
PEMBERSTONE PROPERTIES (NO. 5) LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2017



PEMBERSTONE PROPERTIES (NO. 5) LIMITED

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PEMBERSTONE PROPERTIES (NO. 5) LIMITED
REGISTERED NUMBER: 08269415

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	Unaudited 2016 £
Fixed assets			
Investment property	4	3,480,000	-
		<u>3,480,000</u>	<u>-</u>
Current assets			
Debtors	5	97,974	-
Cash at bank and in hand	6	18,797	1
		<u>116,771</u>	<u>1</u>
Creditors: amounts falling due within one year	7	(1,784,156)	-
Net current (liabilities)/assets		<u>(1,667,385)</u>	<u>1</u>
Total assets less current liabilities		<u>1,812,615</u>	<u>1</u>
Creditors: amounts falling due after more than one year	8	(1,763,500)	-
Net assets		<u><u>49,115</u></u>	<u><u>1</u></u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	49,114	-
		<u><u>49,115</u></u>	<u><u>1</u></u>

PEMBERSTONE PROPERTIES (NO. 5) LIMITED
REGISTERED NUMBER: 08269415

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 July 2018.


D C Annetts
Director

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

PEMBERSTONE PROPERTIES (NO. 5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

The Company is a private company limited by shares and is incorporated in England.

The address of its registered office is Whittington Hall, Whittington Road, Worcester, WR5 2ZX.

The Company was dormant in the previous year and commenced trading on 28 July 2017.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

At 31 December 2017 the Company has net current liabilities of £1,667,385 (Unaudited 2016 - net current assets £1) These principally represent intercompany loans owed to the Company's ultimate parent company, Pemberstone Group Limited (or other members of its group) which has agreed not to seek repayment of such loans for at least twelve months from the date of signing of the financial statements in order to allow the company to continue to trade. The directors therefore consider it is appropriate to prepare the financial statements on a going concern basis.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Investment property

Investment property is carried at fair value determined annually by the directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Income and Retained Earnings.

PEMBERSTONE PROPERTIES (NO. 5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.10 Operating leases: the Company as lessor

Rental income from operating leases is credited to the Statement of Income and Retained Earnings on a straight line basis over the term of the relevant lease.

2.11 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.12 Provision for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

PEMBERSTONE PROPERTIES (NO. 5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.13 Current and deferred taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are not discounted.

3. Employees

The average monthly number of employees during the year was 0 (Unaudited 2016 - 0).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

4. Investment property

	Investment property £
Valuation	
Addition at cost	3,476,968
Surplus on revaluation	3,032
At 31 December 2017	3,480,000

The valuation of the investment property has been based upon a valuation carried out by the directors at the year end based upon knowledge of the market and costs of realisation. The directors believe that there has not been a material change in the value of these assets since the year end.

The historical cost of the investment properties as at 31 December 2017 was £3,476,968.

5. Debtors

	2017 £	Unaudited 2016 £
Trade debtors	79,093	-
Prepayments and accrued income	18,881	-
	97,974	-

6. Cash and cash equivalents

	2017 £	Unaudited 2016 £
Cash at bank and in hand	18,797	1
	18,797	1

PEMBERSTONE PROPERTIES (NO. 5) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

7. Creditors: Amounts falling due within one year

	2017 £	Unaudited 2016 £
Bank loans	130,000	-
Amounts owed to group undertakings	1,601,449	-
Corporation tax	10,986	-
Other taxation and social security	10,972	-
Accruals and deferred income	30,749	-
	<u>1,784,156</u>	<u>-</u>

For details of security see Note 9.

8. Creditors: Amounts falling due after more than one year

	2017 £	Unaudited 2016 £
Bank loans	1,763,500	-
	<u>1,763,500</u>	<u>-</u>

For details of security see Note 9.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. Loans

Analysis of the maturity of loans is given below:

	2017 £	<i>Unaudited</i> 2016 £
Amounts falling due within one year		
Bank loans	130,000	-
	<u>130,000</u>	<u>-</u>
Amounts falling due 1-2 years		
Bank loans	130,000	-
	<u>130,000</u>	<u>-</u>
Amounts falling due 2-5 years		
Bank loans	1,633,500	-
	<u>1,633,500</u>	<u>-</u>
	<u>1,893,500</u>	<u>-</u>

Secured loans

The bank loans are with Svenska Handelsbanken AB (publ) and are secured over the assets of the Company and bear a variable rate of interest of 2.65% over LIBOR. The loans are repayable by quarterly instalments of £32,500 with the balance outstanding at maturity in July 2022 being repayable at that date.

10. Share capital

	2017 £	<i>Unaudited</i> 2016 £
Allotted, called up and fully paid		
1 Ordinary £1 share of £1	1	1
	<u>1</u>	<u>1</u>

PEMBERSTONE PROPERTIES (NO. 5) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses net of any dividends paid. Net retained earnings include revaluation of investment property of £3,032 (2016: £NIL) and an associated deferred tax of £NIL (2016: £NIL) which is not considered distributable to the shareholders.

12. Controlling party

The Company's immediate parent company is Pemberstone Limited, which itself is owned by Pemberstone Group Limited. All of these companies are incorporated in England and Wales.

At 31 December 2017 the largest and smallest group in which the results of the Company are consolidated is that headed by Pemberstone Group Limited, a company incorporated in England and Wales. The registered office of Pemberstone Group Limited is Whittington Hall, Whittington Road, Worcester, WR5 2ZX.

The ultimate controlling party is therefore considered to be Pemberstone Group Limited.

13. Auditors' information

An unqualified audit opinion was issued in respect of these financial statements by Jo Warburton, Senior Statutory Auditor, for and on behalf of Hurst & Company Accountants LLP, Chartered Accountants and Statutory Auditors, Lancashire Gate, 21 Tiviot Dale, Stockport, Cheshire, SK1 1TD.