

Registered number: 12273497

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

CONSOLIDATED FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE PERIOD ENDED 31 DECEMBER 2020



PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

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PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)
REGISTERED NUMBER: 12273497

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	31 December 2020 £000
Fixed assets		
Tangible assets	4	128
Investments	5	6,777
Investment properties	6	45,871
		<u>52,776</u>
Current assets		
Debtors	7	2,585
Cash at bank and in hand		13,354
		<u>15,939</u>
Creditors: amounts falling due within one year	8	(6,607)
		<u>9,332</u>
Net current assets		<u>9,332</u>
Total assets less current liabilities		<u>62,108</u>
Creditors: amounts falling due after more than one year	9	(14,680)
Provisions for liabilities		
Deferred tax		(758)
Net assets		<u><u>46,670</u></u>
Capital and reserves		
Called up share capital	11	-
Merger reserve	12	38,229
Profit and loss account	12	(459)
		<u>37,770</u>
Equity attributable to owners of the parent Company		<u>37,770</u>
Non-controlling interests		8,900
		<u><u>46,670</u></u>

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)
REGISTERED NUMBER: 12273497

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

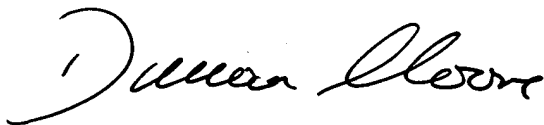
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 June 2021.



D J Moore
Director

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)
REGISTERED NUMBER: 12273497

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	31 December 2020 £000
Fixed assets		
Investments	5	5,165
		<u>5,165</u>
Current assets		
Cash at bank and in hand		1
		<u>1</u>
Creditors: amounts falling due within one year	8	(394)
		<u>(393)</u>
Net current liabilities		<u>(393)</u>
Total assets less current liabilities		<u>4,772</u>
Creditors: amounts falling due after more than one year	9	(1,948)
		<u>(1,948)</u>
Net assets		<u>2,824</u>
Capital and reserves		
Called up share capital	11	-
Profit for the period		4,688
Dividends declared and paid		(1,864)
		<u>2,824</u>
Profit and loss account	12	2,824
		<u>2,824</u>

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)
REGISTERED NUMBER: 12273497

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

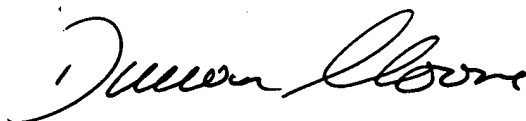
The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and Retained Earnings in these financial statements. The profit after tax of the parent Company for the period was £4,688,000.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 June 2021.



D J Moore
Director

The notes on pages 5 to 20 form part of these financial statements.

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

1. General information

The Company was incorporated on 21 October 2019 as PGL Holdco Limited and is a private company limited by shares and is incorporated in England. The Company's name was changed on 17 December 2019 to Pemberstone Group Limited.

The address of the registered office is Whittington Hall, Whittington Road, Worcester, Worcestershire, WR5 2ZX.

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 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method except where a business combination constitutes a group reconstruction. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. Where business combinations as a result of the exchange of shares, result in the issuing company holding more than a 90% holding in another company, the acquirer applies merger relief and transfers the excess of consideration to a merger relief reserve. The results of acquired operations are included in the Consolidated Statement of Income and Retained Earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is comprised of ground rent, rental income and the provision of services.

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 Impairment

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.5 Operating leases: the Group as lessor

Rentals income from operating leases is credited to profit or loss on a straight line basis over the term of the relevant lease.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.7 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.10 Pensions

The Group does not operate an occupational pension scheme for its employees but it provides contributions to personal pension plans. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.11 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Income and Retained Earnings, 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

Deferred tax balances are not discounted.

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 10 - 33.3% per annum straight line
Fixtures and fittings	- 15 - 33.3% per annum straight line
Office equipment	- 33.3% per annum straight line
Computer equipment	- 33.3% per annum straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Investments

Subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments are recognised on the date of acquisition and any disposals are reflected on the date of sale or redemption, with any profit or loss on disposal being separately disclosed in the Consolidated Statement of Income and Retained Earnings.

