Pickford Holland & Co Limited

Report and Financial Statements

30 September 2015

Directors
J Cooper
G Rosson

Secretary
R P McQuinn

Auditors
Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds LS11 5QR

Registered Office
Totley Works
Baslow Road
Sheffield S17 3BL

Directors' report

The directors present their report and financial statements for the year ended 30 September 2015.

Results and dividends

The profit for the year amounted to £nil (2014 – profit of £nil), a dividend of £nil was paid during the year (2014 – £nil).

Principal activity and review of the business

The principal activity of the Company during the year continued to be the holding of investment property.

On 30 November 2011, the company entered into a long term (5 years, with provisions for time extensions in certain circumstances) property planning and promotion agreement with St Modwen Developments Ltd for one of its properties. St Modwen is a company specialising in land promotion and the remediation of brownfield sites. The planning process is inherently uncertain and the site has complexities to be worked through to determine the most appropriate alternative use. Once an appropriate planning consent has been obtained, the saleability of the site is dependent upon market conditions at that time, combined with the commercial attractiveness of the consent obtained. Contributions to the local community agreed as part of the consent, including affordable housing and educational support (often referred to as s106 contributions and/or Community Infrastructure Levy) will also reduce the financial outcome arising from the eventual sale of the site. The above factors will determine the extent to which the balance sheet valuation of this property will be realised or exceeded.

Discussions are ongoing with the appropriate planning authority and other interested parties in order to determine the most appropriate alternative uses for the site of approximately 7 acres which is situated in Sheffield. Planning applications are expected to be submitted in the next financial year or shortly thereafter for residential or mixed use schemes.

The valuation of this property fell during the year due to site and location specific factors.

The remaining property is outside the planning and promotion agreement and is untenanted land. The Board intends to explore development and realisation opportunities for this property.

The directors regard the minimisation of holding costs, the maintenance or increase of rental income whilst properties are retained and the need to maximise capital receipts on the eventual disposal of properties, to be the Key Performance Indicators.

Principal risks and uncertainties

Strategic, financial, commercial, operational and environmental risks are all considered as part of the company's controls, which are designed to manage rather than eliminate the risk of failure to achieve business objectives. Therefore they can only provide reasonable, not absolute, assurance against material misstatement or loss. At present there are no immediate risks considered likely to have a significant impact on the short or long term value of the company.

Directors

The directors who served the company during the year were as follows:

J Cooper
G Rosson

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the provisions of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Directors' report

Fixed assets

The company's investment properties were re-valued at the year end.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

Ernst & Young LLP are to be reappointed as the company's auditor for the next financial year of the Company in accordance with section 485 of the Companies Act 2006 and, as such, will be reappointed before the end of the period of 28 days beginning with the latest time allowed for sending out copies of the company's annual accounts and reports for the financial year covered by this report to shareholders.

On behalf of the Board

G Rosson
Director
3 May 2016

Statement of directors' responsibilities in respect of the 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- 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.

Independent auditor's report

to the members of Pickford Holland & Co Limited

We have audited the financial statements of Pickford Holland & Co Limited for the year ended 30 September 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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 (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.
- the directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report.

Stuart Watson (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Leeds
3 May 2016

Profit and loss account

for the year ended 30 September 2015

	Notes	2015 £	2014 £
Turnover		–	–
Administrative expenses		–	–
Profit on ordinary activities before taxation	2	–	–
Tax	4	–	–
Profit for the year	8	–	–

All activities relate to continuing operations.

Statement of total recognised gains and losses

for the year ended 30 September 2015

	2015 £	2014 £
Profit for the year	–	–
Revaluation of investment properties	(925,000)	(100,000)
Total recognised losses relating to the year	(925,000)	(100,000)

Balance sheet
at 30 September 2015

	Notes	*2015* £	*2014* £
Fixed assets			
Tangible assets	5	1,125,000	2,050,000
***Debtors**: amounts falling due after more than one year*	6	938,455	938,455
Net assets		2,063,455	2,988,455
Capital and reserves			
Called up share capital	7	684,000	684,000
Revaluation reserve	8	303,624	1,228,624
Profit and loss account	8	1,075,831	1,075,831
Shareholder's funds	8	2,063,455	2,988,455

The financial statements were approved by the board of directors on 3 May 2016 and signed on its behalf by:

G Rosson
Director

Notes to the financial statements

at 30 September 2015

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, modified by the revaluation of fixed assets, and in accordance with applicable accounting standards.

