

**Dawnmills Properties Limited**  
**Directors' report and Financial statements**  
**For the year ended 31 July 2019**

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COMPANIES HOUSE

**Dawnmills Properties Limited**  
**Registered number: NI611457**

**Balance sheet**  
**As at 31 July 2019**

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Investment property	5	8,175,000	8,175,000
		<u>8,175,000</u>	<u>8,175,000</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	6	1,585,298	1,083,518
Cash at bank and in hand	7	66,951	89,413
		<u>1,652,249</u>	<u>1,172,931</u>
Creditors: amounts falling due within one year	8	(7,835,606)	(7,843,770)
<b>NET CURRENT LIABILITIES</b>		<b>(6,183,357)</b>	<b>(6,670,839)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,991,643</b>	<b>1,504,161</b>
<b>NET ASSETS</b>		<b>1,991,643</b>	<b>1,504,161</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		2	2
Profit and loss account		1,991,641	1,504,159
		<u>1,991,643</u>	<u>1,504,161</u>

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 by:

  
 Patricia Henry  
 Director

Date: 21 July 2020

**Dawnmills Properties Limited**

**Statement of changes in equity  
For the year ended 31 July 2019**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 August 2018	2	1,504,159	1,504,161
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	487,482	487,482
<b>AT 31 JULY 2019</b>	<b>2</b>	<b>1,991,641</b>	<b>1,991,643</b>

**Statement of changes in equity  
For the year ended 31 July 2018**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 August 2017	2	403,944	403,946
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	1,100,215	1,100,215
<b>AT 31 JULY 2018</b>	<b>2</b>	<b>1,504,159</b>	<b>1,504,161</b>

The notes on pages 3 to 8 form part of these financial statements.

## **Dawnmills Properties Limited**

### **Notes to the financial statements For the year ended 31 July 2019**

#### **1. GENERAL INFORMATION**

These financial statements comprising the Statement of income and retained earnings, the Balance sheet and the related notes constitute the individual financial statements of Dawnmills Properties Limited for the year ended 31 July 2019. Dawnmills Properties Limited is a private company limited by shares incorporated in Northern Ireland. The Registered Office is 1 Ballycregagh Road, Cloughmills, Ballymena, Co Antrim, BT44 9LB. The nature of the company's operations and its principal activities are the holding of property for investment.

#### **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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 GOING CONCERN**

COVID-19 has had a significant impact on the trading performance of the tenants within the Company's property. The ability of the Company to continue to trade is dependent upon the retail economy reopening and the continuing support of shareholders.

In light of these events the Directors have undertaken an assessment of the going concern basis and application to the Company's financial statements:

- a) Management accounts have been prepared quarterly and provided to their funders together with projected cashflows which support the going concern assumption; and
- b) The Company continues to engage with its funders and has the support of its shareholders.

The Directors are confident the Company can continue to meet its financial obligations as they fall due for a period of at least the next 12 months as they have received confirmation from shareholders that support will be provided if required. Noting the above the Directors deem it appropriate to prepare these financial statements on the going concern basis.

## **Dawnmills Properties Limited**

### **Notes to the financial statements For the year ended 31 July 2019**

## **2. ACCOUNTING POLICIES (CONTINUED)**

### **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 FINANCE COSTS**

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### **2.5 CURRENT AND DEFERRED TAXATION**

The tax expense for the year comprises current and deferred tax. 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.

## **Dawnmills Properties Limited**

### **Notes to the financial statements For the year ended 31 July 2019**

#### **2. ACCOUNTING POLICIES (CONTINUED)**

##### **2.6 INVESTMENT PROPERTY**

Investment property is carried at fair value determined annually 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.

##### **2.7 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.

##### **2.8 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.

##### **2.9 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.

##### **2.10 PROVISIONS 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.

##### **2.11 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

**Dawnmills Properties Limited**

**Notes to the financial statements  
For the year ended 31 July 2019**

**2. ACCOUNTING POLICIES (CONTINUED)**

**2.11 FINANCIAL INSTRUMENTS (continued)**

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.

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparing these financial statements, the directors had to make the following judgements:

The investment property valuation report is prepared by the directors on an open market value for existing use basis. The directors judgement on market value is considered to be the key source of estimation uncertainty. The directors utilise market reports and industry data in arriving at the valuation.

**4. EMPLOYEES**

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

The average monthly number of employees, including directors, during the year was 0 (2018 - 0).

**5. INVESTMENT PROPERTY**

	<b>Freehold investment property £</b>
<b>VALUATION</b>	
At 1 August 2018	<b>8,175,000</b>
<b>AT 31 JULY 2019</b>	<b>8,175,000</b>

The 2019 valuations are estimated by the Directors, on an open market value for existing use basis.

**Dawnmills Properties Limited**

**Notes to the financial statements  
For the year ended 31 July 2019**

**6. DEBTORS**

	2019 £	2018 £
Amounts owed by group undertakings	1,404,264	825,682
Other debtors	181,034	219,095
Deferred taxation	-	38,741
	<u>1,585,298</u>	<u>1,083,518</u>

**7. CASH AND CASH EQUIVALENTS**

	2019 £	2018 £
Cash at bank and in hand	66,951	89,413
	<u>66,951</u>	<u>89,413</u>

**8. CREDITORS: Amounts falling due within one year**

	2019 £	2018 £
Other creditors	172,283	232,402
Trade creditors	21,848	18,160
Amounts owed to related parties	7,474,457	7,474,457
Corporation tax	60,401	-
Other taxation and social security	27,880	24,316
Accruals and deferred income	78,737	94,435
	<u>7,835,606</u>	<u>7,843,770</u>

## Dawnmills Properties Limited

### Notes to the financial statements For the year ended 31 July 2019

#### 9. FINANCIAL INSTRUMENTS

	2019 £	2018 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit or loss	66,951	89,413
Financial assets that are debt instruments measured at amortised cost	1,466,943	926,109
	<u>1,533,894</u>	<u>1,015,522</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>(7,728,989)</u>	<u>(7,725,019)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise amounts owed to related parties and other creditors.

#### 10. CONTROLLING PARTY

The Company's parent undertaking is HCW Properties Limited, a company registered in Northern Ireland.

#### 11. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 July 2019 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

The auditors' report on the financial statements for the year ended 31 July 2019 was unqualified. However, we draw attention to note 2.2 in the financial statements, which identifies the uncertainties that exist, as a result of the Covid-19 pandemic, and which may cause doubt as to the ability of the Company to continue as a going concern.

The impact of these events and conditions, which are mainly outside of the control of the Company, along with the other matters as set out in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The auditor's report is not modified in respect of this matter.

The audit report was signed on 21 July 2020 by Stewart Dunne (Senior statutory auditor) on behalf of BDO.