Loans

Commercial loans, loan notes and preference shares, are valued at amortised cost. Loans are assessed periodically for impairment, and where the recoverable amount is deemed to be less than the book value, an impairment is charged to the Consolidated Statement of Income and Retained Earnings. Income from such investments arises as interest or dividends and is disclosed as interest receivable and similar income in the financial statements. Interest is recognised as it accrues by reference to the principal outstanding and the effective interest rate. Dividends are recognised by reference to the agreed coupon rate and when the Group's rights to receive payment have been established.

Investment Property - Reversionary Interests

Reversionary property interests are measured at market value less any costs of realisation. The directors procure external valuations where appropriate and also carry out their own valuations from time to time.

Income from these interests is recognised within turnover in the financial statements

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

Investment Property - Commercial and Residential

Commercial and residential investment properties are revalued annually by a professional firm or by the directors at open market valuation (less allowances for selling costs). No depreciation is provided.

Rental income arising from the letting of these properties is recognised within turnover in the financial statements.

Participating advances

The participating advances relate largely to the disposal of certain investment properties whilst retaining up to a 50% participating interest, as well as external portfolio acquisitions. The interests are disclosed as fixed asset investments. In some cases these constitute loans where a repayment sum is calculated by reference to the value of the property and which are secured by way of a legal charge on the respective property. In other cases these constitute an equity share in a property. Redemptions are taken to the accounts on the unconditional exchange of contracts subject to receipt of the cash in relation to this contract within a short space of time.

Interests in partnerships

The capital interests in limited liability partnerships ('LLPs') comprise membership shares purchased from vendor members by a subsidiary of the Company. These interests are valued to reflect the open market value of the various LLPs' investment properties (net of outstanding borrowings).

The income interests held in LLPs comprise membership shares held by a subsidiary company following its admission as a member of each such LLP. These interests are valued on a basis to show that company's share of profits demonstrated by and held on its current account with the LLP and include, first, any positive net balance on current account arising at the time of the relevant Group company's admission as a member followed by the retirement of certain other members and secondly, the relevant Group company's share of net income or losses in each LLP since its admission as a member. The positive net current account balances arising on the share of net income or losses arising after admission is recognised in the Consolidated Statement of Income and Retained Earnings for the period.

Joint Ventures

Entities in which the group holds an interest and which are jointly controlled by the Group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the Group financial statements, joint ventures are accounted for using the equity method. The Group's share of profits in joint ventures are only recognised once its share of net profits have extinguished losses not previously recognised.

Listed Investments

Investments in shares are included at fair value. The fair value is usually the latest available mid-market price at the valuation date. Income from such investments arises as dividends and are recognised in the Consolidated Statement of Income and Retained Earnings for the period.

Revaluations

The directors consider the carrying value of each class of investment periodically on the basis described above and revaluations are made where deemed to be appropriate. The aggregate surplus or deficit arising on revaluation is transferred to the Consolidated Statement of Income and Retained Earnings for the period.

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured at fair value, net of transaction costs.

2.17 Financial instruments

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Consolidated Statement of Income and Retained Earnings if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

2.18 Related party transactions

Related party transactions (note 15) are disclosed in accordance with FRS 102 Section 1A paragraphs 1AC.34-36, only when the Group enters into transactions with related parties which are deemed not to be under normal market conditions.

2.19 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.

3. Employees

The average monthly number of employees, including the directors, during the period was as follows:

	2020 No.
Management and administration	9
Directors	4
	<hr/> 13 <hr/>

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

4. Tangible fixed assets

Group

	Leasehold improvements £000	Fixtures and fittings £000	Office and computer equipment £000	Total £000
Cost or valuation				
Transfers in as part of acquisition	328	120	85	533
Additions	-	9	2	11
Disposals	-	-	(21)	(21)
At 31 December 2020	328	129	66	523
Depreciation				
Transfers in as part of acquisition	180	111	80	371
Charge for the period on owned assets	31	10	4	45
Disposals	-	-	(21)	(21)
At 31 December 2020	211	121	63	395
Net book value				
At 31 December 2020	117	8	3	128

All leasehold improvements are deemed to be short leasehold.

