
PIHL SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

SATURDAY



A9WRQOKA

A13

23/01/2021

#44

COMPANIES HOUSE

PIHL SERVICES LIMITED

COMPANY INFORMATION

| | |
|----------------------------|---|
| Directors | S L Gumm N M Leslau |
| Company secretary | S L Gumm |
| Registered number | 5386803 |
| Registered office | Cavendish House 18 Cavendish Square London W1G 0PJ |
| Independent auditor | BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA |

PIHL SERVICES LIMITED

CONTENTS

| | Page |
|--|---------------|
| Directors' report | 1 |
| Directors' responsibilities statement | 2 |
| Independent auditor's report | 3 - 5 |
| Profit and loss account | 6 |
| Balance sheet | 7 |
| Statement of changes in equity | 8 |
| Notes to the financial statements | 9 - 15 |

PIHL SERVICES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020**

The directors present their report and the financial statements for the year ended 31 March 2020.

Business review

The Company provides services to other group entities, principally the provision of office space. It leases an office building from a related party, as described in note 12, part of which is sublet to various third party tenants. During the year the Company made an operating loss of £0.6 million (2019 - £0.6 million) on these letting activities. The Company also has an investment in a joint venture which operated an aircraft in prior years and which was placed into members' voluntary liquidation during the year.

Covid-19

The directors do not expect there to be any adverse impact from Covid-19 on the Company's ability to meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements. Further details regarding going concern are given in note 2.2 to the financial statements.

Directors

The directors who served during the year and to the date of this report were:

S L Gumm
N M Leslau

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

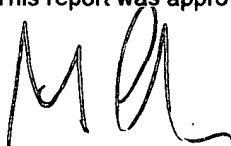
Auditor

Under section 487(2) of the Companies Act 2006, BDO LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies note

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

This report was approved by the board on 12 January 2021 and signed on its behalf.



N M Leslau
Director

PIHL SERVICES LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PIHL SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PIHL SERVICES LIMITED

Opinion

We have audited the financial statements of PIHL Services Limited (the 'Company') for the year ended 31 March 2020, which comprise the Profit and loss account, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

PIHL SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PIHL SERVICES LIMITED (CONTINUED)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report and financial statements for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and financial statements has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report and financial statements.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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' exemptions in preparing the Directors' report and financial statements and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

PIHL SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PIHL SERVICES LIMITED (CONTINUED)

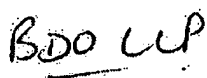
Auditor's responsibilities for the audit of the financial statements

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 an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.



Christopher Wingrave (Senior Statutory Auditor)

for and on behalf of

BDO LLP, Statutory Auditor

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

18 January 2021

PIHL SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020**

| | Note | 2020 £000 | 2019 £000 |
|---|------|-----------------------|-----------------------|
| Turnover | | 275 | 237 |
| Gross profit | | <u>275</u> | <u>237</u> |
| Administrative expenses | | (883) | (810) |
| Operating loss | 4 | <u>(608)</u> | <u>(573)</u> |
| Release of provision against investment in joint venture | | 31 | 60 |
| Share of losses in joint venture | | (31) | (60) |
| (Provision)/release of provision against loans to joint venture | | (62) | (120) |
| Interest receivable on loans to joint venture | | 61 | 105 |
| Interest payable and similar expenses | | (867) | (834) |
| Loss before tax | | <u>(1,476)</u> | <u>(1,422)</u> |
| Tax on loss | 5 | - | - |
| Loss and total comprehensive loss for the financial year | | <u><u>(1,476)</u></u> | <u><u>(1,422)</u></u> |

The notes on pages 9 to 15 form part of these financial statements.

PIHL SERVICES LIMITED
REGISTERED NUMBER: 5386803

BALANCE SHEET
AS AT 31 MARCH 2020

| | Note | 2020 £000 | 2019 £000 |
|--|------|-----------------|-----------------|
| Current assets | | | |
| Debtors: amounts falling due within one year | 7 | 326 | 402 |
| | | <u>326</u> | <u>402</u> |
| Creditors: amounts falling due within one year | 8 | (19,263) | (17,863) |
| Net current liabilities | | <u>(18,937)</u> | <u>(17,461)</u> |
| Total assets less current liabilities | | <u>(18,937)</u> | <u>(17,461)</u> |
| Net liabilities | | <u>(18,937)</u> | <u>(17,461)</u> |
| Capital and reserves | | | |
| Called up share capital | 9 | - | - |
| Profit and loss account | 10 | (18,937) | (17,461) |
| | | <u>(18,937)</u> | <u>(17,461)</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 were approved and authorised for issue by the board and were signed on its behalf on 12 January 2021


N M Lesiau
 Director

The notes on pages 9 to 15 form part of these financial statements.

