

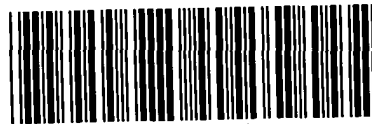
Company registration number: 01475537

**Challenge Limited**

**Unaudited filleted financial statements**

**31 October 2019**

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# **Challenge Limited**

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# Challenge Limited

## Statement of financial position 31st October 2019

	Note	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	5	6,763,774		6,764,088	
			6,763,774		6,764,088
<b>Current assets</b>					
Debtors	6	61,219		56,677	
Cash at bank and in hand		600,667		390,932	
			661,886		447,609
<b>Creditors: amounts falling due within one year</b>	7	(221,079)		(225,116)	
<b>Net current assets</b>			440,807		222,493
<b>Total assets less current liabilities</b>			7,204,581		6,986,581
<b>Provisions for liabilities</b>			(555,190)		(555,250)
<b>Net assets</b>			6,649,391		6,431,331
<b>Capital and reserves</b>					
Called up share capital	8		500		500
Fair value reserve			2,365,424		2,365,424
Profit and loss account			4,283,467		4,065,407
<b>Shareholders funds</b>			6,649,391		6,431,331

For the year ending 31st October 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- 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;
- The director acknowledges their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the income statement has not been delivered.

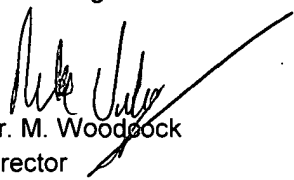
The notes on pages 3 to 7 form part of these financial statements.

**Challenge Limited**

**Statement of financial position (continued)**

**31st October 2019**

These financial statements were approved by the board of directors and authorised for issue on *28th May 2020* and are signed on behalf of the board by:



Mr. M. Woodcock  
Director

Company registration number: 01475537

**The notes on pages 3 to 7 form part of these financial statements.**

## **Challenge Limited**

### **Notes to the financial statements**

**Year ended 31st October 2019**

#### **1. General information**

The company is a private company limited by shares, registered in England. The address of the registered office is Challenge House, 46 Nottingham Road, Mansfield, Nottinghamshire, NG18 1BL.

#### **2. Statement of compliance**

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### **3. Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 that are expected to apply to the reversal of the timing difference.

## **Challenge Limited**

### **Notes to the financial statements (continued)**

**Year ended 31st October 2019**

#### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	- 0% - see below ( Investment Properties)
Plant and machinery	- 15%      reducing balance
Fittings fixtures and equipment	- 15%      reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

#### **Investment property**

Investment property is measured initially at cost, which includes purchase price and any directly attributable expenditure. Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in profit or loss.

Deferred taxation is provided at the current rate of corporation tax.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

## **Challenge Limited**

### **Notes to the financial statements (continued) Year ended 31st October 2019**

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

#### **4. Employee numbers**

The average number of persons employed by the company during the year amounted to 24 (2018: 23).

# Challenge Limited

## Notes to the financial statements (continued) Year ended 31st October 2019

### 5. Tangible assets

	Freehold property	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£
<b>Cost</b>				
<b>At 1st November 2018 and 31st October 2019</b>	<u>6,762,000</u>	<u>17,494</u>	<u>10,718</u>	<u>6,790,212</u>
<b>Depreciation</b>				
At 1st November 2018	-	17,176	8,948	26,124
Charge for the year	-	48	266	314
<b>At 31st October 2019</b>	<u>-</u>	<u>17,224</u>	<u>9,214</u>	<u>26,438</u>
<b>Carrying amount</b>				
<b>At 31st October 2019</b>	<u>6,762,000</u>	<u>270</u>	<u>1,504</u>	<u>6,763,774</u>
At 31st October 2018	<u>6,762,000</u>	<u>318</u>	<u>1,770</u>	<u>6,764,088</u>

### Investment property

Included within the above is investment property as follows:

	£
<b>At 1 November 2018 and 31 October 2019</b>	<u>6,762,000</u>

The properties were valued by the director at the end of each reporting date.

### Tangible assets held at valuation

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property	Total
	£	£
<b>At 31st October 2019</b>		
Aggregate cost	3,841,723	3,841,723
Aggregate depreciation	-	-
<b>Carrying amount</b>	<u>3,841,723</u>	<u>3,841,723</u>
<b>At 31st October 2018</b>		
Aggregate cost	3,841,723	3,841,723
Aggregate depreciation	-	-
<b>Carrying amount</b>	<u>3,841,723</u>	<u>3,841,723</u>



# Challenge Limited

## Notes to the financial statements (continued) Year ended 31st October 2019

### 6. Debtors

	2019	2018
	£	£
Trade debtors	60,962	56,210
Other debtors	257	467
	<u>61,219</u>	<u>56,677</u>

### 7. Creditors: amounts falling due within one year

	2019	2018
	£	£
Taxation and social security	58,265	46,792
Other creditors	162,814	178,324
	<u>221,079</u>	<u>225,116</u>

### 8. Called up share capital Issued, called up and fully paid

	2019		2018	
	No	£	No	£
Ordinary shares shares of £ 1.00 each	<u>500</u>	<u>500</u>	<u>500</u>	<u>500</u>