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

5. Fixed asset investments

Group

	Listed investments £000	Other loans £000	Participating advances £000	Capital interests in partnerships £000	Total £000
Cost or valuation					
Transfers in as part of acquisition	-	10,334	499	165	10,998
Additions	300	1,811	-	-	2,111
Disposals	-	(1,607)	(29)	-	(1,636)
Revaluations	7	-	(1)	-	6
At 31 December 2020	<u>307</u>	<u>10,538</u>	<u>469</u>	<u>165</u>	<u>11,479</u>
Impairment					
Transfers in as part of acquisition	-	4,813	-	165	4,978
Credit for the period	-	(276)	-	-	(276)
At 31 December 2020	<u>-</u>	<u>4,537</u>	<u>-</u>	<u>165</u>	<u>4,702</u>
Net book value					
At 31 December 2020	<u>307</u>	<u>6,001</u>	<u>469</u>	<u>-</u>	<u>6,777</u>

Listed investments include cash, bonds, equities and other securities held in a non-managed portfolio.

Other loans comprise secured and unsecured fixed and variable rate commercial loans and preference share capital.

Participating advances have been valued by the directors at their open market value at 31 December 2020. The historical cost of these assets to the Group was £239,000.

The Group's capital interests in Partnerships are accounted for as investments in subsidiary undertakings. The historical cost of these assets to the Group was £165,000.

Pemberstone Investments Limited holds a 50% interest in DSP Tirol Limited with its joint venture partner Development Securities (Investment Ventures) Limited holding the remaining 50%. The acquisition has been treated as an investment in a joint venture in accordance with accounting policy 2.14. The latest available accounts for the joint venture are made up to 31 August 2020. There are no material differences between the results reported at that date and those that were reported at 31 December 2020. This investment was impaired in full prior to the acquisition and was in fixed asset investments at 31 December 2020 at £NIL.

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

5. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000
Cost or valuation	
Additions	5,165
At 31 December 2020	<u>5,165</u>
Net book value	
At 31 December 2020	<u><u>5,165</u></u>

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

5. Fixed asset investments (continued)

Subsidiary undertakings

At 31 December 2020, the following were subsidiary undertakings of the Company:

Name	Country of incorporation	Holding
PGL (202) Limited	UK	100%
PGL (201) Limited	UK	100%
Pemberstone Partnership LLP	UK	60.4%
Chatsworth House Residential Limited	UK	100%
Shared Equity Securities Limited	UK	100%
Pemberstone (Oulton Properties) Limited	UK	100%
Pemberstone Reversions Limited	UK	80%
Pemberstone Reversions (Holdings) Limited	UK	80%
Pemberstone Reversions Group Limited	UK	100%
Pemberstone Reversions (2) Limited	UK	80%
Pemberstone Reversions (3) Limited	UK	80%
Pemberstone Reversions (4) Limited	UK	80%
Pemberstone Reversions (5) Limited	UK	80%
Pemberstone Reversions (6) Limited	UK	80%
Pemberstone Reversions (7) Limited	UK	100%
Pemberstone Reversions (Kendal) Limited	UK	80%
Pemberstone (Green Quarter) Reversions Limited	UK	80%
MP Reversions (No.9) Limited	UK	100%
PGL (129) Limited	UK	100%
Pemberstone Apartments Three Limited	UK	100%
Chelworth Properties LLP	UK	66.67%
Pemberstone Partnership (No 2) LLP	UK	100%
Pemberstone Partnership (No 3) LLP	UK	100%
CIM Management Limited	UK	100%
CIM Management 2 Limited	UK	100%
Fourth Roman Property Trust Limited	UK	98.4%
Brampton Securities Limited	UK	100%
Pemberstone Developments 2 Limited	UK	100%
Brunswick Terrace (2) Limited	UK	100%
Pemberstone Limited	UK	100%
Pemberstone Investments Limited	UK	100%
Pemberstone Properties (No 1) Limited	UK	100%
Pemberstone Properties (No 2) Limited	UK	100%
Pemberstone Properties (No 3) Limited	UK	100%
Pemberstone Properties (No 5) Limited	UK	100%
Pemberstone Properties (No 6) Limited	UK	100%
Pemberstone Properties (No 7) Limited	UK	100%
PGL (128) Limited	UK	100%
Altitude (Dorking 1) Limited	UK	50.01%

