

Company Registration No. 11632909 (England and Wales)

# **DARWEN & DEVINE LTD**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2020**

**PAGES FOR FILING WITH REGISTRAR**

# **DARWEN & DEVINE LTD**

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**DARWEN & DEVINE LTD****BALANCE SHEET****AS AT 31 OCTOBER 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	3		11,486		14,357
Investment properties	4		990,080		778,759
			<u>1,001,566</u>		<u>793,116</u>
<b>Current assets</b>					
Debtors	5	746		10,390	
Cash at bank and in hand		-		7,022	
		<u>746</u>		<u>17,412</u>	
<b>Creditors: amounts falling due within one year</b>	6	(174,905)		(160,231)	
<b>Net current liabilities</b>			<u>(174,159)</u>		<u>(142,819)</u>
<b>Total assets less current liabilities</b>			<u>827,407</u>		<u>650,297</u>
<b>Creditors: amounts falling due after more than one year</b>	7		(532,812)		(464,006)
<b>Provisions for liabilities</b>			<u>(55,911)</u>		<u>(35,253)</u>
<b>Net assets</b>			<u><u>238,684</u></u>		<u><u>151,038</u></u>
<b>Capital and reserves</b>					
Called up share capital			100		100
Profit and loss reserves	8		238,584		150,938
<b>Total equity</b>			<u><u>238,684</u></u>		<u><u>151,038</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 October 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

**DARWEN & DEVINE LTD**

**BALANCE SHEET (CONTINUED)**

**AS AT 31 OCTOBER 2020**

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The financial statements were approved by the board of directors and authorised for issue on 18 October 2021 and are signed on its behalf by:

**Mr F T Darwen**  
**Director**

**Company Registration No. 11632909**

## **DARWEN & DEVINE LTD**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 OCTOBER 2020**

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## **1 Accounting policies**

### **Company information**

Darwen & Devine Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Fylde House, Skyways Commercial Campus, Amy Johnson Way, Blackpool, FY4 3RS.

### **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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

### **1.2 Going concern**

At the time of approving the financial statements, the directors are considering the impact of the Coronavirus outbreak, putting plans in place to mitigate any losses or shortfalls in cash flow and taking precautions where necessary.

The company has considerable cash reserves in place and the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### **1.3 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.

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:

Motor vehicles	20% reducing balance
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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.

### **1.4 Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

## DARWEN & DEVINE LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

#### 1 Accounting policies

(Continued)

##### 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.

##### 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.

## DARWEN & DEVINE LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

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#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

## DARWEN & DEVINE LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 OCTOBER 2020

#### 1 Accounting policies

(Continued)

##### 1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

##### 1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 2 Employees

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

	2020 Number	2019 Number
Total	2	2

#### 3 Tangible fixed assets

Motor vehicles

	£
<b>Cost</b>	
At 1 November 2019 and 31 October 2020	17,580
<b>Depreciation and impairment</b>	
At 1 November 2019	3,223
Depreciation charged in the year	2,871
At 31 October 2020	6,094
<b>Carrying amount</b>	
At 31 October 2020	11,486
At 31 October 2019	14,357



**DARWEN & DEVINE LTD****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 OCTOBER 2020****4 Investment property**

	<b>2020</b>
	<b>£</b>
<b>Fair value</b>	
At 1 November 2019	778,759
Additions	87,539
Revaluations	123,782
	<u>          </u>
At 31 October 2020	990,080
	<u>          </u>

Investment property comprises residential properties. The fair value of the investment property has been arrived at by the Directors and was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

The directors confirm that they are satisfied that the figure of £990,080 represents fair value as at the year end date.

**5 Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Other debtors	746	10,390
	<u>          </u>	<u>          </u>

**6 Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	17,460	7,916
Trade creditors	2,172	47,371
Other creditors	155,273	104,944
	<u>          </u>	<u>          </u>
	174,905	160,231
	<u>          </u>	<u>          </u>

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	526,462	454,762
Other creditors	6,350	9,244
	<u>          </u>	<u>          </u>
	532,812	464,006
	<u>          </u>	<u>          </u>

The long-term loans are secured by fixed charges over the investment property.

## DARWEN & DEVINE LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2020

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#### 7 Creditors: amounts falling due after more than one year (Continued)

Creditors which fall due after five years are as follows:	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Payable by instalments	450,826	420,169
	<u>          </u>	<u>          </u>

#### 8 Profit and loss reserves

As required by FRS102, movements in the fair value of investment properties and the associated deferred tax provision are presented in the profit and loss account and therefore accumulate in profit and loss reserves. These amounts are not however realised profits for the purposes of determining the balance available for distribution and profit and loss reserves include £245,030 that may not legally be distributed.

#### 9 Related party transactions

An interest free loan was provided by a company in which both of the directors had a personal interest with an outstanding balance at year end of £8,848.

Also, companies in which one of the directors had a personal interest provided interest free loans with outstanding balances at year end of £65, £200 and £4,000 respectively.

Finally, an interest free loan was provided to a company in which both of the directors had a personal interest with outstanding balances at year end of £746.

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