
PRESTBURY SIR 2 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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PRESTBURY SIR 2 LIMITED

COMPANY INFORMATION

Directors	N M Leslau S L Gumm T J Evans
Company secretary	S L Gumm
Registered number	09361122
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

PRESTBURY SIR 2 LIMITED

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PRESTBURY SIR 2 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 principal activity of the Company is to hold an investment in the A and B capital of PIHL Property LLP (the "LLP"). The LLP's most significant investments at the balance sheet date were a 5.2% interest in Secure Income REIT Plc ("SIR"), a UK Real Estate Investment Trust listed on the AIM market of the London Stock Exchange, and a 50% interest in a development site in Barbados.

The Company holds one third of the B capital of the LLP, which does not carry voting rights but entitles the holder to a priority profit share equivalent to a return on equity invested of 9% per annum compounded annually. Its sister companies, Prestbury SIR 1 Limited and Prestbury SIR 3 Limited, each hold a further third of the B capital.

SIR invests in real estate assets providing long term rental income with upwards only inflation protection, and had a market capitalisation of c. £1.0 billion as at 31 December 2020. As it is a public company, we cannot comment on its operations beyond what is in the public domain. Further information can be found on SIR's website at www.SecureIncomeREIT.co.uk.

25% of the LLP's shareholding in SIR was sold on the market during the year to facilitate a restructuring of the holdings of one of the immediate parent undertaking's shareholders while maintaining the holding of the Company's ultimate beneficial owner, Nick Leslau, unchanged. The disposal realised net cash proceeds of £23.5 million and a profit of £2.3 million in the LLP, which also received £3.2 million in cash distributions from SIR during the year. These realised profits were paid to the LLP's members as cash distributions, of which the Company's share was £8.9 million. Those distributions, net of the Company's share of the profit of the LLP, resulted in a £7.2 million reduction in the carrying value of the Company's investment in the LLP and a compensating increase in the Company's reserves.

The fair value of the Company's share of the LLP's remaining investment in SIR fell, on a like for like basis adjusting for the disposal of shares, from £21.2 million to £16.6 million during the year following a decline in the quoted SIR share price from 411p to 321p, resulting in an unrealised loss of £4.6 million. A fall in the fair value of the Company's share of the LLP's investment in the Barbados development site, reflecting the lack of demand in the Barbados market, resulted in a further unrealised loss of £1.4 million. In aggregate, those movements represented a £13.2 million reduction in the carrying value of the Company's investment in the LLP.

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 twelve 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.

PRESTBURY SIR 2 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Results and dividends

The loss for the year after tax amounted to £3.9 million (2019: *profit of £3.4 million*).

Interim dividends of £7.9 million (2019: *£1.1 million*) were paid during the year. The directors do not recommend payment of a final dividend (2019: *£nil*).

Directors

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

N M Leslau
S L Gumm
T J Evans

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

PRESTBURY SIR 2 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 judgments 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.

PRESTBURY SIR 2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRESTBURY SIR 2 LIMITED

Opinion

We have audited the financial statements of Prestbury SIR 2 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.

PRESTBURY SIR 2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRESTBURY SIR 2 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 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.

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.

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 from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 3, 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.

PRESTBURY SIR 2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRESTBURY SIR 2 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.

BDO LLP

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

PRESTBURY SIR 2 LIMITED

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

	Note	2020 £000	2019 £000
Administrative expenses		(5)	(5)
Operating loss	4	<u>(5)</u>	<u>(5)</u>
Income from fixed asset investments		8,990	1,100
Revaluation of fixed asset investments	6	(13,236)	2,921
(Loss)/profit before tax		<u>(4,251)</u>	<u>4,016</u>
Tax on (loss)/profit	5	394	(602)
(Loss)/profit and total comprehensive (loss)/income for the financial year		<u><u>(3,857)</u></u>	<u><u>3,414</u></u>

The notes on pages 10 to 15 form part of these financial statements.