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

5. Fixed asset investments (continued)

Subsidiary undertakings (continued)

All subsidiaries are included in these consolidated financial statements.

All subsidiary investments comprise investments in subsidiaries or investments in LLPs.

In addition to the companies listed above the Group has a number of dormant companies, all of which have claimed exemption from audit under s.479A of the Companies Act 2006.

A full listing of dormant companies is available from the Company's registered office.

All subsidiaries have the same registered office as the parent Company.

6. Investment property

Group

	Commercial and residential properties £000	Reversionary interests £000	Property under construction £000	Total £000
Valuation				
Transfers in as part of acquisition	41,243	2,207	135	43,585
Additions at cost	4,080	-	(28)	4,052
Disposals	(2,350)	(396)	(107)	(2,853)
Surplus on revaluation	1,093	(6)	-	1,087
At 31 December 2020	44,066	1,805	-	45,871

The commercial and residential properties were valued at 31 December 2020 at their open market value by the directors. The historical cost of the properties was £38,924,000.

The valuation of investments in reversionary interests has been carried out by the directors as at 31 December 2020 at their open market value under the accounting policy stated. The historical cost of reversionary interests as at 31 December 2020 was £1,773,000.

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

7. Debtors

	Group 31 December 2020 £000	Company 31 December 2020 £000
Trade debtors	1,028	-
Other debtors	113	-
Prepayments and accrued income	1,444	-
	<u>2,585</u>	<u>-</u>

8. Creditors: Amounts falling due within one year

	Group 31 December 2020 £000	Company 31 December 2020 £000
Bank loans	4,343	-
Trade creditors	65	-
Corporation tax	314	-
Other taxation and social security	90	-
Other creditors	433	394
Accruals and deferred income	1,362	-
	<u>6,607</u>	<u>394</u>

For details of security see note 10.

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

9. Creditors: Amounts falling due after more than one year

	Group 31 December 2020 £000	Company 31 December 2020 £000
Bank loans	12,334	-
Other loans	398	-
Other creditors	1,948	1,948
	<u>14,680</u>	<u>1,948</u>

For details of security see note 10.

10. Loans

	Group 31 December 2020 £000	Company 31 December 2020 £000
Amounts falling due within one year		
Bank loans	4,343	-
Amounts falling due 1-2 years		
Bank loans	4,065	-
Amounts falling due 2-5 years		
Bank loans	8,269	-
Other loans	398	-
	<u>17,075</u>	<u>-</u>

Loans

Bank loans of £16,677,000 are secured over certain assets of Pemberstone Group Limited's subsidiaries.

Other loans totalling £398,000 are unsecured.

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020

11. Share capital

	31 December 2020 £
Allotted, called up and fully paid	
11,000 Ordinary shares of £0.01 each	110
1,000 B Ordinary shares of £0.01 each	10
11,000 C Ordinary shares of £0.01 each	110
8,003 Priority Ordinary shares of £0.01 each	80
	<hr/>
	310

Ordinary shares have full voting and dividend rights and, as regards capital, entitle their holders to receive any monies arising on a winding up or other return of capital after the payment to all shareholders of the amounts credited as paid up on their shares and payment of the next £8,003,000 to the holders of the Priority Ordinary shares up to a limit of £50,000,000.

