

Company registration number: 04939147

Closegate (Durham No.2) Limited

Financial statements

31 December 2017



Closegate (Durham No.2) Limited

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Closegate (Durham No.2) Limited

Directors responsibilities statement Year ended 31 December 2017

The directors are responsible for preparing the directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Closegate (Durham No.2) Limited

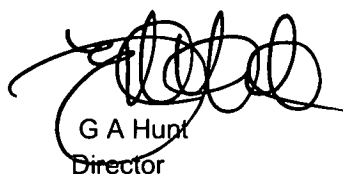
**Statement of financial position
31 December 2017**

	Note	2017 £	£	2016 £	£
Fixed assets					
Investments	6	<u>60,000</u>		<u>60,000</u>	
			60,000		60,000
Current assets					
Debtors	8	<u>275,927</u>		<u>275,000</u>	
		275,927		275,000	
Creditors: amounts falling due within one year	9	<u>(275,927)</u>		<u>(876,755)</u>	
Net current liabilities			-		(601,755)
Total assets less current liabilities			<u>60,000</u>		<u>(541,755)</u>
Net assets/(liabilities)			<u>60,000</u>		<u>(541,755)</u>
Capital and reserves					
Called up share capital			100		100
Profit and loss account			<u>59,900</u>		<u>(541,855)</u>
Shareholders funds/(deficit)			<u>60,000</u>		<u>(541,755)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 21 September 2018, and are signed on behalf of the board by:


G A Hunt
Director

Company registration number: 04939147

The notes on pages 3 to 6 form part of these financial statements.

Closegate (Durham No.2) Limited

Notes to the financial statements Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Alderman Fenwick's House, 98-100 Pilgrim Street, Newcastle upon Tyne, NE1 6SQ.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

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

Going concern

The accounts have been prepared on a going concern basis.

Turnover

Turnover is measured at the fair value of the rent received, net of Value Added Tax.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that 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 that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

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Notes to the financial statements (continued) Year ended 31 December 2017

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Staff costs

The average number of persons employed by the company during the year amounted to 4 (2016: 4).

5. Amounts written off investments

	2017	2016
	£	£
Amounts due to related companies written off	(601,755)	-

Closegate (Durham No.2) Limited

Notes to the financial statements (continued)
Year ended 31 December 2017

6. Investments

	Shares in group undertakings and participating interests £	Total £
Cost		
At 1 January 2017 and 31 December 2017	60,000	60,000
Impairment		
At 1 January 2017 and 31 December 2017	-	-
Carrying amount		
At 31 December 2017	60,000	60,000
At 31 December 2016	60,000	60,000

Investments in group undertakings

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Closegate Hotel Development (Durham) Limited	Alderman Fenwick's House 98-100 Pilgrim Street Newcastle upon Tyne NE1 6SQ	Ordinary	100

The results and capital and reserves for the period of the trading companies are as follows:

	Capital and reserves		Profit/(loss) for the period	
	2017	2016	2017	2016
	£	£	£	£
Subsidiary undertakings				
Closegate Hotel Development (Durham) Limited	7,317,685	7,855,236	(537,551)	265,246

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Notes to the financial statements (continued)
Year ended 31 December 2017

8. Debtors

	2017	2016
	£	£
Other debtors	<u>275,927</u>	<u>275,000</u>

9. Creditors: amounts falling due within one year

	2017	2016
	£	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	601,755
Other creditors	<u>275,927</u>	<u>275,000</u>
	<u>275,927</u>	<u>876,755</u>

10. Summary audit opinion

The auditor's report for the year dated 21 September 2018 was unqualified.

The senior statutory auditor was John Oswald, for and on behalf of Stephenson Coates Limited.

11. Related party transactions

On 28 November 2003, the company granted a 35 year lease to its subsidiary undertaking for land at Riverside, Durham the terms of which were varied on 21 September 2005. Included in turnover in the year is rental income from Closegate Hotel Development (Durham) Limited in respect of the lease of £1,195,427. The company owes the subsidiary undertaking £Nil (2016: £601,755).

12. Controlling party

The company's ultimate parent undertaking is Closegate Projects Limited, a company registered in England. The company's immediate parent undertaking is Closegate Hotel Developments Limited, a company registered in England.