

**Independent Quality Leisure Limited**  
**Annual Report and Financial Statements**  
**Year Ended 31 December 2021**

**Registration number: 06389804**

# Independent Quality Leisure Limited

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# Independent Quality Leisure Limited

## Company Information

**Director** K R Newton

**Company secretary** D R Newton

**Registered office** Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

**Auditors** PKF Francis Clark  
Statutory Auditor  
Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

# Independent Quality Leisure Limited

## Balance Sheet

31 December 2021

|  | Note     | 2021<br>£        | 2020<br>£        |
|--|----------|------------------|------------------|
| <b>Fixed assets</b>  |          |                  |                  |
| Investment property  | <u>4</u> | 426,420          | 406,518          |
| <b>Current assets</b>  |          |                  |                  |
| Stocks   | <u>5</u> | 253,037          | -                |
| Debtors  | <u>6</u> | 319,022          | 322,964          |
| Cash at bank and in hand                                       |          | 12,700           | 52,229           |
|  |          | <u>584,759</u>   | <u>375,193</u>   |
| <b>Creditors: Amounts falling due within one year</b>          | <u>7</u> | <u>(362,655)</u> | <u>(87,447)</u>  |
| <b>Net current assets</b>                                      |          | <u>222,104</u>   | <u>287,746</u>   |
| <b>Total assets less current liabilities</b>                   |          | 648,524          | 694,264          |
| <b>Creditors: Amounts falling due after more than one year</b> | <u>7</u> | <u>(291,537)</u> | <u>(288,950)</u> |
| <b>Provisions for liabilities</b>                              | <u>9</u> | <u>(8,500)</u>   | <u>(1,500)</u>   |
| <b>Net assets</b>  |          | <u>348,487</u>   | <u>403,814</u>   |
| <b>Capital and reserves</b>                                    |          |                  |                  |
| Called up share capital  |          | 2                | 2                |
| Profit and loss account (non-distributable)                    |          | 92,918           | 77,418           |
| Profit and loss account (distributable)                        |          | <u>255,567</u>   | <u>326,394</u>   |
| <b>Total equity</b>  |          | <u>348,487</u>   | <u>403,814</u>   |

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 30 September 2022

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K R Newton

Director

Company Registration Number: 06389804

# Independent Quality Leisure Limited

## Statement of Changes in Equity

Year Ended 31 December 2021

|                            | Share capital<br>£ | Profit and loss<br>account<br>(non-distributable)<br>£ | Profit and loss<br>account<br>(distributable)<br>£ | Total<br>£ |
|----------------------------|--------------------|--|--|------------|
| At 1 January 2021          | 2                  | 77,418   | 326,394  | 403,814    |
| Profit/(loss) for the year | -                  | 15,500   | (70,827)   | (55,327)   |
| Total comprehensive income | -                  | 15,500   | (70,827)   | (55,327)   |
| At 31 December 2021        | 2                  | 92,918   | 255,567  | 348,487    |

|                            | Share capital<br>£ | Profit and loss<br>account<br>(non-distributable)<br>£ | Profit and loss<br>account<br>(distributable)<br>£ | Total<br>£ |
|----------------------------|--------------------|--|--|------------|
| At 1 July 2019             | 2                  | 77,418   | 329,307  | 406,727    |
| Loss for the year          | -                  | -  | (2,913)  | (2,913)    |
| Total comprehensive income | -                  | -  | (2,913)  | (2,913)    |
| At 31 December 2020        | 2                  | 77,418   | 326,394  | 403,814    |

# **Independent Quality Leisure Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 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:

Ground Floor  
Blackbrook Gate 1  
Blackbrook Business Park  
Taunton  
Somerset  
TA1 2PX

The principal place of business is:

Cygnat House  
14B High Street  
Wells  
Somerset  
BA5 2GS

These financial statements were authorised for issue by the director on 30 September 2022.

#### **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 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', including Section 1A, and the Companies Act 2006. There are no material departures from FRS 102.

