

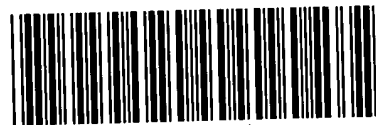
REGISTERED NUMBER: 02263367 (England and Wales)

Arrowmere Capital (Lancaster) Limited

Financial Statements

For The Year Ended 31 December 2021

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Arrowmere Capital (Lancaster) Limited (Registered number: 02263367)

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For The Year Ended 31 December 2021**

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Arrowmere Capital (Lancaster) Limited

**Company Information
For The Year Ended 31 December 2021**

DIRECTORS:

S J Ashworth
M S Bint
H P Hill
A C Park
S D Ashworth

SECRETARY:

J Black

REGISTERED OFFICE:

40 Peter Street
Manchester
M2 5GP

REGISTERED NUMBER:

02263367 (England and Wales)

AUDITORS:

Mitten Clarke Audit Limited
Statutory Auditors
St George's House
56 Peter Street
Manchester
M2 3NQ

Arrowmere Capital (Lancaster) Limited (Registered number: 02263367)

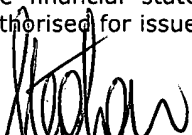
**Statement of Financial Position
31 December 2021**


	Notes	£	2021	£	2020	£
FIXED ASSETS						
Tangible assets	5			-		-
Investment property	6		10,493,997		8,663,206	
			<u>10,493,997</u>		<u>8,663,206</u>	
CURRENT ASSETS						
Debtors	7	4,275,635		275,629		
Cash at bank		<u>180,906</u>		<u>3,532</u>		
		4,456,541		279,161		
CREDITORS						
Amounts falling due within one year	8	<u>3,989,477</u>		<u>1,206,888</u>		
NET CURRENT ASSETS/(LIABILITIES)			<u>467,064</u>		<u>(927,727)</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			10,961,061		7,735,479	
CREDITORS						
Amounts falling due after more than one year	9		(4,000,000)		(2,084,959)	
PROVISIONS FOR LIABILITIES	10		<u>(803,210)</u>		<u>(537,210)</u>	
NET ASSETS			<u><u>6,157,851</u></u>		<u><u>5,113,310</u></u>	
CAPITAL AND RESERVES						
Called up share capital	11		100,000		100,000	
Retained earnings	12		<u>6,057,851</u>		<u>5,013,310</u>	
SHAREHOLDERS' FUNDS			<u><u>6,157,851</u></u>		<u><u>5,113,310</u></u>	

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 26/8/22 and were signed on its behalf by:


S J Ashworth - Director


A C Park - Director

The notes form part of these financial statements

Arrowmere Capital (Lancaster) Limited (Registered number: 02263367)

**Notes to the Financial Statements
For The Year Ended 31 December 2021**

1. STATUTORY INFORMATION

Arrowmere Capital (Lancaster) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number can be found on the Company Information page. The company's registered office is 40 Peter Street, Manchester, M2 5GP.

2. 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 the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The financial statements cover the company as an individual entity and are presented in Pounds Sterling (£) being the functional currency.

The financial statements have been prepared on a going concern basis on the assumption that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have made this assessment with regard to the company's current and expected performance.

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and the future periods where the revision affects both current and future periods.

Crucial judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of investment property

Investment property is measured using the fair value model and as such requires significant judgement from the directors. The valuation has been based on the directors knowledge of the portfolio of investment properties taking account of geographical locations, estimated rental values and external valuations undertaken in the period.

Apportionment of loan

The loan balance seen within creditors has been apportioned between the company, other group companies and a company under common control based on the directors' assessment of the value of the respective companies' investment property and stock holdings.

Turnover

Turnover comprises revenue recognised by the company in respect of property rental income (comprising rents, service charge and insurance rents) accounted for on an accruals basis, all net of VAT.

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2021**

3. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Plant and machinery etc.	4, 7 and 8 years straight line
--------------------------	--------------------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit or loss.

Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value at the reporting date. The surplus or deficit on revaluation is recognised in the profit and loss account. Deferred tax is provided on these gains at the rate expected to apply when the property is sold.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2021**

3. ACCOUNTING POLICIES - continued

Impairment of financial assets

Financial assets, other than those held at fair value through profit and 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 have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2021**

3. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was NIL (2020 - NIL).

5. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 January 2021	
and 31 December 2021	<u>6,929</u>
DEPRECIATION	
At 1 January 2021	
and 31 December 2021	<u>6,929</u>
NET BOOK VALUE	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

6. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2021	8,663,206
Additions	430,791
Revaluations	<u>1,400,000</u>
At 31 December 2021	<u>10,493,997</u>
NET BOOK VALUE	
At 31 December 2021	<u>10,493,997</u>
At 31 December 2020	<u>8,663,206</u>

The fair value of the investment property has been determined by the directors of the company, on an open market value for existing use basis. The valuation has been based on the directors' knowledge of the portfolio of investment properties taking account of the geographical locations and their estimated rental value.

The company's investment properties were valued in September 2021 by an external professional valuer. The third party valuation is not materially different to the value included in the financial statements.

Arrowmere Capital (Lancaster) Limited (Registered number: 02263367)

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2021**

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	104,479	44,936
Amounts owed by group undertakings	4,143,693	218,693
Amounts owed by related undertakings	12,000	12,000
Other debtors	15,463	-
	<u>4,275,635</u>	<u>275,629</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts	-	157,361
Trade creditors	349,380	-
Amounts owed to group undertakings	3,279,683	936,224
Corporation tax	-	31,378
Social security and other taxes	-	15,663
Other creditors	22,809	4,300
Accruals and deferred income	337,605	61,962
	<u>3,989,477</u>	<u>1,206,888</u>

Bank loans of £nil(2020: £157,361) disclosed under creditors falling due within one year were secured by the company by way of a fixed charge over the investment property.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans - 2-5 years	-	629,399
Loans more 5 yr by instalments	4,000,000	1,455,560
	<u>4,000,000</u>	<u>2,084,959</u>

Amounts falling due in more than five years:

Repayable by instalments		
Loans more 5 yr by instalments	<u>4,000,000</u>	<u>1,455,560</u>

Bank loans of £4,000,000 (2020: £2,084,959) disclosed under creditors falling due after more than one year were secured by the company by way of fixed charged over the investment property.

10. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax	<u>803,210</u>	<u>537,210</u>
		Deferred tax
		£
Balance at 1 January 2021		537,210
Provided during year		<u>266,000</u>
Balance at 31 December 2021		<u>803,210</u>

Arrowmere Capital (Lancaster) Limited (Registered number: 02263367)

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2021**

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021	2020
Number:	Class:		£	£
100,000	Ordinary Shares	£1	<u>100,000</u>	<u>100,000</u>

12. RESERVES

Included within profit and loss reserves are non-distributable reserves of £5,547,886 (2020: £4,413,886).

13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Lindsey Shepherd (Senior Statutory Auditor)
for and on behalf of Mitten Clarke Audit Limited

14. FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

The company has given a cross guarantee in respect of a loan facility provided to Crystal Homes 2 Limited, Arrowmere Capital 9 Limited and Merepoint Capital Limited. At 31 December 2021 an amount of £11,443,012 (2020: £9,164,361) was outstanding in respect of this facility.

15. POST BALANCE SHEET EVENTS

Following the year end the company, along with Crystal Homes 2 Limited, Arrowmere Capital 9 Limited and Merepoint Capital Limited, has refinanced the property portfolio with its existing lenders extending the maximum level of funding available to the lesser of £20.66m and 57.5% of the portfolio value. The period of funding has been extended to June 2027.

16. ULTIMATE PARENT COMPANY

The company is a 100% owned subsidiary of Arrowmere Holdings Limited, which is the ultimate parent company. The ultimate parent company prepares consolidated financial statements as at 31 December 2021 and these financial statements may be obtained from 40 Peter Street, Manchester, M2 5GP.