

# **Portswood Investments Limited**

**Annual Report and Financial Statements**

**for the year ended 31 January 2019**

**Registered number: 08298962**



# Portswood Investments Limited

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# Portswood Investments Limited

## Company directory

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### Registered Office

3 Sheldon Square  
Paddington  
London  
W2 6PX  
United Kingdom

### Company Type

Portswood Investments Limited is a company limited by shares

### Directors

P. Moore  
G. Kendall

### Company Secretary

P. Moore

### Auditor

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

# Portswood Investments Limited

## Directors' report

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The directors present their annual report and audited financial statements of Portswood Investments Limited (the "Company") for the financial year ended 31 January 2019.

The Directors' report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, and consequently a Strategic Report has not been prepared.

### Principal activities

The Company operates as a finance company within the Kingfisher plc group (the "Group"). The directors currently envisage that the Company will continue these operations for a minimum of 12 months after the signing date.

### Results and dividends

The profit for the year, after taxation, amounted to £20,033,000 (2017/18 £15,801,000). The profit for the year was primarily derived from interest receivable on loans to Group undertakings.

The directors do not recommend the payment of a dividend for the year (2017/18: £nil). The directors did not pay an interim dividend during the year (2017/18: £nil), nor will there be any post year-end dividend payouts for the year.

### Directors

The directors, who served throughout the year and until the date of signing of these financial statements, were as follows:

J-N. Groleau (resigned 19 July 2019)

P. Moore

G. Kendall (appointed 19 July 2019)

### Company Secretary

The company secretary, Paul Moore, served throughout the whole year.

### Going concern

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence over a period of at least 12 months from the date of approval of the financial statements. Thus they continue to adopt the going concern basis in preparing the annual financial statements (refer to note 1 for further information).

### Future developments

The directors expect the general level of activity to remain consistent with 2018/19 in the forthcoming year.

### Post balance sheet events

No post balance sheet events have occurred since 31 January 2019.

# Portswood Investments Limited

## Directors' report (continued)

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### Auditor

Deloitte LLP will continue to hold office in accordance with section 487 of the Companies Act 2006.

### Statement of disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

### Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the independent auditor's report, is made with a view to distinguishing for shareholders the responsibilities of the directors and the auditor in relation to these financial statements.

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 Reduced Disclosure Framework. 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 accounting 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; and
- 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 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.

By order of the board:



P. Moore  
Director

2 October 2019

# Portswood Investments Limited

## Independent auditor's report to the members of Portswood Investments Limited

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### Report on the audit of the financial statements

#### Opinion on financial statements

In our opinion the financial statements of Portswood Investments Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 January 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of changes in equity;
- the balance sheet; and
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

#### 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 UK, including the Financial Reporting Council's (FRC) 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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 12 months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

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 respect of these matters.

# Portswood Investments Limited

## Independent auditor's report to the members of Portswood Investments Limited

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### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

### 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Report on other legal and regulatory requirements

#### Opinions on other matters prescribed by the Companies Act 2006

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

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 any material misstatements in the directors' report.

#### Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

#### Use of our report

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.

D. Winstone

Daryl Winstone (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
2 October 2019

# Portswood Investments Limited

## Income statement

Year ended 31 January 2019

£'000	Notes	2018/19	2017/18
Finance income	3	24,732	19,549
Profit before taxation		24,732	19,549
Income tax expense	6	(4,699)	(3,748)
Profit for the year		20,033	15,801
Total comprehensive income for the year		20,033	15,801

The notes on pages 10 to 13 form part of the financial statements.

All of the above transactions relate to continuing operations.



# Portswood Investments Limited

## Statement of changes in equity

Year ended 31 January 2019

£'000	Share capital	Retained earnings	Total
<b>At 1 February 2018</b>	<b>1,553,376</b>	<b>84,577</b>	<b>1,637,953</b>
Total comprehensive income and profit for the year	-	20,033	20,033
<b>At 31 January 2019</b>	<b>1,553,376</b>	<b>104,610</b>	<b>1,657,986</b>
<b>At 1 February 2017</b>	<b>1,553,376</b>	<b>68,776</b>	<b>1,622,152</b>
Total comprehensive income and profit for the year	-	15,801	15,801
<b>At 31 January 2018</b>	<b>1,553,376</b>	<b>84,577</b>	<b>1,637,953</b>

The notes on pages 10 to 13 form part of the financial statements.