##### **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.

##### **Going concern**

The financial statements have been prepared on a basis other than that of going concern as it is the intention of the director that the investment property asset will be sold to a fellow group undertaking at market value, other assets realised, liabilities of the company will be settled and the company will be struck off in the next twelve months. This means that, where appropriate, assets have been written down to net realisable value. Future costs of terminating the business that were not committed to at the balance sheet date are not included. No material adjustments arose as a result of these changes.

# **Independent Quality Leisure Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2021**

#### **Key accounting judgements and sources of estimation uncertainty**

In the application of the company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement that has a significant effect on the financial statements is in respect of going concern, as described in the above accounting policy.

The key estimates that have a significant effect on the financial statements are as follows:

The carrying value of investment properties requires estimation as to the current market value of each property held. The properties have been subject to director's valuation with reference to previous third party valuations and knowledge the local property market . The carrying amount is £426,420 (2020 - £406,518).

The recoverability of intercompany debtor balances requires estimation. The director considers these balances in light of the current financial performance and position of the relevant group companies and makes provisions in the financial statements as necessary in order to reflect the recoverable amounts. The carrying amount is £311,567 (2020 - £310,717).

#### **Revenue recognition**

Turnover comprises the fair value of the consideration 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. Rental income is recognised on a receivable basis. Rents received in advance are deferred against the period to which they relate. Revenue from the sale of stock of development property is recognised on practical completion.

#### **Government grants**

Government revenue grants are accounted for under the accruals method. These are credited to the profit and loss account when the company is entitled to the income.

#### **Tax**

Tax is recognised in profit or loss, except when attributable to an item of income or expense recognised as other comprehensive income and then it is also recognised directly in other comprehensive income.

The current corporation 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.

The company passes some of its tax losses to fellow group companies via group relief. It receives payment for these losses at the average rate of tax for the financial period in which the losses are relieved.

# **Independent Quality Leisure Limited**

## **Notes to the Financial Statements**

### **Year Ended 31 December 2021**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets in respect of tax losses carried forward are not recognised as they do not meet the recognition criteria set out in FRS 102 given there is no certainty as to when the losses will be utilised.

#### **Investment property**

Investment properties are carried at fair value, which is derived from the current market prices for comparable real estate and is assessed annually. The value is based on observable market prices, current market rents and investment property yields adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in the profit and loss account.

#### **Stocks**

Stock of development land is stated at the lower of cost and net realisable value, being estimated selling price less selling costs. At each reporting date, stocks are assessed for impairment. Any impairment loss is recognised immediately in profit or loss.

#### **Financial instruments**

##### ***Classification***

The company holds the following financial instruments:

- Short term trade, intercompany and other debtors and creditors;
- Bank loans; and
- Cash and bank balances.

All financial instruments are classified as basic.

##### ***Recognition and measurement***

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Except for bank loans, such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans are initially measured at transaction price, including transaction costs, and are subsequently carried at amortised cost using the effective interest method.



# Independent Quality Leisure Limited

## Notes to the Financial Statements

Year Ended 31 December 2021

### 3 Staff numbers

The average number of persons employed by the company (including the director) during the year, was 0 (2020 - 0).

### 4 Investment properties

|                        | £       |
|------------------------|---------|
| At 1 January 2021      | 406,518 |
| Additions              | 1,000   |
| Disposals              | (3,598) |
| Fair value adjustments | 22,500  |
|                        | <hr/>   |
| At 31 December 2021    | 426,420 |
|                        | <hr/>   |

One of the investment properties was valued in March 2019 by PLP Property Consultants. The director is satisfied that having considered the relevant market conditions that this valuation continues to be reflected in the balance sheet at 31 December 2021. The other investment properties held by the company are included at the director's valuation at 31 December 2021.

