

HIGHBRIDGE COMMERCIAL II LIMITED
Filleled Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2021

Highbridge Commercial II Limited

Contents

Company Information	<u>1</u>
Statement of Financial Position	<u>2</u> to <u>3</u>
Notes to the Financial Statements	<u>4</u> to <u>11</u>

Highbridge Commercial II Limited

Company Information

Directors Sukhvir Singh Dhillon
Sukhvinder Singh Dhillon

Registered office Old Post House
Hexham Road
Throckley
Newcastle upon Tyne
NE15 9EB

Bankers Lloyds Bank plc
102 Grey Street
Newcastle upon Tyne
NE1 6AG

Accountants MHA Tait Walker
Chartered Accountants
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Highbridge Commercial II Limited

(Registration number: 05415775)

Statement of Financial Position as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	26,250	31,500
Tangible assets	5	153,375	96,845
Investment property	6	4,582,590	4,582,590
Investments	7	1	1
		<u>4,762,216</u>	<u>4,710,936</u>
Current assets			
Stocks	8	3,500	3,500
Debtors	9	63,938	56,093
Cash at bank and in hand		<u>106,185</u>	<u>51,645</u>
		173,623	111,238
Creditors: Amounts falling due within one year	10	<u>(2,678,422)</u>	<u>(2,652,753)</u>
Net current liabilities		<u>(2,504,799)</u>	<u>(2,541,515)</u>
Total assets less current liabilities		2,257,417	2,169,421
Creditors: Amounts falling due after more than one year	10	(786,816)	(847,099)
Provisions for liabilities		<u>(163,900)</u>	<u>(158,131)</u>
Net assets		<u>1,306,701</u>	<u>1,164,191</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		<u>1,305,701</u>	<u>1,163,191</u>
Total equity		<u>1,306,701</u>	<u>1,164,191</u>

For the financial year ending 31 March 2021 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 financial statements 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 financial statements.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the Income Statement has been taken.

The notes on pages 4 to 11 form an integral part of these financial statements.

Highbridge Commercial II Limited

(Registration number: 05415775)

Statement of Financial Position as at 31 March 2021 (continued)

Approved and authorised by the Board on 29 March 2022 and signed on its behalf by:

.....

Sukhvinder Singh Dhillon

Director

The notes on pages 4 to 11 form an integral part of these financial statements.

Highbridge Commercial II Limited

Notes to the Financial Statements for the Year Ended 31 March 2021

1 General information

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

The address of its registered office is Old Post House, Hexham Road, Throckley, Newcastle upon Tyne, NE15 9EB.

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.

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

Going concern

The company meets its day to day working capital requirements through cash generated from operations, shareholder and external borrowings. The directors have assessed the potential impact of COVID-19 on the company and have implemented a business continuity plan to mitigate against this.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

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 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.

Highbridge Commercial II Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

2 Accounting policies (continued)

Government grants

Government grants in relation to tangible fixed assets are credited to the profit and loss account over the useful lives of the related assets, whereas those relating to the costs incurred by the company are recognised in the income statement over the period necessary to match them with costs that they are intended to compensate. Government grants are presented separately and disclosed in other operating income in the income statement. Other operating income in the year comprises the UK Government assistance provided through coronavirus job retention scheme during the covid-19 pandemic.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge 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.

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.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	10% reducing balance
Office equipment	33% straight line

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Highbridge Commercial II Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

2 Accounting policies (continued)

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	5% straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment. Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Highbridge Commercial II Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

2 Accounting policies (continued)

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 Income Statement 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 in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

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 (2020 - 11).

Highbridge Commercial II Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 April 2020	105,000	105,000
At 31 March 2021	105,000	105,000
Amortisation		
At 1 April 2020	73,500	73,500
Amortisation charge	5,250	5,250
At 31 March 2021	78,750	78,750
Carrying amount		
At 31 March 2021	26,250	26,250
At 31 March 2020	31,500	31,500

5 Tangible assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2020	160,041	2,160	162,201
Additions	70,605	1,038	71,643
Disposals	(2,226)	-	(2,226)
At 31 March 2021	228,420	3,198	231,618
Depreciation			
At 1 April 2020	64,870	486	65,356
Charge for the year	13,572	970	14,542
Eliminated on disposal	(1,655)	-	(1,655)
At 31 March 2021	76,787	1,456	78,243
Carrying amount			
At 31 March 2021	151,633	1,742	153,375
At 31 March 2020	95,171	1,674	96,845

Highbridge Commercial II Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

6 Investment properties

	2021 £
At 1 April	4,582,590
At 31 March	4,582,590

The freehold investment properties have not been revalued since the date in which they were purchased. In the directors' opinion there has been no significant change in their market value since this date.

7 Investments

	2021 £	2020 £
Investments in subsidiaries	1	1
Subsidiaries		£
Cost or valuation		
At 1 April 2020		1
Carrying amount		
At 31 March 2021		1
At 31 March 2020		1

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Dhillon's Properties Brockwell Limited	Old Post House, Hexham Road, Throckley, Newcastle upon Tyne, NE15 9EB. England and Wales	Ordinary shares	100%	100%

8 Stocks

	2021 £	2020 £
Other inventories	3,500	3,500

Highbridge Commercial II Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

9 Debtors

	2021 £	2020 £
Trade debtors	47,994	51,533
Prepayments	14,994	3,643
Other debtors	950	917
	<u>63,938</u>	<u>56,093</u>

10 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Bank loans and overdrafts	<u>11</u>	107,698	162,614
Trade creditors		33,390	30,611
Taxation and social security		34,905	23,101
Accruals and deferred income		75,369	63,393
Other creditors		982,078	1,140,857
Corporation tax liability		56,144	6,264
Directors loan accounts		1,372,838	1,217,913
CT61 tax liability		16,000	8,000
		<u>2,678,422</u>	<u>2,652,753</u>

Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
Due after one year			
Loans and borrowings	<u>11</u>	<u>786,816</u>	<u>847,099</u>

11 Loans and borrowings

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	<u>107,698</u>	<u>162,614</u>

Bank loans are secured against the assets of the company.

Highbridge Commercial II Limited

Notes to the Financial Statements for the Year Ended 31 March 2021 (continued)

11 Loans and borrowings (continued)

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	786,816	847,099

Bank loans are secured against the assets of the company.

12 Related party transactions

Transactions with directors

	At 1 April 2020 £	Advances to directors £	Repayments by director £	At 31 March 2021 £
2021				
Sukhvir Singh Dhillon				
Director's loan account	(608,956)	15,423	(92,886)	(686,419)

Sukhvinder Singh Dhillon				
Director's loan account	(608,957)	15,424	(92,886)	(686,419)

	At 1 April 2019 £	Advances to directors £	Repayments by director £	At 31 March 2020 £
2020				
Sukhvir Singh Dhillon				
Director's loan account	(578,257)	34,988	(65,687)	(608,956)

Sukhvinder Singh Dhillon				
Director's loan account	(578,258)	34,988	(65,687)	(608,957)

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.