

Company registration number 09872947 (England and Wales)

**PECKHAM LEVELS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR**

PECKHAM LEVELS LIMITED

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PECKHAM LEVELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Peckham Levels Limited is a private company limited by shares incorporated in England and Wales. The registered office is 95a Rye Lane, London, SE15 4ST.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

PECKHAM LEVELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.2 Going concern

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within its current funding levels into the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Despite the significant effect COVID-19 and the related government enforced restrictions have had on our ability to develop, then operate our venue, the directors are pleased to report the following:

- Our venue, is fully operational and has seen consistent month on month revenue and EBITDA in the period January 2022 to September 2022.
- The occupancy rate for our studio and workspaces is 95%; the occupancy rate for the retail, food and drink aspects of the venue is 85% and will reach 100% by January 2023.
- We intend to launch a new venue on site by February 2023, a new theatre for Peckham which will be in unused space on the ground floor.
- Additionally, the common parts of the publicly accessible spaces are in the process of being refurbished to provide a better customer experience.
- The venue has taken direct control of the on-site 450 capacity live music and events space, as well as the main bar that is open to the public. Both venues are currently being refurbished. The venues are expected to generate additional revenue of over £1m, which is based upon the trading results of the previous tenants.
- These changes should contribute to a further increase in footfall, resulting in revenues and venue EBITDA growth.

As a result of the above, the company can meet its short-term financial obligations to suppliers and employees.

The company has a positive and supportive relation with its lender, with long-term debt terms that will give the venue the time and space to recover and meet its obligations.

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

1.3 Turnover

Turnover from the supply of management services and rental income represents the value of the services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Rental income received in advance is recognised as deferred income on the statement of financial position and recognised as turnover over the rental contract term to which it relates.

1.4 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.

PECKHAM LEVELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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 bases:

Leasehold land and buildings	Over the term of the lease
Plant and equipment	25% on cost
Fixtures and fittings	15% on cost
Computers	33.33% on cost

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 profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

PECKHAM LEVELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.7 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.

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, loans from fellow group companies and preference shares that are classified as debt, 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.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

PECKHAM LEVELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

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 future periods where the revision affects both current and future periods.

- Recoverability of amounts owed by group undertakings and related parties

Provision for impairment of the carrying value of amounts owed by group undertakings and related parties is made based on management's estimate of the prospect of recovering the amounts due, which includes considering the solvency of the counterparty and its future outlook, based on budgets and forecasts prepared by management.

- Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

PECKHAM LEVELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	10	10

4 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 January 2021	5,063,226	52,247	53,532	15,666	5,184,671
Additions	108,704	-	10,326	6,116	125,146
At 31 December 2021	5,171,930	52,247	63,858	21,782	5,309,817
Depreciation and impairment					
At 1 January 2021	762,643	21,428	22,048	15,040	821,159
Depreciation charged in the year	247,559	5,731	9,584	1,967	264,841
At 31 December 2021	1,010,202	27,159	31,632	17,007	1,086,000
Carrying amount					
At 31 December 2021	4,161,728	25,088	32,226	4,775	4,223,817
At 31 December 2020	4,300,583	30,819	31,484	626	4,363,512

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	44,308	10,868
Amounts owed by group undertakings	97	20,613
Other debtors	62,385	95,763
	106,790	127,244

Amounts owed by group undertakings and related parties are unsecured, interest free and repayable on demand.

PECKHAM LEVELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	10,648	5,324
Trade creditors	175,211	91,723
Amounts owed to group undertakings	-	917,003
Taxation and social security	73,146	103,625
Other creditors	393,346	516,036
	<u>652,351</u>	<u>1,633,711</u>

Amounts owed to group undertakings and related parties are unsecured, interest free and repayable on demand.

7 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans and overdrafts	34,628	44,676
Other creditors	2,956,270	2,807,144
	<u>2,990,898</u>	<u>2,851,820</u>

Bank loans are secured by fixed and floating charges over the Company's assets. Floating charges cover all the property and undertakings of the Company and also contain a negative pledge. Interest is accruing at 2.5% per annum and is repayable by June 2026.

Other loans are secured by fixed and floating charges over the Company's assets. Floating charges cover all the property and undertakings of the Company and also contain a negative pledge. Interest is accruing at 8% per annum and is repayable by December 2022.

Creditors which fall due after five years are as follows:

	2021 £	2020 £
Payable by instalments	-	1,699,849
	<u>-</u>	<u>1,699,849</u>

PECKHAM LEVELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

A material uncertainty related to going concern exists and attention was drawn to note 1.2 of the financial statements which describes the basis upon which the financial statements are prepared and the material uncertainties related to going concern.

The senior statutory auditor was Declan McCusker and the auditor was Perrys Audit Limited.

9 Financial commitments, guarantees and contingent liabilities

Fixed and floating charges including a negative pledge are held over the company's assets.

10 Related party transactions

At the balance sheet date, the company was owed £97 from a company under common control (2020: £Nil).

During the year, management charges were incurred from a group company prior to the change in ownership totalling £87,168 (2020: £180,000).

During the year, loans owed to group companies prior to the change in ownership totalling £1,011,172 (2020: £Nil) were written off.

11 Parent company

Up to 4 November 2021, the immediate parent undertaking was Make Shift Community Ltd, a company incorporated in England and Wales. The ultimate parent undertaking and ultimate controlling party was The Collective (Living) Group Limited, a company incorporated in England and Wales.

From 4 November 2021, the parent company is Intelligere Investments Limited, a company incorporated in England and Wales.

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.