

Company Registration No. 09060077 (England and Wales)

**A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**



Chester House, Lloyd Drive, Cheshire Oaks Business Park, Ellesmere Port, Cheshire CH65 9HQ

## **A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	Mr M A Woodall	
	Mrs A J Simpson	
	Ms M C Fitzgerald	(Appointed 31 May 2019)
	Mr M A Johnson	(Appointed 14 May 2020)

<b>Company number</b>	09060077
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<b>Registered office</b>	Eversheds House 70 Great Bridgewater Street Manchester M1 5ES
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<b>Auditor</b>	Morris & Co Chester House Lloyd Drive Cheshire Oaks Business Park Ellesmere Port Cheshire CH65 9HQ
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## **A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED**

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## **A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

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The directors present their annual report and financial statements for the year ended 31 March 2020.

#### **Principal activities**

The principal activity of the company is that of the buying and selling of real estate.

The company has been set up as a special purpose vehicle to undertake a development project at a site referred to as Ashfield Road and Ellerbeck Lane by the parent LLP, Allerdale Investment Partnership LLP. This is a 50:50 joint venture partnership between Cumbria Partnership PCC Limited and Allerdale Borough Council.

The Group is effectively financed through loans made available by the designated members in the parent LLP, which can be for land or finance. It is the parent LLP that then provides financial support to the subsidiary to meet its direct costs and overheads.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Smith	(Resigned 31 May 2019)
Mr M Fryer	(Resigned 31 May 2019)
Mr M A Woodall	
Mrs A J Simpson	
Ms M C Fitzgerald	(Appointed 31 May 2019)
Mr M I Jenkinson	(Appointed 31 May 2019 and resigned 14 May 2020)
Mr M A Johnson	(Appointed 14 May 2020)

All the director who are eligible offer themselves for re-election at the forthcoming Annual General Meeting.

#### **Auditor**

In accordance with the company's articles, a resolution proposing that Morris & Co be reappointed as auditor of the company will be put at a General Meeting.

## **A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2020**

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##### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

##### **Statement of disclosure to auditor**

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415a of the Companies Act 2006.

On behalf of the board

Mrs A J Simpson  
**Director**  
21 December 2020

Ms M C Fitzgerald  
**Director**  
21 December 2020

## **A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED**

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##### **Opinion**

We have audited the financial statements of A.I.P. (Ashfield Road and Ellerbeck Lane) Limited (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Emphasis of matter**

We draw attention to note 2 of the financial statements, which describes the material uncertainty surrounding the valuation of the development project due to Novel Coronavirus (COVID – 19). Our opinion is not modified in this respect.

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

##### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED**

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##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

##### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

##### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditors-responsibilities>. This description forms part of our auditor's report.

## **A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED**

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##### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Mrs Desirée Lea FCA FCCA (Senior Statutory Auditor)**  
**for and on behalf of Morris & Co**

22 December 2020

**Chartered Accountants**  
**Statutory Auditor**

Chester House  
Lloyd Drive  
Cheshire Oaks Business Park  
Ellesmere Port  
Cheshire  
CH65 9HQ

**A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED****INCOME STATEMENT****FOR THE YEAR ENDED 31 MARCH 2020**

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		<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
Revenue	<b>3</b>	-	450,000
Cost of sales		-	(335,782)
		<hr/>	<hr/>
<b>Gross profit</b>		-	<b>114,218</b>
Administrative expenses		125,920	(502,079)
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>	<b>4</b>	125,920	<b>(387,861)</b>
Investment revenues	<b>6</b>	-	50
		<hr/>	<hr/>
<b>Profit/(loss) before taxation</b>		125,920	<b>(387,811)</b>
Income tax expense		-	-
		<hr/>	<hr/>
<b>Profit/(loss) for the year</b>	<b>15</b>	125,920	<b>(387,811)</b>
		<hr/> <hr/>	<hr/> <hr/>

The income statement has been prepared on the basis that all operations are continuing operations.

The notes form part of these financial statements.