# Portswood Investments Limited

Company Registered number: 08298962


## Balance sheet

At 31 January 2019

£'000	Notes	2018/19	2017/18
<b>Current assets</b>			
Other receivables	7	<b>1,684,956</b>	1,660,224
<b>Total assets</b>		<b>1,684,956</b>	1,660,224
<b>Current liabilities</b>			
Other payables	8	<b>(24,640)</b>	(20,353)
Current tax liabilities		<b>(2,330)</b>	(1,918)
<b>Total liabilities</b>		<b>(26,970)</b>	(22,271)
<b>Net assets</b>		<b>1,657,986</b>	1,637,953
<b>Equity</b>			
Share capital	9	<b>1,553,376</b>	1,553,376
Retained earnings		<b>104,610</b>	84,577
<b>Total equity</b>		<b>1,657,986</b>	1,637,953

The notes on pages 10 to 13 form part of the financial statements.

The financial statements were approved by the Board of Directors on 2 October 2019 and were signed on its behalf by:

  
P. Moore  
Director

# Portswood Investments Limited

## Notes to the financial statements

Year ended 31 January 2019

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### 1 Principal accounting policies

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The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

Portswood Investments Limited is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales under the Companies Act 2006. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the directors' report on pages 3 and 4.

The financial statements have been prepared in accordance with FRS 101 as issued by the FRC and applied in accordance with the provisions of the Companies Act 2006.

The current financial year is the year ended 31 January 2019 ("the year" or "2018/19"). The comparative financial year is the year ended 31 January 2018 ("the prior year" or "2017/18").

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash-flow statement, related party transactions, financial instruments, standards not yet effective and capital management. Where required, equivalent disclosures are given in the consolidated financial statements of Kingfisher plc, which are publicly available from [www.kingfisher.com](http://www.kingfisher.com).

IFRS 9, 'Financial Instruments', and IFRS 15, 'Revenue from Contracts with Customers', are new accounting standards that are effective from 1 April 2018. The new standards have been adopted prospectively with no retrospective adjustments required.

The effect of adopting these standards is outlined below.

IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and Measurement' and addresses the classification, measurement and recognition of financial assets and liabilities, and introduces a new impairment model for financial assets. A detailed assessment of the new standard was undertaken and concluded that there are no material impacts on the Company's financial statements.

IFRS 9 introduces the following new requirements:

- The classification and measurement of financial assets is now based on the entity's business model for managing the financial asset and its contractual cash flow characteristics. Given the nature of the Company's financial assets comprising of intercompany loans, this has had no material impact.
- The new impairment model requires the recognition of expected credit losses, in contrast to the requirement to recognise incurred credit losses under IAS 39. The Company's other receivables mainly relate to intercompany loans which are contractually repayable on demand. The Company has considered the liquidity of the borrowers and concluded that the majority of borrowers have sufficient resources and the intention to repay on demand. In cases where the liquidity of the owing party is insufficient, the Directors have obtained a letter of support from the parent of the borrower which confirms that in the event of default by the borrower the parent will settle the obligation. As such, the change from the incurred loss impairment model of IAS 39 to the expected loss model in IFRS 9 has not had a material impact on the credit loss provision.

IFRS 15 replaces IAS 18 'Revenue' and establishes a principles-based approach to revenue recognition and measurement based on the concept of recognising revenue when performance obligations are satisfied. IFRS 15 has no impact on the Company's results because the Company does not generate any revenue within the scope of either IAS 18 or IFRS 15.

# Portswood Investments Limited

## Notes to the financial statements

Year ended 31 January 2019

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### 1 Principal accounting policies (continued)

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b. Going concern

The directors of Portswood Investment Limited, having performed forecasts for the next 12 months, consider that adequate resources exist for the Company to continue in operational existence for at least 12 months from date of approval of the financial statements and that, therefore, it is appropriate to adopt the going concern basis of accounting in preparing these financial statements.

c. Interest receivable and payable

Interest receivable and payable is accrued on a daily basis.

d. Taxation

The income tax expense represents the sum of the tax currently payable. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Taxable profit differs from profit before taxation, as reported in the income statement, because it excludes items of income or expense which are taxable or deductible in other years or which are never taxable or deductible.

e. Financial instruments

*Classification*

Financial assets are classified into the following specific category: 'other receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial liabilities are classified as 'other payables'.

