaw House
Unit 2 Eagle Park Drive
Hawley's Lane
Warrington
WA2 8JA

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling (£) and rounded to the nearest £1.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

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

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

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2017

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

On transition to FRS 102 Section 1A, the company has taken the option to value the land and buildings at deemed cost.

Depreciation

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% reducing balance
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance
Office equipment	25% reducing balance
Land and buildings	2% straight line (no depreciation is charged on land)

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

At each reporting date, stocks are assessed for impairment. If stocks are 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.

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2017

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 12 (2016 - 10).

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2017

4 Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Plant and machinery £	T
Cost or valuation						
At 1 November 2016	1,225,000	41,716	390,922	16,513	24,165	1
Additions	-	3,515	108,000	521	-	
At 31 October 2017	1,225,000	45,231	498,922	17,034	24,165	1
Depreciation						
At 1 November 2016	1,317	34,575	289,974	13,318	19,960	
Charge for the year	1,715	1,266	38,735	802	1,051	
At 31 October 2017	3,032	35,841	328,709	14,120	21,011	
Carrying amount						
At 31 October 2017	1,221,968	9,390	170,213	2,914	3,154	1
At 31 October 2016	1,223,683	7,141	100,948	3,195	4,205	1

Included within the net book value of land and buildings above is £1,221,968 (2016 - £1,223,683) in respect of freehold land and buildings.

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2017

5 Investments held as fixed assets

	Investments £	Total £
Investments		
Cost or valuation		
At 1 November 2016	1,200	1,200
At 31 October 2017	1,200	1,200
Carrying amount		
At 31 October 2017	1,200	1,200
At 31 October 2016	1,200	1,200

6 Stocks

	2017 £	2016 £
Raw materials	247,598	233,320

7 Debtors

	2017 £	2016 £
Trade debtors	1,084,692	950,781
Other debtors	609,758	456,497
	1,694,450	1,407,278

8 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	9	835,149	783,916
Trade creditors		1,312,337	1,137,480
Taxation and social security		11,527	9,914
Corporation tax		19,273	10,281
Other creditors		141,093	111,180
		2,319,379	2,052,771
Due after one year			
Loans and borrowings	9	52,146	56,823

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2017

9 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	-	47,503
Finance lease liabilities	52,146	9,320
	<u>52,146</u>	<u>56,823</u>

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	47,062	92,747
Finance lease liabilities	41,853	31,560
Other borrowings	746,234	659,609
	<u>835,149</u>	<u>783,916</u>

Secured creditors

The bank borrowings of £47,062 (2016 - £140,250) are secured by virtue of a fixed and floating charge over all of the company's assets and undertakings.

Obligations under hire purchase contracts of £93,999 (2016 - £40,880) are secured against the assets to which the contracts relate.

Liabilities in respect of invoice discounting of £746,234 (2016 - £659,609) are secured on the book debts of the company and by virtue of a fixed and floating charge over all of the company's assets and undertakings.

10 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2017

11 Financial commitments, guarantees and contingencies

The total amount of contingencies not included in the balance sheet is £2,719,623 (2016 - £2,998,848). The company has entered into a cross guarantee arrangement with its bankers to secure the liabilities of related companies. The future outcome is dependent on the performance of the individual companies concerned. However the directors do not expect any liabilities to crystallise.

12 Non adjusting events after the financial period

Since the balance sheet date, the company has repurchased 490 ordinary shares of the issued share capital for consideration of £300,000. This transaction has been funded by borrowings from the company's bankers.

13 Transition to FRS 102

The financial statements are the company's first financial statements that comply with FRS 102. The date of transition to FRS 102 Section 1A was 1 November 2015.

Changes in accounting policies

Land and Buildings:

Under previous GAAP, the company held land and buildings at original cost less depreciation thereon. On transition to FRS 102 Section 1A the company has taken advantage of the exemption to treat the revaluations of land and buildings as deemed cost. This has resulted in an increase in the opening revaluation reserve and freehold property carrying value of £244,887.

Deferred tax:

Under previous GAAP, the company was not required to make adjustments for deferred tax on revalued non-current assets. Under FRS 102 Section 1A and following the decision to treat revaluations of land and buildings as deemed cost as noted above, the company is required to recognise the deferred tax. However, this has not resulted in any change to the financial statements.

Balance Sheet at 1 November 2015

	As originally reported £	Reclassification £	Remeasurement £	As restated £
Capital and reserves				
Called up share capital	1,000	-	-	1,000
Share premium reserve	449,340	-	-	449,340
Revaluation reserve	-	-	244,887	244,887
Profit and loss account	493,539	-	-	493,539
Total equity	943,879	-	244,887	1,188,766

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2017

Balance Sheet at 31 October 2016

	As originally reported £	Reclassification £	Remeasurement £	As restated £
Capital and reserves				
Called up share capital	1,000	-	-	1,000
Share premium reserve	449,340	-	-	449,340
Revaluation reserve	-	-	244,887	244,887
Profit and loss account	528,403	-	-	528,403
Total equity	978,743	-	244,887	1,223,630

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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.