**A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2020**

		<b>2020</b>	<b>2019</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Current assets</b>			
Inventories	<b>8</b>	1,600,000	1,430,000
Trade and other receivables	<b>9</b>	3,516	2,456
Cash and cash equivalents		22,509	55,169
		<hr/>	<hr/>
		1,626,025	1,487,625
		<hr/>	<hr/>
<b>Total assets</b>		<b>1,626,025</b>	<b>1,487,625</b>
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade and other payables	<b>10</b>	9,424	69,384
Borrowings	<b>11</b>	268,856	196,416
		<hr/>	<hr/>
		278,280	265,800
		<hr/>	<hr/>
<b>Non-current liabilities</b>			
Borrowings	<b>11</b>	1,008,636	1,008,636
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>1,286,916</b>	<b>1,274,436</b>
		<hr/>	<hr/>
<b>Equity</b>			
Called up share capital	<b>13</b>	1	1
Capital redemption reserve	<b>14</b>	722,004	722,004
Retained earnings	<b>15</b>	(382,896)	(508,816)
		<hr/>	<hr/>
<b>Total equity</b>		<b>339,109</b>	<b>213,189</b>
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>1,626,025</b>	<b>1,487,625</b>
		<hr/>	<hr/>

The financial statements were approved by the Board of directors and authorised for issue on 21 December 2020

Signed on its behalf by:

Mrs A J Simpson  
DirectorMs M C Fitzgerald  
Director

Company Registration No. 09060077

The notes form part of these financial statements.

**A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2020**

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	Share capital	Capital reserve	Retained earnings	Total
	£	£	£	£
Balance at 1 April 2018	1	722,004	(121,005)	601,000
	<hr/>	<hr/>	<hr/>	<hr/>
Loss for the year	-	-	(387,811)	(387,811)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	(387,811)	(387,811)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	1	722,004	(508,816)	213,189
	<hr/>	<hr/>	<hr/>	<hr/>
Profit for the year	-	-	125,920	125,920
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	125,920	125,920
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2020	1	722,004	(382,896)	339,109
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements.

**A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	£	2019 £	£
Cash (absorbed by)/generated from operations	18		(32,660)		55,042
			<u>          </u>		<u>          </u>
<b>Net cash (outflow)/inflow from operating activities</b>			(32,660)		55,042
<b>Investing activities</b>					
Interest received		-		50	
		<u>          </u>		<u>          </u>	
<b>Net cash (used in)/generated from investing activities</b>			-		50
<b>Net cash used in financing activities</b>			-		-
			<u>          </u>		<u>          </u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			(32,660)		55,092
Cash and cash equivalents at beginning of year			55,169		77
			<u>          </u>		<u>          </u>
Cash and cash equivalents at end of year			22,509		55,169
			<u>          </u>		<u>          </u>

The notes form part of these financial statements.

# **A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **1 Accounting policies**

#### **Company information**

A.I.P. (Ashfield Road and Ellerbeck Lane) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Eversheds House, 70 Great Bridgewater Street, Manchester, M1 5ES.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

The financial statements have been prepared on the historical cost basis, with the exception of financial instruments. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Revenue**

Revenue represents the fair value of the consideration received or receivable in respect of land transactions entered into in the normal course of business, net of discounts and VAT. This is recognised on legal completion.

#### **1.4 Borrowing costs**

Borrowing costs directly attributable to the acquisition and development of a qualifying asset are added to the cost of those assets, until such time as the assets are ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### **1.5 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Interest accruing on capital borrowed to fund the production of long term contracts is carried forward within long term contract balances.

#### **1.6 Fair value measurement**

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

## A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies

(Continued)

##### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### *Loans and receivables*

Trade Receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### *Impairment of financial assets*

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

##### 1.9 Financial liabilities

The company recognizes financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

##### *Other financial liabilities*

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

## A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 1 Accounting policies

(Continued)

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

#### 2 Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

The principal estimates and judgements that could have a significant effect upon the financial results are inter company balances and loan account positions between the parent LLP and the company. It is assumed that fair value can be based on their carrying value of amortised cost which is calculated based on an effective rate of interest of 12%. The estimated repayment period is less than twelve months, therefore the amortised cost is now equal to their face value.

