

PHILADELPHIA ESTATES LIMITED
Filleter Annual Report and Financial Statements
for the Year Ended 31 December 2019

Philadelphia Estates Limited

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Philadelphia Estates Limited

Company Information

Directors	A E Radcliffe M A Sowerby D Horrocks M F Hogan
Company secretary	M A Sowerby
Registered office	Esh House Bowburn North Industrial Estate Bowburn Durham DH6 5PF
Auditor	MHA Tait Walker Chartered Accountants & Statutory Auditor 1 Massey Road Thomaby Stockton-on-Tees TS17 6DY

Philadelphia Estates Limited

(Registration number: 03216084)

Statement of Financial Position as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investment property	<u>5</u>	125,000	320,000
Investments	<u>6</u>	129	129
		<u>125,129</u>	<u>320,129</u>
Current assets			
Stocks	<u>7</u>	12,034,801	11,370,021
Debtors	<u>8</u>	259,665	254,979
Cash at bank and in hand		<u>4,719</u>	<u>33,073</u>
		12,299,185	11,658,073
Creditors: Amounts falling due within one year	<u>9</u>	<u>(15,297,373)</u>	<u>(13,920,580)</u>
Net current liabilities		<u>(2,998,188)</u>	<u>(2,262,507)</u>
Net liabilities		<u>(2,873,059)</u>	<u>(1,942,378)</u>
Capital and reserves			
Called up share capital		400,100	400,100
Profit and loss account		<u>(3,273,159)</u>	<u>(2,342,478)</u>
Total equity		<u>(2,873,059)</u>	<u>(1,942,378)</u>

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.

Approved and authorised by the Board on 18 December 2020 and signed on its behalf by:

.....
D Horrocks
Director

The notes on pages 3 to 10 form an integral part of these financial statements.

Philadelphia Estates Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

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 Esh House, Bowburn North Industrial Estate, Bowburn, Durham, DH6 5PF.

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 except that as disclosed in the accounting policies certain items are shown at fair value.

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

Group accounts not prepared

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group..

Going concern

The company has net current liabilities at the end of the year.

The financial statements have been prepared on a going concern basis.

The company meets its day to day working capital requirements through cash generated from operations and shareholder borrowings. A letter of support has been obtained from its related parties.

The company's forecasts and projections for the next twelve months show that the company should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This also considers the effectiveness of available measures to assist in mitigating the impact.

Based on the factors set out above the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Philadelphia Estates Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Revenue recognition

Turnover represents rent receivable from investment properties recognised on a straight-line basis.

Tax

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.

Investment property

In accordance with section 16 of FRS 102, accounting for investment properties:

- 1) Revaluation is performed each year at fair value with changes in fair value recognised in profit or loss;
- 2) No depreciation is provided in respect of either freehold or long leasehold investment properties unless fair value cannot be measured reliably without undue cost or effort;
- 3) Deferred tax is to be recognised on any fair value changes made where this is material.

This treatment, as regards certain of the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Investments

Investments in subsidiaries and participating interests are stated at cost less amounts written off.

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.

The cost of finished goods and work in progress 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. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Philadelphia Estates Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

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.

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.

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 0 (2018 - 0).

4 Auditors' remuneration

	2019 £	2018 £
Audit of the financial statements	4,000	12,000

Philadelphia Estates Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

5 Investment properties

	2019 £
At 1 January	320,000
Fair value adjustments	<u>(195,000)</u>
At 31 December	<u><u>125,000</u></u>

There has been no valuation of investment property by an independent valuer.

6 Investments

	2019 £	2018 £
Investments in subsidiaries	4	4
Investments in other investments	<u>125</u>	<u>125</u>
	<u><u>129</u></u>	<u><u>129</u></u>

Subsidiaries

Cost or valuation

At 1 January 2019	<u>4</u>
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At 31 December 2019	<u>4</u>
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Provision

At 1 January 2019	<u>-</u>
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At 31 December 2019	<u>-</u>
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Carrying amount

At 31 December 2019	<u><u>4</u></u>
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At 31 December 2018	<u><u>4</u></u>
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Philadelphia Estates Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

6 Investments (continued)

Other investments		£
Cost		
At 1 January 2019		125
At 31 December 2019		125
Provision		
At 1 January 2019		-
At 31 December 2019		-
Carrying amount		
At 31 December 2019		125
At 31 December 2018		125

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	
			2019	2018
Subsidiary undertakings				
Philadelphia Properties Limited	Esh House, Bowburn, Durham, DH6 5PF England	Ordinary	100%	100%
Speed 8767 Limited	Esh House, Bowburn, Durham, DH6 5PF England	Ordinary	100%	100%
Other investments				
Tursdale Business Park Limited	Esh House, Bowburn, Durham, DH6 5PF England	Ordinary	12.5%	12.5%

Philadelphia Estates Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

6 Investments (continued)

Subsidiary undertakings

Philadelphia Properties Limited

The principal activity of Philadelphia Properties Limited is property letting.

Speed 8767 Limited

The principal activity of Speed 8767 Limited is development.

Other investments

Tursdale Business Park Limited

The principal activity of Tursdale Business Park Limited is property letting.

7 Stocks

	2019 £	2018 £
Work in progress	2,087,852	1,423,072
Other inventories	9,946,949	9,946,949
	<u>12,034,801</u>	<u>11,370,021</u>

Philadelphia Estates Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

8 Debtors

	2019 £	2018 £
Amounts owed by group undertakings	240,904	95,875
Amounts owed by related parties	-	159,057
Other debtors	18,761	47
	<u>259,665</u>	<u>254,979</u>

9 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Bank loans and overdrafts	<u>10</u>	6,270,000	-
Trade creditors		23,164	24,925
Amounts owed to group undertakings		1,017,160	13,877,805
Accruals and deferred income		24,658	6,990
Other creditors		7,962,391	10,860
		<u>15,297,373</u>	<u>13,920,580</u>

Other creditors includes a balance of £7,942,609 owed to Esh Developments Limited. This balance is interest bearing at 1% per month and is due to be repaid in the following 12 months.

10 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Other borrowings	<u>6,270,000</u>	<u>-</u>

During the year, VB (Philadelphia) Limited provided a loan of £6 million to Philadelphia Estates Limited. Interest is charged at 1% per month and is due for repayment in the following 12 months. The year end balance of £6,270,000 has been included within current liabilities.

Philadelphia Estates Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

11 Parent and ultimate parent undertaking

Up until 19th December 2019, the immediate parent was Esh Developments Limited and the ultimate parent company was Esh Investments Limited.

The company's immediate parent is Dunelm Investment Limited, incorporated in England & Wales due to significant voting rights.

These financial statements are available upon request from The Farmhouse, Hedley Hill Farm, Hedley Hill, Durham, DH7 9EX

The directors do not consider there to be an ultimate controlling party.

12 Audit report

The Independent Auditor's Report was unqualified.

The name of the Senior Statutory Auditor who signed the audit report on 18 December 2020 was Christopher Potter BA (Hons) ACA, who signed for and on behalf of MHA Tait Walker.

MHA Tait Walker is a trading name of Tait Walker LLP.

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.