The 'B' Ordinary shares have no voting rights, carry the right to participate in dividends in certain circumstances, but, in the event of a winding up or other return of capital, entitle their holders to receive payment of the amount credited as paid up thereon but carry no further rights to capital.

The 'C' Ordinary shares have no voting rights, and carry the right to participate in dividends. In the event of a winding up or other return of capital, the 'C' Ordinary shares entitle their holders to receive payment of the amount credited as paid up thereon and to receive all remaining realisation proceeds in excess of £50,000,000 after the payment to all shareholders of the amounts credited as paid up on their shares and following the payment of the next £8,003,000 to the holders of the Priority Ordinary shares and the payment of remaining funds up to £50,000,000 to the holders of the Ordinary shares.

The Priority Ordinary shares have no voting or dividend rights but entitle their holders to receive the first £8,003,000 arising on a winding up or other return of capital after the amount credited as paid up on all shares has been paid to their holders.

12. Reserves

Merger relief reserve

This reserve represents the fair value adjustment of consideration paid in the restructure of the Group.

Profit and loss account

This reserve records retained earnings and accumulated losses net of any dividends paid. Net retained reserves include revaluation gains of £7,030,000 and an associated deferred tax charge of £736,000 which are not considered distributable.

Non-controlling interest

Other movements in non-controlling interest represent payments to and receipts from the owners of the non-controlling interest that are not recognised in the Consolidated Statement of Income & Retained Earnings.

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

13. Business combinations

Acquisition of PGL (202) Limited (company number 10519066)

On 26 November 2019, the Company acquired the entire share capital of PGL (202) Limited (formerly Pemberstone Group Limited).

PGL (202) Limited is the parent of a group, and the fair value of the group's net assets as at 26 November 2019 were as follows:

	Book value £000	Fair value £000
Fixed assets		
Tangible	162	162
Investments	5,521	5,521
Investment property	44,085	44,085
	<u>49,768</u>	<u>49,768</u>
Current assets		
Debtors	2,873	2,873
Cash at bank and in hand	16,741	16,741
	<u>69,382</u>	<u>69,382</u>
Total assets		
Creditors		
Due within one year	(7,771)	(7,771)
Due after more than one year	(8,567)	(8,567)
Deferred tax on differences between fair value and tax bases	(1,124)	(1,124)
	<u>51,920</u>	<u>51,920</u>
Fair value of net assets		
	<u>51,920</u>	<u>51,920</u>
Total purchase consideration		<u>51,920</u>
Consideration		
		£000
Cash		2,427
Deferred consideration		2,738
Fair value adjustment		38,229
Non-controlling interest		8,526
Total purchase consideration		<u>51,920</u>

PEMBERSTONE GROUP LIMITED (FORMERLY PGL HOLDCO LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

13. Business combinations (continued)

Cash outflow on acquisition

	£000
Purchase consideration settled in cash, as above	2,427
Net cash outflow on acquisition	<u>2,427</u>

The book value of PGL (202) Limited's consolidated net assets are considered to be equal to their fair value.

The transfer qualified for merger relief under the provisions of the Companies Act 2006, and the directors elected to recognise an adjustment on consolidation to bring the net assets of the group to fair value. As a result, no goodwill was recognised on consolidation.

14. Pension commitments

The Group does not operate a pension scheme for its employees but it provides contributions to personal pension plans. The pension costs represent contributions payable by the Group and amounted to £58,000. Contributions totalling £6,000 were payable to the plans at the Balance Sheet date and are included in creditors.

15. Related party transactions

The Group has taken advantage of the exemption conferred by Financial Reporting Standard 102 "Related party disclosures" Paragraph 33.1A not to disclose transactions with its wholly owned subsidiaries within the Group.

Loans of £35,000 are owed by related parties to certain members of the Group.

Other creditors of £2,342,000 are owed to a shareholder from the Company, and are interest free.