### 5 Stocks

|                              | 2021<br>£ | 2020<br>£ |
|------------------------------|-----------|-----------|
| Stock of property for resale | 253,037   | -         |
|                              | <hr/>     | <hr/>     |

### 6 Debtors

|                                     | 2021<br>£ | 2020<br>£ |
|-------------------------------------|-----------|-----------|
| Trade debtors                       | 1,330     | 7,631     |
| Amounts due from group undertakings | 311,567   | 310,717   |
| Other debtors                       | 1,845     | -         |
| Prepayments                         | 4,280     | 4,616     |
|                                     | <hr/>     | <hr/>     |
|                                     | 319,022   | 322,964   |
|                                     | <hr/>     | <hr/>     |

# Independent Quality Leisure Limited

## Notes to the Financial Statements

Year Ended 31 December 2021

### 7 Creditors

|                                    | Note     | 2021<br>£      | 2020<br>£     |
|------------------------------------|----------|----------------|---------------|
| <b>Due within one year</b>         |          |                |               |
| Loans and borrowings               | <u>8</u> | 342,757        | 51,400        |
| Trade creditors                    |          | 170            | 13,044        |
| Amounts owed to group undertakings |          | 386            | 1,141         |
| Other creditors                    |          | 12,092         | 13,647        |
| Accruals and deferred income       |          | 7,250          | 8,215         |
|                                    |          | <u>362,655</u> | <u>87,447</u> |

|                           | Note     | 2021<br>£      | 2020<br>£      |
|---------------------------|----------|----------------|----------------|
| <b>Due after one year</b> |          |                |                |
| Loans and borrowings      | <u>8</u> | <u>291,537</u> | <u>288,950</u> |

### 8 Loans and borrowings

|  | 2021<br>£      | 2020<br>£      |
|--|----------------|----------------|
| <b>Due within one year</b>                     |                |                |
| Bank borrowings                                | <u>342,757</u> | <u>51,400</u>  |
| <b>Loans and borrowings due after one year</b> |                |                |
| Bank borrowings                                | <u>291,537</u> | <u>288,950</u> |

Bank borrowings of £609,539 (2020 - £290,350) were secured against the company's investment properties and a guarantee of £460,500 (2020 - £143,000) given by the director.

### 9 Deferred tax provision

|                                | Deferred tax<br>£ |
|--------------------------------|-------------------|
| At 1 January 2021              | 1,500             |
| Increase in existing provision | <u>7,000</u>      |
| At 31 December 2021            | <u>8,500</u>      |

# Independent Quality Leisure Limited

## Notes to the Financial Statements

Year Ended 31 December 2021

### 10 Share capital

#### Allotted and called up share capital

|                            | No. | 2021<br>£ | No. | 2020<br>£ |
|----------------------------|-----|-----------|-----|-----------|
| Ordinary shares of £1 each | 2   | 2         | 2   | 2         |

#### Unpaid share capital

|                            | No. | 2021<br>£ | No. | 2020<br>£ |
|----------------------------|-----|-----------|-----|-----------|
| Ordinary shares of £1 each | 2   | 2         | 2   | 2         |

### 11 Related party transactions

#### Other transactions with directors

The company has an interest free, unsecured loan account from its director which is repayable on demand. At the period end the company owed the director £7,505 (2020 - £7,505).

### 12 Relationship between entity and parents

The parent of the smallest group in which these financial statements are consolidated is SBAW Group Limited, a company incorporated in England & Wales.

The registered office address of SBAW Group Limited is:

Ground Floor, Blackbrook Gate 1, Blackbrook Business Park, Taunton, Somerset, TA1 2PX

### 13 Non adjusting events after the financial period

On 21 January 2021 one of the investment properties was sold for fair value of £282,500 and the loan settled. On 28 January 2022 the company sold it's stock of property for £320,000 and settled the related mortgage in full.

### 14 Audit report

The Independent Auditors' Report was unqualified. We draw your attention to Note 2 to the financial statements which explains that the director intends to wind up the company and therefore does not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 2. Our opinion is not modified in respect of this matter. The name of the Senior Statutory Auditor who signed the audit report was Nicholas Farrant BA MSc FCA, who signed for and on behalf of PKF Francis Clark on 30 September 2022.

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.