

Colne Bridge Investments Limited

Unaudited Financial Statements

Year Ended

30 November 2022

Company Number 01138744

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COMPANIES HOUSE

Colne Bridge Investments Limited

Registered number:01138744

Balance Sheet As at 30 November 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Investment property		10,850,000	10,665,670
Current assets			
Debtors: amounts falling due after more than one year	6	365,390	383,360
Debtors: amounts falling due within one year	6	136,883	23,315
Cash at bank and in hand		339	892
		<u>502,612</u>	<u>407,567</u>
Creditors: amounts falling due within one year	7	(173,901)	(282,386)
Net current assets		<u>328,711</u>	<u>125,181</u>
Total assets less current liabilities		<u>11,178,711</u>	<u>10,790,851</u>
Creditors: amounts falling due after more than one year	8	(5,547,740)	(5,523,692)
Provisions for liabilities			
Deferred tax		(1,430,138)	(1,371,658)
Net assets		<u><u>4,200,833</u></u>	<u><u>3,895,501</u></u>
Capital and reserves			
Called up share capital		100,000	100,000
Profit and loss account		4,100,833	3,795,501
		<u><u>4,200,833</u></u>	<u><u>3,895,501</u></u>

Colne Bridge Investments Limited
Registered number:01138744

Balance Sheet (continued)
As at 30 November 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

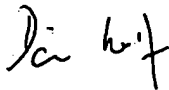
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 statement of comprehensive income 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 on 29/11/23



David Woolf
Director

The notes on pages 3 to 9 form part of these financial statements.

Colne Bridge Investments Limited

Notes to the Financial Statements For the Year Ended 30 November 2022

1. General information

Colne Bridge Investments Limited is a private company limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are that of property investment within the United Kingdom.

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 preparation of financial statements in compliance with FRS 102 section 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have performed an assessment of the company's ability to continue as a going concern for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements.

Although the company generates positive cash flows from its rental activities, as at 30 November 2022, its balance sheet showed net current assets of £328,771 (2021: £125,181). This is after the inclusion of loans receivable from the immediate and ultimate parent companies totaling £107,214 (2021: loans payable totaling £179,530). The immediate and ultimate parent company have indicated a willingness to continue providing financial support to the company for the foreseeable future.

Accordingly, the directors consider it appropriate to continue to adopt the going concern basis of preparation for these financial statements.

2.3 Revenue

Turnover represents rental and associated income derived from the investment property in the United Kingdom at invoiced amounts less value added tax. When the company provides incentives to its customers, the cost of incentives are recognised over the lease term, on a straight—line basis, as a reduction of rental income.

2.4 Interest income

Interest income is recognised in the profit or loss on a receivable basis.

2.5 Finance costs

Where material, finance costs are charged to profit and loss over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

Colne Bridge Investments Limited

Notes to the Financial Statements For the Year Ended 30 November 2022

2. Accounting policies (continued)

2.6 Borrowing costs

All borrowing costs which are not capital in nature are recognised in profit or loss in the year in which they are incurred.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

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.

2.8 Investment property

Investment property is carried at fair value and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Colne Bridge Investments Limited

Notes to the Financial Statements For the Year Ended 30 November 2022

2. Accounting policies (continued)

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Capitalisation of interest

Interest on borrowings to finance property development is capitalised. Interest is capitalised from the date the work starts on the development to the date of practical completion.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.14 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received. Debt instruments that are payable or receivable after more than one year are initially measured at fair value, being the discounted cash flows using a market rate of interest, and subsequently at amortised cost using the effective interest method.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Accounting policies which have a significant bearing on the reported financial condition and results of the company may require subjective or complex judgments. The principal ongoing area of judgment is the investment property valuation where the opinion of the directors has been obtained at each reporting date using a yield methodology valuation technique. The key input to the valuation at 30 November 2022 was the market capitalisation rate, an increase in which would have caused the valuation to decrease.

Deferred taxation is impacted by the estimation uncertainty arising within the investment property valuation through the timing difference that exists between the valuation and the tax base cost of the properties.

Colne Bridge Investments Limited

Notes to the Financial Statements For the Year Ended 30 November 2022

4. Employees

The company had no employees during the current or preceding year, other than the directors who did not receive any remuneration from the company.

