

Portswood Investments Limited

Annual Report and Financial Statements

for the year ended 31 January 2020

Registered number: 08298962



Portswood Investments Limited

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Portswood Investments Limited

Company Directory

Registered Office

3 Sheldon Square
Paddington
London
W2 6PX
United Kingdom

Company Type

Portswood Investments Limited is a private company limited by shares

Directors

P. Moore
J. Smith

Company Secretary

P. Moore

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Portswood Investments Limited

Directors' report

The Directors present their annual report and audited financial statements of Portswood Investments Limited (the "Company") for the financial year ended 31 January 2020.

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 £21,622,000 (2018/19 £20,033,000). 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 (2018/19: £nil). The Directors did not pay an interim dividend during the year (2018/19: £nil), nor will there be any post year-end dividend payouts for the year.

Directors

The Directors, who served during the year and up to the date of signing, were as follows:

J-N. Groleau (resigned 19 July 2019)

P. Moore

G. Kendall (appointed 19 July 2019, resigned 6 March 2020)

J. Smith (appointed 6 March 2020)

The Directors of the Company were remunerated by another company in the Group.

Company Secretary

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

Going concern

The Company has limited activity and benefits from continued financial support from the Group headed by Kingfisher plc to support its continued operations and meeting of obligations as they fall due.

The Directors, in combination with the Directors of Kingfisher plc, have analysed the Group's liquidity position and cash flow projections, including a forward looking Covid-19 scenario, up to the date on which these financial statements are approved and are satisfied that such support could be provided to the Company for at least 12 months from the date on which these financial statements are approved. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting 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 2019/20 in the forthcoming year.

Portswood Investments Limited

Directors' report (continued)

Post balance sheet events

The effects of the Covid-19 pandemic and the related financial statement impacts could not have been reasonably anticipated at 31 January 2020 and are therefore deemed to be non-adjusting post balance sheet events. There were however no specific events with respect to the Covid-19 pandemic requiring disclosure in these financial statements. *There were no post balance sheet events requiring adjustment in these financial statements.*

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; 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:

DocuSigned by:

P. MOORE
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Director

9 November 2020

Portswood Investments Limited

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

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 2020 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 (continued)

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. 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.



William Smith MA FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
9 November 2020

Portwood Investments Limited

Income statement

Year ended 31 January 2020

£'000	Notes	2019/20	2018/19
Finance income	3	26,694	24,732
Profit before taxation		26,694	24,732
Income tax expense	6	(5,072)	(4,699)
Profit for the year		21,622	20,033
Total comprehensive income for the year		21,622	20,033

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

There are no comprehensive income or expenses other than the profit for the current and preceding financial year. Accordingly, no statement of comprehensive income is given.

All of the above transactions relate to continuing operations.

Portswood Investments Limited

Statement of changes in equity

Year ended 31 January 2020

£'000	Share capital	Retained earnings	Total
At 1 February 2019	1,553,376	104,610	1,657,986
Total comprehensive income and profit for the year	-	21,622	21,622
At 31 January 2020	1,553,376	126,232	1,679,608
At 1 February 2018	1,553,376	84,577	1,637,953
Total comprehensive income and profit for the year	-	20,033	20,033
At 31 January 2019	1,553,376	104,610	1,657,986

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 2020

£'000	Notes	2019/20	2018/19
Current assets			
Other receivables	7	1,711,650	1,684,956
Total assets		1,711,650	1,684,956
Current liabilities			
Other payables	8	(29,552)	(24,640)
Current tax liabilities		(2,490)	(2,330)
Total liabilities		(32,042)	(26,970)
Net assets		1,679,608	1,657,986
Equity			
Share capital	9	1,553,376	1,553,376
Retained earnings		126,232	104,610
Total equity		1,679,608	1,657,986

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

The financial statements were approved by the Board of Directors on 9 November 2020 and were signed on its behalf by:

DocuSigned by:

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 P. Moore
 Director

Portswood Investments Limited

Notes to the financial statements

Year ended 31 January 2020

1 Principal accounting policies

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 are prepared in 'Pounds Sterling' (£), which is also the company's functional currency on the basis that it is the currency of the primary economic environment in which the company operates.