Statement of cash flows

The directors have taken advantage of the exemption in FRS 1 (revised) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent publishes group financial statements.

Fixed assets

All fixed assets are initially recorded at cost.

Fixed asset investment properties

The company's properties are held for long-term investment. Investment properties are included at valuation. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance, rather than a calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation, and the amount which otherwise might have been included cannot be separately identified or quantified.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement;

- assets and charged to tax only where the replacement assets are sold;

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements
at 30 September 2015

2. Profit on ordinary activities before taxation

Auditor remuneration is borne by another Group company.

3. Staff costs

The company has no employees in the current or preceding year. As such no salaries or wages have been paid to employees during the year (2014 – £nil). None of the directors of the company received any remuneration in respect of qualifying services to this company (2014 – £nil).

4. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2015	*2014*
	£	*£*
Current tax:		
UK corporation tax	–	–
Total current tax (note 4(b))	–	–
Deferred tax:		
Origination and reversal of timing differences	–	–
Tax on profit on ordinary activities	–	–

(b) Factors affecting current tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 20.5% (2014 – 22%). The differences are explained below:

	2015	*2014*
	£	*£*
Profit on ordinary activities before tax	–	–
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% (2014 – 22%)	–	–
Current tax for the year (note 4(a))	–	–

Notes to the financial statements

at 30 September 2015

4. Tax (continued)

(c) Deferred tax

Deferred tax has been calculated on the potential capital gains on revalued properties should they be sold at their net book amount at the balance sheet date. Capital gains previously rolled over into the base cost of the properties have been taken into consideration when calculating the potential capital gains. At the balance sheet date, there are no agreements to sell any of the revalued properties so no provision for the amount of deferred tax calculated of £17,318 (2014 – £42,377) has been made.

(d) Factors that may affect future tax charges

The standard rate of corporation tax in the United Kingdom for the year is 20.5% (2014: 22%). The Finance Act 2015 enacted a reduction in the main rate of corporation tax to 19% with effect from 1 April 2017, with a further reduction to 18% with effect from 1 April 2020. The 2016 Budget announced that the reduction to 18% from 1 April 2020 will be a reduction down to 17%. However these changes did not receive Royal Assent until 18 November 2015, the rate at which deferred tax has been provided therefore remains unchanged at 20%.

5. Tangible fixed assets

	Investment properties £
Valuation:	
As at 1 October 2014	2,050,000
Revaluation	(925,000)
As at 30 September 2015	1,125,000
Net book value:	
As at 30 September 2015	1,125,000
As at 30 September 2014	2,050,000

The investment properties were revalued on an open market basis as at 30 September 2015 by BNP Paribas Real Estate Consultants, an accredited external valuer. The properties were previously valued as at 30 September 2014.

On the historical cost basis, investment properties would have been included at a net carrying amount of £768,049 (2014 – £768,049).

6. Debtors: amounts falling due after more than one year

	2015 £	*2014* £
Amounts owed by group undertakings	938,455	938,455

Notes to the financial statements

at 30 September 2015

7. Issued share capital

		2015		2014
Allotted, called up and fully paid	*No.*	*£*	*No.*	*£*
Ordinary shares of £0.25 each	2,736,000	684,000	2,736,000	684,000

8. Reconciliation of shareholder's funds and movements on reserves

	Share capital	*Revaluation reserve*	*Profit and loss account*	*Total share-holder's funds*
	£	*£*	*£*	*£*
As at 1 October 2013	684,000	1,228,624	1,075,831	2,988,455
Profit for the year	–	–	–	–
Revaluation	–	–	–	–
As at 30 September 2014	684,000	1,228,624	1,075,831	2,988,455
Profit for the year	–	–	–	–
Revaluation	–	(925,000)	–	(925,000)
As at 30 September 2015	684,000	303,624	1,075,831	2,063,455

9. Contingent liabilities

At 30 September 2015 no commitments or contingencies existed (2014 – £nil).

10. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No. 8 from disclosing transactions with companies that are part of the ultimate holding company's group, on the grounds that the company is a wholly owned subsidiary and the ultimate holding company includes the company in its own published group financial statements.

11. Ultimate parent undertaking and controlling party

The company's immediate and ultimate parent undertaking and controlling party is Dyson Group plc. It has included the company in its group financial statements, copies of which are available by emailing investor.relations@dyson-group.com.