5. Investment property

	2022 £
Fair Value as at 1 December 2021	11,067,000
Less lease incentives	(401,330)
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Balance at 1 December 2021	10,665,670
Unrealised gain on revaluation of investment property	186,550
Lease arrangement costs movement	(2,220)
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Balance at 30 November 2022	10,850,000
Lease incentives debtor at 30 November 2022	383,360
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Fair value at 30 November 2022	<u>11,233,360</u>

Included within the carrying value of investment properties at 30 November 2022 is £47,371 (2021: £49,591) of lease arrangement costs which are being amortised over the contractual lease term. The effect of this adjustment on the revaluation movement is as follows:

	2022 £	2021 £
Changes in fair value of investment property	<u>166,360</u>	<u>306,969</u>

The historical cost of the freehold investment property is £3,282,312 (2021: £3,282,312), which includes all expenses of development including capitalised interest of £105,917 (2021: £105,917) on the borrowings drawn down to finance the development.

Colne Bridge Investments Limited

Notes to the Financial Statements For the Year Ended 30 November 2022

6. Debtors

	2022 £	As restated 2021 £
Due after more than one year		
Lease incentive	365,390	383,360
	<u>365,390</u>	<u>383,360</u>
Due within one year		
Amounts owed by group undertakings	109,314	-
Other debtors	9,599	5,345
Lease incentive	17,970	17,970
	<u>136,883</u>	<u>23,315</u>

7. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	13,651	2,160
Amounts owed to group undertakings	2,100	179,530
Corporation tax	58,849	10,824
Other taxation and social security	19,751	-
Other creditors	4,412	4,412
Accruals and deferred income	75,138	85,460
	<u>173,901</u>	<u>282,386</u>

8. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans (secured - see below)	5,547,740	5,523,692
	<u>5,547,740</u>	<u>5,523,692</u>

The bank loan attracts interest at a fixed rate of 3.58% and is secured by a first legal charge on the company's freehold investment property (see note 5) and a floating charge over all the company's assets. It is repayable in full on 29 March 2029.

Netted off against the loan balance in the current year is capitalised loan arrangement fees of £152,260. These fees are amortised on a straight line basis over the term of the lease and released to profit or loss.

Colne Bridge Investments Limited

Notes to the Financial Statements For the Year Ended 30 November 2022

9. Deferred taxation

	2022 £
At beginning of year	(1,371,658)
Charged to profit or loss	(58,480)
At end of year	(1,430,138)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Inherent capital gains on investment property at valuation	(1,430,138)	(1,371,658)

10. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
100,000 (2021 - 100,000) Ordinary shares of £1.00 each	100,000	100,000

11. Prior year adjustment

During the year the directors have recognised that the lease incentive relating to the 6 month rent free period was incorrectly capitalised as part of the investment property. This has resulted in a prior period adjustment to reclassify the lease incentive element from the investment property and recognise it as a debtor due within one year and a debtor due within more than one year as below. There is no effect on the profit and loss account or net assets following this adjustment. In the prior year the reclassification has caused investment property to reduce by £401,330, debtors due within one year to increase by £17,970 and debtors due within more than one year to increase by £383,360.

Colne Bridge Investments Limited

Notes to the Financial Statements For the Year Ended 30 November 2022

12. Commitments under operating leases

At 30 November 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Within one year	491,114	491,114
Between two and five years	1,964,456	1,964,456
After more than five year	8,024,668	8,515,782
	<u>10,480,238</u>	<u>10,971,352</u>

13. Related party transactions

D Woolf and V B Woolf are directors of, and/or have a direct or indirect beneficial ownership interest in, Drumcash Limited and Rosecreek Holdings Limited.

At the year end the company was owed by D Woolf a total of £9,600 (2021: £nil).

Colne Bridge Investments Limited, at the year end, owed Rosecreek Limited £2,100 (2021: £2,100).

The company, at the year end, was owed £109,314 from Drumcash Limited (2021: £177,430 owed to Drumcash Limited).

14. Controlling party

The company's immediate parent undertaking is Drumcash Limited, which is registered in England and Wales and the parent of the smallest and largest group to prepare consolidated financial statements that include the company. A copy of those consolidated financial statements can be obtained from Companies House.

The company's ultimate parent undertaking is Rosecreek Holdings Limited, which is registered in the British Virgin Islands. Rosecreek Holdings Limited is controlled by The Vivienne Woolf Settlement, a trust managed in Switzerland.