The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) as issued by the FRC as applied in accordance with the provisions of the Companies Act 2006.

The current financial year is the year ended 31 January 2020 ("the year" or "2019/20"). The comparative financial year is the year ended 31 January 2019 ("the prior year" or "2018/19").

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.

The Group early adopted the IFRS 9 amendments which provides temporary relief to hedging relationships that are directly affected by IBOR reform. This has no impact on the Company's financial statements as the Company does not adopt hedge accounting.

b. Going concern

The Company has limited activity and benefits from continued financial support from the Group headed by Kingfisher plc to support its continued operations and meeting of obligations as they fall due.

The Directors, in combination with the Directors of Kingfisher plc, have analysed the Group's liquidity position and cash flow projections, including a forward looking Covid-19 scenario, up to the date on which these financial statements are approved and are satisfied that such support could be provided to the Company for at least 12 months from the date on which these financial statements are approved. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual financial statements (refer to note 1 for further information).

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.

Portswood Investments Limited

Notes to the financial statements

Year ended 31 January 2020

1 Principal accounting policies (continued)

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.

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.

3 Finance income

£'000	2019/20	2018/19
Interest receivable from related undertakings	26,694	24,732
Finance income	26,694	24,732

4 Employees' and Directors' remuneration

There were no employees or staff costs for the financial year ended 31 January 2020 (2018/19: £nil).

None of the Directors received any emoluments from the Company in respect of the financial year ended 31 January 2020 (2018/19: £nil). The Directors of the Company were remunerated by another company in the Group.

Portswood Investments Limited

Notes to the financial statements

Year ended 31 January 2020

5 Auditor's remuneration

The auditor's remuneration for the auditing of the financial statements is £1,000 (2018/19: £1,000) and is borne by Kingfisher plc. No recharge will be made to the Company for these costs.

6 Income tax expense

£'000	2019/20	2018/19
UK corporation tax		
Current tax on profits for the year	5,072	4,699
Income tax expense	5,072	4,699

Factors affecting tax charge for the year

The Company's profits for this accounting period are taxed at a rate of 19% (2018/19: 19%).

The UK corporation tax rate was legislated to fall from 19% to 17% from 1 April 2020 and its effect is reflected in these financial statements. However, following the UK Budget announcement on 11 March 2020, the reduction was repealed in the Finance Bill 2019-21 and the 19% rate will be maintained. As this rate change had not been substantively enacted by the balance sheet date, the impact is not included in these financial statements.

£'000	2019/20	2018/19
Profit before taxation	26,694	24,732
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018/19: 19%)	5,072	4,699
Income tax expense	5,072	4,699

7 Other receivables

£'000	2019/20	2018/19
Current		
Amounts owed by related undertakings	1,711,650	1,684,956
Other receivables	1,711,650	1,684,956

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	2018/20	2018/19
Current		
Amounts owed to Group undertakings	29,552	24,640
Other payables	29,552	24,640

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

Portswood Investments Limited

Notes to the financial statements

Year ended 31 January 2020

9 Share capital

	Number of ordinary shares in thousands	Ordinary share capital £'000
At 1 February 2019	1,553,376	1,553,376
At 31 January 2020	1,553,376	1,553,376
At 1 February 2018	1,553,376	1,553,376
At 31 January 2019	1,553,376	1,553,376

As at 31 January 2020, 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, Paddington, 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.

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

The effects of the Covid-19 pandemic and the related financial statement impacts could not have been reasonably anticipated at 31 January 2020 and are therefore deemed to be non-adjusting post balance sheet events. There were however no specific events with respect to the Covid-19 pandemic requiring disclosure in these financial statements. There were no post balance sheet events requiring adjustment in these financial statements.