##### **Material valuation uncertainty**

The work in progress valuation carried out by an independent RICS valuer includes the following statement:

"The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. In the UK, market activity is being impacted in all sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' per VPGA 10 of the RICS Valuation – Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of [this property] under frequent review."

#### 3 Revenue

An analysis of the company's revenue is as follows:

	2020	2019
	£	£
<b>Revenue analysed by class of business</b>		
Sales	-	450,000
	<b>=====</b>	<b>=====</b>
	2020	2019
	£	£
<b>Other significant revenue</b>		
Interest income	-	50
	<b>=====</b>	<b>=====</b>

## A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

<b>4 Profit for the year</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditors for the audit of the company's financial statements	2,950	2,950
Cost of inventories recognised as an expense	-	335,782
Impairment of inventories	-	435,560
Reversal of write downs of inventories recognised in the period	(163,899)	-
	<b>=====</b>	<b>=====</b>
<b>5 Employees</b>		
There were no staff costs for the year ended 31 March 2020 or 31 March 2019.		
<b>6 Investment income</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Bank deposits	-	50
	<b>=====</b>	<b>=====</b>
Total interest income for financial assets that are not held at fair value through profit or loss is £- (2019 - £50).		
<b>7 Finance costs</b>		
Total finance costs of £Nil, (2019: £308,086) relate to interest on financial liabilities held at amortised cost and have been capitalised in total to a qualifying asset, namely inventories.		
<b>8 Inventories</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Work in progress	1,600,000	1,430,000
	<b>=====</b>	<b>=====</b>
<b>9 Trade and other receivables</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade receivables	-	540
VAT recoverable	2,053	1,916
Prepayments	1,463	-
	<b>=====</b>	<b>=====</b>
	<b>3,516</b>	<b>2,456</b>
	<b>=====</b>	<b>=====</b>

## A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 10 Trade and other payables

	2020	2019
	£	£
Trade payables	2,836	6,498
Accruals	6,588	62,706
Other payables	-	180
	<u>9,424</u>	<u>69,384</u>

#### 11 Borrowings

	2020	2019
	£	£
<b>Secured borrowings at amortised cost</b>		
Loan notes due to parent undertaking	1,008,636	1,008,636
Amounts due to parent undertaking	268,856	196,416
	<u>1,277,492</u>	<u>1,205,052</u>

#### Analysis of borrowings

Borrowings are classified as due within the next 12 months where there is no formal agreement in place regarding their repayment and it is anticipated that they will be settled within 12 months.

Borrowings have also been classified as non-current liabilities as they are included in line with the terms of the loan note instrument dated 2034 where no repayment is required until that date. However these loan notes remain at face value as it is anticipated that they will be repaid in line with the intercompany position and settled on completion of the development project within 12 months. Any discounting applied to the loan notes is not materially significant and therefore the directors believe that fair value would not be materially different from the face value currently detailed.

	2020	2019
	£	£
Current liabilities	268,856	196,416
Non-current liabilities	1,008,636	1,008,636
	<u>1,277,492</u>	<u>1,205,052</u>

The above debts are secured by way of a fixed and floating charge over all assets and undertakings of the company.

## A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 12 Financial instruments

Financial instruments include amounts due to the parent undertaking and fellow subsidiary. Financial instruments can give rise to liquidity, credit and interest rate risk. Information about these risks and how they are managed is set out below.

	2020	2019
	£	£
<b>Financial assets</b>		
Cash and cash equivalents	22,509	55,169
Trade and other receivables	2,053	2,456
	<hr/>	<hr/>
<b>Cash and receivables</b>	<b>24,562</b>	<b>57,625</b>
	<hr/>	<hr/>
<b>Financial liabilities</b>	<b>£</b>	<b>£</b>
Loan notes issued to parent undertaking	1,008,636	1,008,636
Amounts owed to parent undertaking	268,856	196,416
Trade and other payables	2,836	6,678
	<hr/>	<hr/>
<b>Liabilities at amortised cost</b>	<b>1,280,328</b>	<b>1,211,730</b>
	<hr/>	<hr/>
<b>Total net financial instruments</b>	<b>(1,255,766)</b>	<b>(1,154,105)</b>
	<hr/>	<hr/>

## A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 12 Financial instruments

(Continued)

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

##### Liquidity risk

The ultimate responsibility for liquidity risk management lies with the board of directors, which has developed an appropriate liquidity management framework for the management of the company's liquidity risk. The company manages liquidity risk by maintaining inter-company borrowing facilities.