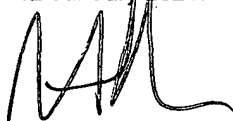
PRESTBURY SIR 2 LIMITED
REGISTERED NUMBER: 09361122

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £000	2019 £000
Fixed assets			
Investments	6	18,450	31,641
		<u>18,450</u>	<u>31,641</u>
Current assets			
Debtors: amounts falling due within one year	7	16,274	15,904
		<u>16,274</u>	<u>15,904</u>
Creditors: amounts falling due within one year	8	(378)	(106)
		<u>(378)</u>	<u>(106)</u>
Net current assets		<u>15,896</u>	<u>15,798</u>
Total assets less current liabilities		<u>34,346</u>	<u>47,439</u>
Provisions for liabilities			
Deferred tax	9	(1,988)	(3,336)
		<u>(1,988)</u>	<u>(3,336)</u>
Net assets		<u><u>32,358</u></u>	<u><u>44,103</u></u>
Capital and reserves			
Called up share capital	10	-	-
Profit and loss account	11	32,358	44,103
		<u>32,358</u>	<u>44,103</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 Leslau
Director

The notes on pages 10 to 15 form part of these financial statements.

PRESTBURY SIR 2 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	-	44,103	44,103
Comprehensive loss for the year			
Loss for the year	-	(3,857)	(3,857)
Total comprehensive loss for the year	-	(3,857)	(3,857)
Dividends paid	-	(7,888)	(7,888)
At 31 March 2020	-	32,358	32,358

The notes on pages 10 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	-	41,757	41,757
Comprehensive income for the year			
Profit for the year	-	3,414	3,414
Total comprehensive income for the year	-	3,414	3,414
Dividends paid	-	(1,068)	(1,068)
At 31 March 2019	-	44,103	44,103

The notes on pages 10 to 15 form part of these financial statements.

PRESTBURY SIR 2 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

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. This has had an adverse impact on the valuation of the Company's investments, but while there is still considerable uncertainty resulting from the unknown future impact of Covid-19, our assessment is that both the Company and any of its investments currently adversely affected by the pandemic are well placed to recover any unrealised losses in value over the short to medium term.

Taking into consideration future expectations of distributions receivable by the Company, the directors consider that the Company will be able 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 Fixed asset investments

The Company's investment in PIHL Property LLP was initially measured at its transaction price, which was considered to be the same as its fair value on acquisition, and is subsequently measured at fair value. Movements in fair value are shown in profit or loss.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.6 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

PRESTBURY SIR 2 LIMITED

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

2. Accounting policies (continued)

2.7 Tax

The tax expense for the year comprises current and deferred 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. Judgments in applying accounting policies and key sources of estimation uncertainty

Accounting policies which have a significant bearing on the reported financial condition and results of the Company may require subjective or complex judgements. The principal ongoing area of judgment is the valuation of the Company's investment in PIHL Property LLP (the "LLP"), which in turn depends on:

- the valuation of the LLP's investment in shares of Secure Income REIT Plc ("SIR"). This valuation requires an estimate of the effect on the price that would be achieved on the sale of those shares as a result of the discount that would be required in order to sell the shares, given that the investment represents a material holding in SIR which is held by an entity related to the management of SIR. In determining that discount, the LLP has taken external advice from the broker to SIR; and
- the directors' estimate of the fair value of the LLP's investment in a company which owns a development site in Barbados, which requires an assessment of local market conditions and the risk associated with the repatriation of cash from Barbados due to exchange controls, and consideration of the fact that the LLP has joint rather than sole control of the investment.

4. Operating loss

The Company had no employees and no director received any remuneration during the current year and prior year. The auditors' remuneration for the audit of the Company's financial statements was £2,000 (2019: £1,800).

PRESTBURY SIR 2 LIMITED

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

5. Tax

	2020 £000	2019 £000
Current tax		
Current tax on (loss)/profit for the year	987	187
Adjustments in respect of previous year	(34)	(53)
Total current tax	953	134
Deferred tax		
Origination and reversal of timing differences	(1,803)	468
Change in tax rate	456	-
Total deferred tax	(1,347)	468
Tax (credit) / charge for the year	(394)	602

Factors affecting tax (credit) / 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)/profit on ordinary activities before tax	(4,251)	4,016
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(808)	763
Effects of:		
Distributions from PIHL Property LLP not taxable	(1,708)	(209)
Revaluation of investment in PIHL Property LLP not taxable	2,515	(87)
Taxable share of (loss) / profit of PIHL Property LLP	(482)	201
Change in tax rate	456	-
Group relief	(333)	(13)
Adjustment in respect of previous year	(34)	(53)
Total tax (credit) / charge for the year	(394)	602

During the year, the rate at which deferred tax was expected to crystallise was increased from 17% to 19% in line with a change in legislation for future rates of UK corporation tax.