PIHL SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

| | Called up share capital | Profit and loss account | Total equity |
|--|------------------------------------|------------------------------------|---------------------|
| | £000 | £000 | £000 |
| At 1 April 2019 | - | (17,461) | (17,461) |
| Comprehensive loss for the year | | | |
| Loss for the year | - | (1,476) | (1,476) |
| At 31 March 2020 | - | (18,937) | (18,937) |

The notes on pages 9 to 15 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

| | Called up share capital | Profit and loss account | Total equity |
|--|------------------------------------|------------------------------------|---------------------|
| | £000 | £000 | £000 |
| At 1 April 2018 | - | (16,039) | (16,039) |
| Comprehensive loss for the year | | | |
| Loss for the year | - | (1,422) | (1,422) |
| At 31 March 2019 | - | (17,461) | (17,461) |

The notes on pages 9 to 15 form part of these financial statements.

PIHL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

The Company is a private company limited by shares, incorporated in England, and the registered office is Cavendish House, 18 Cavendish Square, London, W1G 0PJ. The nature of the Company's principal activities is set out in the Directors' report.

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 following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue to meet its liabilities when they fall due, for the foreseeable future. Since the Company has net liabilities, it is dependent on the continuing support of its parent undertaking to meet its liabilities. The parent undertaking has confirmed that it will not demand repayment of the amounts due to it in the foreseeable future and will provide financial support to enable the Company to meet its obligations as they fall due for the foreseeable future.

Since just before the balance sheet date, economic activity in the UK has been severely restricted by measures put in place by Public Health England and the UK Government to control the spread of Covid-19. Given the support of the parent undertaking, the directors do not expect there to be any adverse impact from Covid-19 on the ability of the Company to meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date on which these financial statements are approved.

2.3 Turnover

Turnover represents rents receivable during the period, excluding value added tax.

2.4 Investment in joint venture

Investment in joint venture is stated at fair value. Movements in fair value are included in the profit and loss account.

2.5 Operating leases

Annual rentals payable and receivable under operating leases are charged or credited to the profit and loss account on a straight line basis over the term of the lease.

The Company has taken advantage of the exemption in FRS 102 which allows lease incentives on leases entered into before the date of transition to continue to be charged over the period to the first market rent review rather than over the term of the lease.

Rent free periods and lease incentives in leases entered into after the date of transition to FRS 102 are spread over the period until the earlier of the lease expiry and the date rentals are expected to revert to the prevailing market rate.

PIHL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.6 Tax

Tax is recognised in profit or loss 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.

3. Turnover

Turnover is wholly attributable to the Company's letting activities and arose within the United Kingdom.

4. Operating loss

The auditor's remuneration was borne by the immediate parent undertaking and the Company had no employees in both the current year and the prior year.

PIHL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Tax

| | 2020 £000 | 2019 £000 |
|----------------------------------|--------------|--------------|
| Current tax on loss for the year | - | - |

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

| | 2020 £000 | 2019 £000 |
|---|--------------|--------------|
| Loss before tax | (1,476) | (1,422) |
| Loss multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%) | (280) | (270) |
| Effects of: | | |
| Non-taxable items | 12 | 22 |
| Group relief surrendered | 350 | 170 |
| Unprovided capital losses recognised | (164) | - |
| Tax adjustment to intra-group rent charge | 88 | 88 |
| Allocation of losses from joint venture | (6) | (10) |
| Total tax charge for the year | - | - |

Comparative tax reconciliation items for group relief surrendered and tax adjustment to intra-group rent charge have been restated but there is no impact on the prior year tax charge.

Factors that may affect future tax charges

The Company has unprovided deferred tax assets of £2,000 (2019 - £147,000) relating to trading losses, property losses and non-trade losses, measured at a rate of 19% (2019 - 17%), being the rate substantively enacted at the balance sheet date.

PIHL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

6. Fixed asset investments

| | Investment in joint venture £000 |
|----------------------|---|
| Valuation | |
| At 1 April 2019 | - |
| Amounts written back | 31 |
| Share of loss | (31) |
| | <hr/> |
| At 31 March 2020 | - |
| | <hr/> |

Participating interests

The Company holds 50% of the A capital carrying voting rights in Prestbury Two LLP ("P2 LLP") with Nick Leslau (a director of the Company) holding a further 25% of the A capital. The Company also holds all the B capital in P2 LLP, which gives the Company the right to receive a priority profit share of up to 7.5% per annum compounded annually on that capital, subject to P2 LLP generating sufficient profits.

