

Parkside Property (Yorkshire) Limited

**Directors' report and financial
statements**

Registered number 08668874

31 December 2018



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Directors' report

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company during the period was holding property for use by other group companies.

Proposed dividend

The directors do not recommend the payment of a dividend (2017: £nil).

Directors

The directors who held office during the year were as follows:

MNK Aldridge
NJ Smith (resigned 22 March 2019)
RS Adamson (appointed 22 March 19)
V Rayment

Small companies exemptions

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Strategic report

The company was exempt by virtue of section 414B of the Companies Act 2006 from the requirements to prepare a Strategic Report.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



V Rayment
Director

Tyler Close
Normanton
Wakefield
WF6 1RL

..26/9/2019

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



KPMG LLP

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Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent Auditor's Report to the Members of Parkside Property (Yorkshire) Limited

Opinion

We have audited the financial statements of Parkside Property (Yorkshire) Limited ("the company") for the year ended 31 December 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as valuation of investment properties and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent Auditor's Report to the Members of Parkside Property (Yorkshire) Limited (continued)

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

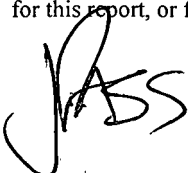
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Johnathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

24/4/2019

Profit and loss account

for the year ended 31 December 2018

| | Note | 31 December 2018 | 31 December 2017 |
|--|------|---------------------|---------------------|
| | | £ | £ |
| Turnover | | 361,098 | 302,950 |
| Administrative expenses | | (3,616) | (45,535) |
| Operating profit | | 357,482 | 257,415 |
| Interest payable and similar charges | 4 | (45,571) | (49,717) |
| Profit on ordinary activities before taxation | | 311,911 | 207,698 |
| Tax on profit on ordinary activities | 5 | 48,368 | (48) |
| Profit for the financial period | | 360,279 | 207,650 |

The notes on pages 8 to 13 form an integral part of these financial statements.

The company had no recognised gains or losses other than the profit for the financial year.

Balance Sheet

At 31st December 2018

| | Notes | 2018 | | 2017 | |
|---|-------|----------------|------------------|----------------|----------------|
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Investment Property | 6 | | 3,491,371 | | 3,491,371 |
| Current Assets | | | | | |
| Debtors | 7 | | - | | - |
| Cash at bank and in hand | | 173,736 | | 143,775 | |
| | | <u>173,736</u> | | <u>143,775</u> | |
| Creditors: amounts falling due within one year | 8 | (1,689,378) | | (1,789,696) | |
| Net current liabilities | | | (1,515,642) | | (1,645,921) |
| Total assets less current liabilities | | | 1,975,729 | | 1,845,450 |
| Creditors: amounts falling due after more than one year | 9 | | (920,000) | | (1,150,000) |
| Net assets/(liabilities) | | | 1,055,729 | | 695,450 |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 1 | | 1 |
| Profit and loss account | | | 1,055,278 | | 695,449 |
| Shareholders' surplus/(deficit) | | | <u>1,055,729</u> | | <u>695,450</u> |

The notes on pages 8 to 13 form an integral part of these financial statement.

These financial statements were approved by the board of directors on 26/9/2019 and were signed on its behalf by:



V Rayment

Director

Statement of Changes in Equity

for the period ended 31 December 2018

| | Called up share capital | Profit and loss account | Total equity |
|--|----------------------------|----------------------------|-----------------|
| Balance at 1 st January 2017 | 1 | 487,799 | 487,800 |
| Total comprehensive income for the period | | | |
| Profit or loss for the financial year | - | 207,650 | 207,650 |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the period | - | 207,650 | 207,650 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2017 | 1 | 695,449 | 695,450 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 1 January 2018 | 1 | 695,449 | 695,450 |
| Total comprehensive income for the period | — | 360,279 | 360,279 |
| Profit or loss for the financial year | — | 360,279 | 360,279 |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the period | — | 360,279 | 360,279 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2018 | 1 | 1,055,728 | 1,055,729 |
| | <hr/> | <hr/> | <hr/> |

The notes on pages 8 to 13 form an integral part of these financial statements.
 (forming part of the financial statements)

Notes *(continued)*

1 Accounting policies

Basis of preparation

Parkside Property (Yorkshire) Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102 ") as issued in August 2015. The amendments to FRS 102 issued in July 2016 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 Section 1A Small Entities in respect of the following disclosures:

- Statement of Comprehensive Income and related notes;
- Cash Flow Statement and related notes.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: investment property.

Going concern

Notwithstanding net current liabilities of £1,515,642 as at 31 December 2018, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Parkside Flexibles (Europe) Limited not seeking repayment of the amounts currently due to the group, which at 31 December 2018 amounted to £531,322, and providing additional financial support during that period if the company is required to repay amounts owed to other related parties. Parkside Flexibles (Europe) Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes (continued)

1 Accounting policies (*continued*)

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and ii. no depreciation is provided in respect of investment properties applying the fair value model.

If a reliable measure is not available without undue cost or effort for an item of investment property, this item is thereafter accounted for as tangible fixed assets in accordance with section 17 until a reliable measure of fair value becomes available.

Turnover

Turnover represents amounts invoiced for property rental, all within the UK.

Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Notes (continued)

1 Accounting policies (continued)

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Taxation

Tax on the profit or loss 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 directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the property, except when the investment property has a limited useful life and the objective of the company's business model is to consume substantially all of the value through use. In the latter case the tax rate that is expected to apply to the reversal of the related difference is used. Deferred tax balances are not discounted.

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.

2 Auditor's remuneration

| | 31 December 2018 | 31 December 2017 |
|-------------------------------------|---------------------|---------------------|
| Auditors remuneration | | |
| Audit of these financial statements | - | - |
| | <u> </u> | <u> </u> |

The auditors' remuneration is borne by Parkside Flexibles (Europe) Ltd.

3 Information regarding directors and employees

The directors received no remuneration from the Company during the year (2017: £nil). The average number of employees during the year was nil (2017: nil).

Notes (continued)

4 Interest payable and similar charges

| | 31 December 2018 | 31 December 2017 |
|---|---------------------|---------------------|
| Interest payable on financial liabilities at amortised cost | 45,571 | 49,717 |

5 Taxation

Total tax expense recognised in the profit and loss account

| | 31 December 2018 | 31 December 2017 |
|---|---------------------|---------------------|
| UK Corporation tax | | |
| Current tax on income in the year | - | 48,647 |
| Adjustments in respect of prior periods | (48,368) | (48,599) |
| | <u>(48,368)</u> | <u>48</u> |
| Tax on profit on ordinary activities | <u>(48,368)</u> | <u>48</u> |

Reconciliation of effective tax rate

| | 31 December 2018 | 31 December 2017 |
|--|---------------------|---------------------|
| Profit for the year | 360,279 | 207,650 |
| Total tax expense | (48,368) | 48 |
| Profit excluding tax | 311,911 | 207,698 |
| Current tax at 19.00% (2016: 19.25%) | 59,263 | 48,647 |
| Expenses not deductible for tax purposes | 1,464 | - |
| Group relief surrendered | (60,727) | - |
| Adjustments in respect of prior periods | (48,368) | (48,599) |
| | <u>(48,368)</u> | <u>48</u> |
| Total current tax charge | <u>(48,368)</u> | <u>48</u> |

The UK corporation tax rate reduced from 20% to 19% on 1 April 2017, and will reduce to 17% on 1 April 2020. In the future, this will reduce the Company's current tax charge accordingly. In accordance with accounting standards, the effect of these rate reductions on deferred tax balances has been reflected in these financial statements, dependent upon when temporary differences are expected to reverse.

Notes (continued)

| | |
|--------------------------------------|------------------|
| 6 Investment property | 2018 £ |
| Balance at 1 January and 31 December | 3,491,371 |
| Historical cost net book value | <u>3,491,371</u> |

The directors value the portfolio every year. The most recent external valuation was undertaken in 2013. The directors consider the fair value of the property at the balance sheet date to be equivalent to this valuation.

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the turnover accounting policy.

| | | |
|---|-----------|-----------|
| 7 Debtors | 2018 £ | 2017 £ |
| Amounts owed from related parties (note 11) | <u>-</u> | <u>-</u> |

| | | |
|--|------------------|------------------|
| 8 Creditors: amounts falling due within one year | 2018 £ | 2017 £ |
| Secured bank loans (note 9) | 230,000 | 230,000 |
| Amounts owed to related parties (note 11) | 1,351,531 | 1,402,999 |
| Corporation tax | - | 48,369 |
| Other taxes | 18,000 | 30,295 |
| Accruals and deferred income — related parties (note 11) | 83,078 | 69,912 |
| Other accruals and deferred income | 6,769 | 8,121 |
| | <u>1,689,378</u> | <u>1,789,696</u> |

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

| | | |
|--|----------------|------------------|
| 9 Creditors: amounts falling due after more than one year | 2018 £ | 2017 £ |
| Secured bank loans | <u>920,000</u> | <u>1,150,000</u> |

Bank loans totalling £1.380m are payable over 24 quarterly instalments and subject to interest at LIBOR + 3%. The loan is secured against the property of the company.

Notes (continued)

10 Called up share capital

| | 2018 £ | 2017 £ |
|------------------------------------|-----------|-----------|
| Allotted, called up and fully paid | | |
| 1 Ordinary shares of £1 each | <u>1</u> | <u>1</u> |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

11 Related party transactions

The following transactions were undertaken with companies subject to common ultimate ownership.

| | Parkside Flexibles (Europe) Limited | Bushman Limited |
|---|--|--------------------|
| Balance payable by company at beginning of period | 440,560 | 962,439 |
| Amounts paid/(received) by the company | (233,237) | (142,230) |
| | <u> </u> | <u> </u> |
| Balance payable by company at end of year | <u>207,323</u> | <u>820,209</u> |

In addition to the above, £nil (2017: £nil) was owed by Parkside Flexibles (Europe) Limited to the company at the year end in relation to rent receivable.

| | Parkside Flexibles (Europe) Limited |
|---|--|
| Rent outstanding at beginning of period | 83,077 |
| Rental income | 361,098 |
| Receipts | (361,098) |
| | <u> </u> |
| Rent in advance | <u>83,077</u> |

The above amounts are unsecured, interest free and with no fixed repayment date.

12 Ultimate parent company

The company is a subsidiary undertaking of Bushman Limited, the ultimate parent company, incorporated in Guernsey.