Liquidity risk arises from the company's ongoing financial obligations being amounts owed to group undertakings of £1,008,636 which is repayable after more than one year and £268,856 which is repayable within one year.

##### Credit risk

Credit risk arises when one party to a financial instrument causes loss for the other party by failing to discharge an obligation.

The credit risk on liquid funds is limited because a leading high street bank is used.

##### Interest rate risk

Interest rate risk arises from cash and cash equivalents and interest bearing investments and loans.

Interest is not earned on cash deposits of £22,509.

Loan notes included within amounts due to group undertakings are interest free. As a consequence the board does not consider interest rate risk to be relevant.

##### Capital Contribution

Amounts due to group undertakings, including loan notes and inter-company loans, have been recognised initially at fair value. The difference between the face value and the fair value of the loans on initial recognition has been recognised as a capital contribution in reserves.

13 Share capital	2020	2019
	£	£
Ordinary share capital		
<i>Issued and fully paid</i>		
1 Ordinary of £1 each	1	1
	<u>          </u>	<u>          </u>

## A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

#### 14 Capital reserve

	£
At 1 April 2018	722,004
At 31 March 2019 & at 31 March 2020	722,004

The capital reserve represents the difference between face value and amortised cost at initial recognition of the intercompany loans and intercompany loan notes together with an adjustment in 2016 of £375,829 arising from a reassessment of the estimated repayment date.

#### 15 Retained earnings

	£
At 1 April 2018	(121,005)
Loss for the period ended 31 March 2018	(387,811)
At 31 March 2019	(508,816)
Profit for the year	125,920
At 31 March 2020	(382,896)

#### 16 Ultimate controlling party

Allerdale Investment Partnership LLP has the direct interest by virtue of its shareholding of 100%.

Allerdale Investment Partnership LLP has been set up as a 50:50 joint venture partnership between Cumbria Partnership PCC Limited and Allerdale Borough Council.

## A.I.P. (ASHFIELD ROAD AND ELLERBECK LANE) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2020

#### 17 Related party transactions

##### Other transactions with related parties

During the period ended 31 March 2015 the company issued loan notes to the value of £1,008,636 to the parent entity Allerdale Investment Partnership LLP and at the 31 March 2020 the amount due to the parent was £1,008,636 (2019: £1,008,636) at face value.

During the year Allerdale Investment Partnership LLP paid costs on behalf of the company to the value of £104,294 (2019: £61,849), the company paid costs on behalf the parent to the value of £31,854 (2019: £Nil) and at the statement of financial position date the amount outstanding was £268,856 (2019: £196,416) at face value.

The amounts due at the year-end are disclosed at face value, as follows:

Loan notes issued - £1,008,636  
Inter-company loan - £268,856  
Total - £1,277,492

No interest is payable by the company on the loan notes or the inter-company loan.

The loan notes have a repayment date on the twentieth anniversary of 23 September 2014. The company shall be entitled by not less than 30 days' written notice, to prepay some or all of the loan notes in accordance with the members' agreement.

18 Cash generated from operations	2020 £	2019 £
Profit/(loss) for the year after tax	125,920	(387,811)
Adjustments for:		
Investment income recognised in profit or loss	-	(50)
Movements in working capital:		
(Increase)/decrease in inventories	(170,000)	430,000
Repayment of intercompany borrowings	(31,854)	(416,279)
Finance costs included within inventories		308,086
(Increase)/decrease in trade and other receivables	(1,060)	494
(Decrease)/increase in trade and other payables	(59,960)	58,753
New intercompany loans in the period	104,294	61,849
Cash (absorbed by)/generated from operations	(32,660)	55,042

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.