P2 LLP is incorporated in England and its registered office is at 55 Baker Street, London, W1U 7EU. It reported net assets attributable to members at 31 March 2020 of £7,000 (2019 - £163,000) (which included members' loans) and a loss for the year ended 31 March 2020 of £62,000 (2019 - £121,000). On 12 November 2019, P2 LLP was placed into members' voluntary liquidation.

PIHL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Debtors

| | 2020 | 2019 |
|--------------------------------|-------------|-------------|
| | £000 | £000 |
| Trade debtors | 10 | 19 |
| Loans to Prestbury Two LLP | 7 | 163 |
| Other debtors | 37 | 50 |
| Prepayments and accrued income | 272 | 170 |
| | 326 | 402 |

Loans to Prestbury Two LLP are unsecured, bear interest at 8% per annum and are repayable on demand. The balance includes interest of £664,000 (2019 - £603,000) and is stated net of a provision of £1,814,000 (2019 - £1,751,000). £155,000 (2019 - £67,000) of the loans were repaid during the year.

Included in other debtors is £8,000 (2019 - £17,000) relating to rent free periods granted to subtenants.

8. Creditors: Amounts falling due within one year

| | 2020 | 2019 |
|---|---------------|---------------|
| | £000 | £000 |
| Loans from immediate parent undertaking | 19,179 | 17,812 |
| Other creditors | 24 | - |
| Accruals and deferred income | 60 | 51 |
| | 19,263 | 17,863 |

Loans from immediate parent undertaking are unsecured, bear interest at 8% per annum and are repayable on demand. The balance includes interest of £7,957,000 (2019 - £7,090,000) of which £867,000 (2019 - £834,000) accrued during the current year.

9. Share capital

| | 2020 | 2019 |
|---|-------------|-------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 1 (2019 - 1) ordinary share of £1.00 | 1 | 1 |

Share capital represents the aggregate nominal value of shares issued.

PIHL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

10. Reserves

Profit & loss account

As at 31 March 2020, the Company did not have any distributable reserves (2019 - £nil).

11. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 2020 £000 | 2019 £000 |
|----------------------------|--------------|--------------|
| Less than one year | 700 | 700 |
| Between one and five years | 2,800 | 2,800 |
| More than five years | 2,035 | 2,735 |
| | <u>5,535</u> | <u>6,235</u> |

The lease had eight years unexpired as at 31 March 2020 (2019 - nine years): The rent is payable to a related party as disclosed in note 12.

The Company also has the benefit of non-cancellable operating lease rental income from subleases under the above lease with future minimum rental receipts as follows:

| | 2020 £000 | 2019 £000 |
|----------------------------|--------------|--------------|
| Less than one year | 280 | 187 |
| Between one and five years | 52 | 176 |
| | <u>332</u> | <u>363</u> |

12. Related party transactions

The Company leased offices during the year from 18 Cavendish Square Limited ("18 CSL"). As at 31 March 2020, 18 CSL had the same ultimate parent undertaking as the Company. Nick Leslau (a director of the Company) is a director of 18 CSL and a director of the ultimate parent undertaking. The rent payable to 18 CSL included in the profit and loss account as an expense during the year was £700,000 (2019 - £700,000), of which £nil was owed at the balance sheet date (2019 - £nil).

The Company has taken advantage of the exemption available to wholly owned subsidiary undertakings not to disclose any transactions with other wholly owned entities that are included in the consolidated financial statements of Prestbury Investment Holdings Limited.

PIHL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Post balance sheet events

Since just before the balance sheet date, economic activity in the UK has been severely restricted by measures put in place by Public Health England and the UK Government to control the spread of Covid-19, but the directors do not expect there to be any adverse impact from Covid-19 on the ability of the Company to meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date on which these financial statements are approved.

14. Controlling party

The Company's immediate parent undertaking is Prestbury Investment Holdings Limited, which is incorporated in England. The consolidated financial statements of that company are available to the public and may be obtained by writing to the Company Secretary, Cavendish House, 18 Cavendish Square, London, W1G 0PJ. The ultimate parent undertaking is Yoginvest Limited, which is incorporated in England. Yoginvest Limited does not prepare consolidated financial statements on the basis that it is the parent undertaking of a small group.

N M Leslau is the ultimate controlling party of the Company.