*Recognition and measurement*

*Other receivables*

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'other receivables'. Other receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

*Other payables*

Other payables, including borrowings, are initially measured at fair value, net of transaction costs. Other payables are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where approximate, a shorter period to the net carrying amount on initial recognition.

# Portswood Investments Limited

## Notes to the financial statements

Year ended 31 January 2019

### 2 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements under FRS 101 requires the Company to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

There have been no critical accounting judgements and key sources of estimation uncertainty during the year.

There have been no critical accounting judgements and key sources of estimation uncertainty which are likely to cause a material adjustment to the carrying amount of assets and liabilities within the next financial year.

### 3 Finance income

£'000	2018/19	2017/18
Interest receivable from related undertakings	24,732	19,549
<b>Finance income</b>	<b>24,732</b>	<b>19,549</b>

### 4 Employees' and Directors' remuneration

There were no employees or staff costs for the financial year ended 31 January 2019 (2017/18: £nil).

None of the directors received any emoluments from the Company in respect of the financial year ended 31 January 2019 (2017/18: £nil).

### 5 Auditor's remuneration

The auditor's remuneration for the auditing of the financial statements is £1,000 (2017/18: £1,000) and is borne by Kingfisher plc. No recharge will be made to the Company for these costs.

### 6 Income tax expense

£'000	2018/19	2017/18
<b>UK corporation tax</b>		
Current tax on profits for the year	4,699	3,748
<b>Income tax expense</b>	<b>4,699</b>	<b>3,748</b>

#### Factors affecting tax charge for the year

The Company's profits for this accounting period are taxed at a rate of 19% (2017/18: 19.17%).

From 1 April 2020, the UK corporation tax rate will fall to 17%.

£'000	2018/19	2017/18
Profit before taxation	24,732	19,549
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017/18: 19.17%)	4,699	3,748
<b>Income tax expense</b>	<b>4,699</b>	<b>3,748</b>

# Portswood Investments Limited

## Notes to the financial statements

Year ended 31 January 2019

### 7 Other receivables

£'000	2018/19	2017/18
<b>Current</b>		
Amounts owed by related undertakings	<b>1,684,956</b>	1,660,224
<b>Other receivables</b>	<b>1,684,956</b>	1,660,224

Amounts due from Group undertakings are unsecured, repayable on demand and accrue interest at a floating rate based on overnight GBP London Interbank Offered Rate ("LIBOR") plus a margin of 90 basis points.

### 8 Other payables

£'000	2018/19	2017/18
<b>Current</b>		
Amounts owed to Group undertakings	<b>24,640</b>	20,353
<b>Other payables</b>	<b>24,640</b>	20,353

Amounts due to Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 9 Share capital

	Number of ordinary shares in thousands	Ordinary share capital £'000
At 1 February 2018	<b>1,553,376</b>	<b>1,553,376</b>
At 31 January 2019	<b>1,553,376</b>	<b>1,553,376</b>
At 1 February 2017	1,553,376	1,553,376
At 31 January 2018	1,553,376	1,553,376

As at 31 January 2019, 1,553,375,589 ordinary shares have been issued at £1 each.  
The shares have attached to them full voting, dividend and capital distribution rights.

### 10 Ultimate holding company

The Company's ultimate parent company is Kingfisher plc, 3 Sheldon Square, London W2 6PX, which is incorporated in the United Kingdom, and registered in England and Wales. The largest and smallest group into which the Company's financial statements are consolidated is that headed by Kingfisher plc. A copy of the Annual Report and Accounts for Kingfisher plc is publicly available from [www.kingfisher.com](http://www.kingfisher.com)

The Company's immediate parent company is Portswood B.V, a company incorporated and registered in the Netherlands. The registered address of Portswood B.V is Rapenburgerstraat 175, E, 1011 VM, Amsterdam, Netherlands.

### 11 Subsequent events

There were no events after the reporting period which required adjustment or disclosure in these financial statements.