

Penlaw Northwest Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 October 2018

Penlaw Northwest Limited

Contents

Company Information	<u>1</u>
Accountants' Report	<u>2</u>
Balance Sheet	<u>3 to 4</u>
Notes to the Financial Statements	<u>5 to 11</u>

Penlaw Northwest Limited

Company Information

Directors	R J Gray P Glackin M Ahmed M Marr
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 2018**

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 2018 as set out on pages 3 to 11 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

30 July 2019

Penlaw Northwest Limited
(Registration number: 05154708)
Balance Sheet as at 31 October 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	<u>4</u>	1,515,628	1,407,639
Investments	<u>5</u>	1,200	1,200
		<u>1,516,828</u>	<u>1,408,839</u>
Current assets			
Stocks	<u>6</u>	367,057	247,598
Debtors	<u>7</u>	3,926,322	1,694,450
Cash at bank and in hand		513,604	381,571
		4,806,983	2,323,619
Creditors: Amounts falling due within one year	<u>8</u>	(5,139,977)	(2,319,379)
Net current (liabilities)/assets		(332,994)	4,240
Total assets less current liabilities		1,183,834	1,413,079
Creditors: Amounts falling due after more than one year	<u>8</u>	(287,638)	(52,146)
Provisions for liabilities		(18,287)	(22,810)
Net assets		<u>877,909</u>	<u>1,338,123</u>
Capital and reserves			
Called up share capital	<u>10</u>	510	1,000
Share premium reserve		449,340	449,340
Capital redemption reserve		490	-
Revaluation reserve		244,111	244,489
Profit and loss account		183,458	643,294
Total equity		<u>877,909</u>	<u>1,338,123</u>

The notes on pages 5 to 11 form an integral part of these financial statements.

Penlaw Northwest Limited
(Registration number: 05154708)
Balance Sheet as at 31 October 2018

For the financial year ending 31 October 2018 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 30 July 2019 and signed on its behalf by:

.....

R J Gray
Director

The notes on pages 5 to 11 form an integral part of these financial statements.

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2018

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 2018

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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)
Leasehold property costs	Straight line over life of lease

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.

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.

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2018

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 13 (2017 - 12).

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2018

4 Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Plant and machinery £	T
Cost or valuation						
At 1 November 2017	1,225,000	45,231	498,922	17,034	24,165	1
Additions	7,414	1,265	138,000	2,090	21,220	
At 31 October 2018	1,232,414	46,496	636,922	19,124	45,385	1
Depreciation						
At 1 November 2017	3,032	35,841	328,709	14,120	21,011	
Charge for the year	1,695	1,472	56,678	924	1,231	
At 31 October 2018	4,727	37,313	385,387	15,044	22,242	
Carrying amount						
At 31 October 2018	1,227,687	9,183	251,535	4,080	23,143	1
At 31 October 2017	1,221,968	9,390	170,213	2,914	3,154	1

Included within the net book value of land and buildings above is £1,227,687 (2017 - £1,221,968) in respect of freehold land and buildings.

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2018

5 Investments held as fixed assets

	Investments £	Total £
Investments		
Cost or valuation		
At 1 November 2017	1,200	1,200
At 31 October 2018	1,200	1,200
Carrying amount		
At 31 October 2018	1,200	1,200
At 31 October 2017	1,200	1,200

6 Stocks

	2018 £	2017 £
Raw materials	367,057	247,598

7 Debtors

	2018 £	2017 £
Trade debtors	2,890,866	1,084,692
Other debtors	1,035,456	609,758
	3,926,322	1,694,450

8 Creditors

	Note	2018 £	2017 £
Due within one year			
Loans and borrowings	9	2,171,305	835,149
Trade creditors		2,759,141	1,312,337
Taxation and social security		67,720	30,800
Other creditors		141,811	141,093
		5,139,977	2,319,379
Due after one year			
Loans and borrowings	9	287,638	52,146

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2018

9 Loans and borrowings

	2018 £	2017 £
Non-current loans and borrowings		
Bank borrowings	218,198	-
Finance lease liabilities	69,440	52,146
	<u>287,638</u>	<u>52,146</u>

	2018 £	2017 £
Current loans and borrowings		
Bank borrowings	30,785	47,062
Finance lease liabilities	64,675	41,853
Other borrowings	2,075,845	746,234
	<u>2,171,305</u>	<u>835,149</u>

Secured creditors

The bank borrowings of £248,983 (2017 - £47,062) 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 £134,115 (2017 - £93,999) are secured against the assets to which the contracts relate.

Liabilities in respect of invoice discounting of £2,075,845 (2017 - £746,234) 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

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	510	510	1,000	1,000

Penlaw Northwest Limited

Notes to the Financial Statements for the Year Ended 31 October 2018

11 Financial commitments, guarantees and contingencies

The total amount of financial commitments not included in the balance sheet in respect of operating leases is £422,784 (2017 - £Nil). Of this, the total amount of commitments due within one year is £51,366 and amounts due over one year is £371,418.

The total amount of contingencies not included in the balance sheet is £6,147,594 (2017 - £2,719,623). 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 Related party transactions

Summary of transactions with other related parties

At the balance sheet date the amount owed to a company with a participating interest was £123,834

Page 11

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