PRESTBURY SIR 2 LIMITED

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

6. Fixed asset investments

	£000
Valuation	
At 1 April 2019	31,641
Additions	45
Revaluations	(13,236)
At 31 March 2020	<u>18,450</u>

The Company holds interests in the A and B capital of PIHL Property LLP (the "LLP") acquired in January 2015 for cash consideration of £39.3 million. During the year, the Company made further capital contributions of £45,000 (2019: £26,000) to the LLP.

The principal activity of the LLP is investment in real estate and real estate-backed investments. The Company has a 0.03% interest in the A capital of the LLP, which carries voting rights, and a one third interest in the B capital of the LLP, which does not carry voting rights but entitles the holder to a priority profit share equivalent to a return on equity invested of 9% per annum compounded annually, providing that the underlying investments held by the LLP in aggregate generate a cash return in excess of 9% per annum.

The LLP's significant investments are a 5.2% (2019: 7.0%) interest in the shares of Secure Income REIT Plc ("SIR"), a UK REIT listed on the AIM market of the London Stock Exchange and a 50% (2019: 50%) interest in a development site in Barbados. The fair value of the LLP's investment in SIR reflects a discount of 8% (2019: 8%) to the SIR share price at the balance sheet date, reflecting an estimate of the discount to market price that would be required in order to sell the shares, given that the investment represents a material management holding in SIR. In determining the discount, the directors have taken into account the assessment of an appropriate discount by the broker to SIR. The fair value of the LLP's interest in the development site requires an assessment of local market conditions and the risk associated with the repatriation of cash from Barbados due to exchange controls.

25% of the LLP's shareholding in SIR was sold on the market during the year to facilitate a restructuring of the holdings of one of the immediate parent undertaking's shareholders while maintaining the holding of the Company's ultimate beneficial owner, Nick Leslau, unchanged. The disposal realised net cash proceeds of £23.5 million and a profit of £2.3 million in the LLP, which also received £3.2 million in cash distributions from SIR during the year. These realised profits were paid to the LLP's members as cash distributions, of which the Company's share was £8.9 million. Those distributions, net of the Company's share of the profit of the LLP, resulted in a £7.2 million reduction in the carrying value of the Company's investment in the LLP and a compensating increase in the Company's reserves.

The fair value of the Company's share of the LLP's remaining investment in SIR fell, on a like for like basis adjusting for the disposal of shares, from £21.2 million to £16.6 million during the year following a decline in the quoted SIR share price from 411p to 321p, resulting in an unrealised loss of £4.6 million. A fall in the fair value of the Company's share of the LLP's investment in the Barbados development site, reflecting a lack of demand in the Barbados market, resulted in a further unrealised loss of £1.4 million. In aggregate, those movements represented a £13.2 million reduction in the carrying value of the Company's investment in the LLP.

PRESTBURY SIR 2 LIMITED

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

7. Debtors

	2020 £000	2019 £000
Amounts owed by parent undertaking	16,273	15,904
VAT recoverable	1	-
	<u>16,274</u>	<u>15,904</u>

Amounts owed by parent undertaking are interest free and repayable on demand.

8. Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Trade creditors	4	-
Corporation tax	368	99
Accruals and deferred income	6	7
	<u>378</u>	<u>106</u>

9. Deferred tax

	2020 £000	2019 £000
At beginning of year	(3,336)	(2,868)
Credited / (charged) to profit or loss	266	(468)
Utilised in year	1,082	-
At end of year	<u>(1,988)</u>	<u>(3,336)</u>

The provision for deferred tax is made up as follows:

	2020 £000	2019 £000
Share of deferred tax on unrealised gains in PIHL Property LLP	<u>(1,988)</u>	<u>(3,336)</u>

PRESTBURY SIR 2 LIMITED

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

10. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
3 (2019 - 3) ordinary shares of £1.00 each	<u>3</u>	<u>3</u>

Share capital represents the aggregate nominal value of shares issued. All shares rank pari passu in all respects.

11. Reserves

Profit and loss account

This represents the cumulative profits or losses of the Company to date. As at 31 March 2020, the Company had distributable reserves of £32.4 million (2019: £44.1 million).

12. Related party transactions

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.

13. Post balance sheet events

Since the balance sheet date, the Company has paid three interim dividends totalling £0.6 million.

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 ("PIHL") and the ultimate parent undertaking is Yoginvest Limited. The consolidated financial statements of PIHL are available to the public and may be obtained by writing to the Company Secretary, Cavendish House, 18 Cavendish Square, London, W1G 0PJ. 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.