

COMPANY REGISTRATION NUMBER: 06724817

Grotton Investments Ltd
Filleted Unaudited Financial Statements
31 October 2019



HILL ECKERSLEY & CO. LTD

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Grotton Investments Ltd

Financial Statements

Year ended 31 October 2019

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Grotton Investments Ltd

Statement of Financial Position

31 October 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	774,607	776,274
Current assets			
Stocks		413,725	288,497
Debtors	6	6,309	4,144
Cash at bank and in hand		45,834	15,739
		<u>465,868</u>	<u>308,380</u>
Creditors: amounts falling due within one year	7	<u>319,554</u>	<u>263,536</u>
Net current assets		<u>146,314</u>	<u>44,844</u>
Total assets less current liabilities		<u>920,921</u>	<u>821,118</u>
Creditors: amounts falling due after more than one year	8	<u>800,740</u>	<u>687,673</u>
Net assets		<u><u>120,181</u></u>	<u><u>133,445</u></u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		<u>120,179</u>	<u>133,443</u>
Shareholders funds		<u><u>120,181</u></u>	<u><u>133,445</u></u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the year ending 31 October 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- 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;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

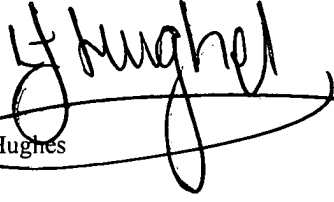
The notes on pages 3 to 6 form part of these financial statements.

Grotton Investments Ltd

Statement of Financial Position *(continued)*

31 October 2019

These financial statements were approved by the board of directors and authorised for issue on 29 November 2019, and are signed on behalf of the board by:


Mr J Hughes
Director

Company registration number: 06724817

The notes on pages 3 to 6 form part of these financial statements.

Grotton Investments Ltd

Notes to the Financial Statements

Year ended 31 October 2019

1. General information

Grotton Investments Ltd is a private company limited by shares, registered in the United Kingdom number 06724817. Its registered office is 17 Rush Hill Road, Upper Mill, Oldham, Lancashire, OL3 6JD.

The principal activity of the company during the year was that of property investment.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Grotton Investments Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 October 2019

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 20% reducing balance
Motor vehicles	- 25% reducing balance

Investment property

Investment properties are valued at the directors discretion.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 4 (2018: 2).

Grotton Investments Ltd

Notes to the Financial Statements (continued)

Year ended 31 October 2019

5. Tangible assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 November 2018 and 31 October 2019	<u>768,474</u>	<u>25,126</u>	<u>3,800</u>	<u>797,400</u>
Depreciation				
At 1 November 2018	–	19,463	1,663	21,126
Charge for the year	–	1,133	534	1,667
At 31 October 2019	<u>–</u>	<u>20,596</u>	<u>2,197</u>	<u>22,793</u>
Carrying amount				
At 31 October 2019	<u>768,474</u>	<u>4,530</u>	<u>1,603</u>	<u>774,607</u>
At 31 October 2018	<u>768,474</u>	<u>5,663</u>	<u>2,137</u>	<u>776,274</u>

The directors are of the opinion that investment property is valued correctly.

6. Debtors

	2019 £	2018 £
Trade debtors	1,500	–
Other debtors	<u>4,809</u>	<u>4,144</u>
	<u>6,309</u>	<u>4,144</u>

7. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	9,923	9,709
Corporation tax	–	4,196
Other creditors	<u>309,631</u>	<u>249,631</u>
	<u>319,554</u>	<u>263,536</u>

Other creditors due within one year include £249,631 (2018 £249,631) due to Mr L Hughes, a director of the company. This loan was sourced for the purpose of funding the ongoing construction costs of the current residential development project.

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

	2019 £	2018 £
Bank loans and overdrafts	426,904	–
Other creditors	<u>373,836</u>	<u>687,673</u>
	<u>800,740</u>	<u>687,673</u>

Grotton Investments Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 October 2019

8. Creditors: amounts falling due after more than one year *(continued)*

Other creditors due after one year includes £373,836 (2018 £343,836) due to Mr L Hughes, a director of the company. The loan was sourced to fund the original purchase of The Grotton Hotel and its subsequent refurbishment together with related land costs.

9. Related party transactions

The company was under the joint control of Mr L Hughes and Mr M J Heap until 15th February 2019 when Mr M J Heap resigned. After that date the company has been under the sole control of Mr L J Hughes. Mr L J Hughes is the managing director and owns 100% of the company's issued share capital.

During the year a loan from Richmond Joiners and Builders Limited in the sum of £343,837 was repaid in full (2018: £343,837). This is a company controlled by Mr M J Heap.