

Financial Statements
for the Year Ended 31 December 2021
for
BETHNAL GREEN REGENERATION LIMITED

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for the year ended 31 December 2021

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BETHNAL GREEN REGENERATION LIMITED

Company Information
for the year ended 31 December 2021

Directors: A L Dawson
G J Stewart
M J Willis
K L White

Secretary: C Patc

Registered office: 155 Moorgate
London
EC2M 6XB

Registered number: 11519292 (England and Wales)

Auditors: Haines Watts
Chartered Accountants
Statutory Auditor
Aissela
46 High Street
Esher
Surrey
KT10 9QY

BETHNAL GREEN REGENERATION LIMITED (REGISTERED NUMBER: 11519292)

Balance Sheet
31 December 2021

	Notes	2021 £	2020 £
Current assets			
Stocks	4	-	1,568,115
Debtors	5	154	5,980
Cash at bank		3,659	2,067
		<u>3,813</u>	<u>1,576,162</u>
Creditors			
Amounts falling due within one year	6	<u>901,525</u>	<u>128,333</u>
Net current (liabilities)/assets		<u>(897,712)</u>	<u>1,447,829</u>
Total assets less current liabilities		<u>(897,712)</u>	<u>1,447,829</u>
Creditors			
Amounts falling due after more than one year	7	<u>2,245,753</u>	<u>1,474,871</u>
Net liabilities		<u>(3,143,465)</u>	<u>(27,042)</u>
Capital and reserves			
Called up share capital	8	100	100
Retained earnings		<u>(3,143,565)</u>	<u>(27,142)</u>
Shareholders' funds		<u>(3,143,465)</u>	<u>(27,042)</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 Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 16 December 2022 and were signed on its behalf by:

K L White - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the year ended 31 December 2021

1. **Statutory information**

Bethnal Green Regeneration Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **Accounting policies**

Basis of preparing the financial statements

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. The financial statements have been prepared under the historical cost convention.

Material uncertainty in relation to going concern

There is a balance sheet deficit of £3,143,465 (2020: £27,042) at the year-end which relates to an outstanding balance with a third party through an option agreement taken out in relation to the purchase of a building and an intercompany loan balance owed to a parent company.

The work-in-progress balance was impaired in the year as an assessment in relation to the viability of the project determined that no further progress will be made on the project in its current form.

The directors recognise that there is material uncertainty related to the going concern of the company that casts significant doubt over the company's future until the issue around payment of the amount owed under the option agreement is resolved. Additionally, the future direction and viability of the company needs to be considered which includes determining how the repayment of the intercompany loan to the parent company can be achieved. There are no additional accounting entries that are required as a result of the above and therefore the financial statements have been prepared on a going concern basis. This basis is considered appropriate by the directors.

Key source of estimation, uncertainty and judgement

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgement that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

There is uncertainty in the judgement of recoverability of stock. Management review recoverability on a periodic basis taking into the account the position of the project. Whilst every attempt is made to ensure that the recoverability of stock is as accurate as possible, there remains the risk that the judgements do not match the level recorded in stock.

Stocks

Work-in-progress is initially recognised at cost and is held at the lower of this cost and its net realisable value. Net realisable value represents the estimated selling price less costs to complete.

Borrowing costs in respect of particular site developments are capitalised and included within work-in-progress.

The company undertakes developments on such terms that it cannot determine profit until the development is complete. Therefore, no attributable profit is taken on such uncompleted developments.

2. **Accounting policies - continued**

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

3. **Employees and directors**

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

4. **Stocks**

Work-in-progress of £3,099,528 was impaired at the year-end 31 December 2021.

Notes to the Financial Statements - continued
for the year ended 31 December 2021

5. Debtors: amounts falling due within one year

	2021	2020
	£	£
Client account funds	-	4,443
VAT	154	1,537
	<u>154</u>	<u>5,980</u>

6. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	113	3,330
Accruals and deferred income	901,412	125,003
	<u>901,525</u>	<u>128,333</u>

7. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Other loans - 2-5 years	2,000,000	1,134,454
Loan interest	245,753	340,417
	<u>2,245,753</u>	<u>1,474,871</u>

8. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
100	Ordinary	1	<u>100</u>	<u>100</u>

9. Disclosure under Section 444(5B) of the Companies Act 2006

The Report of the Auditors was unqualified.

Paul Hodgett (Senior Statutory Auditor)
for and on behalf of Haines Watts

Notes to the Financial Statements - continued
for the year ended 31 December 2021

10. Related party disclosures

Under the terms of the loan agreement, a loan redemption premium is payable to increase loan interest accrued to £1,000,000 should loan interest not reach this threshold within 30 months of entering the agreement. Furthermore, should the loan not be repaid within 30 months a loan redemption premium is payable so that the total liability (including monies drawn down and interest accrued) shall increase to £2,000,000.

The loan was not repaid within 30 months and entered into the extended loan term during the year and therefore, there was a further interest charge of £230,217 to bring accrued interest to £1,000,000. Interest of £245,753 was then charged on the £2,000,000 loan balance for the period from the end of the initial loan term to the year-end date.

At the balance sheet date the company owed £2,000,000 (2020: £1,134,454) to a company with a participating interest. Included within creditors due after more than one year is £245,753 (2020: £340,417) accrued interest which is charged at a rate of 15% and compounded annually. The loan is unsecured.

Included within accruals and deferred income is £nil (2020: £118,438) relating to development costs incurred by an entity with a participating interest on behalf of the company. The balance was reversed during the year as the costs will not be recharged during a future period.

11. Ultimate controlling party

Mace Finance Limited is regarded by the directors as being the company's ultimate parent company. These financial statements are available upon request from Companies House.

Mace Develop Limited is the immediate parent company with a 51% shareholding in the company.

The registered office address of both company's is the same as Bethnal Green Regeneration Ltd registered office address.

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.