

**Parkinson Estates PLC**  
**Financial Statements**  
**31 March 2017**



**INDEPENDENT AUDITORS LLP**  
Chartered Accountants & Statutory Auditor  
Emstrey House North  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

# **Parkinson Estates PLC**

## **Financial Statements**

**Year ended 31 March 2017**

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# **Parkinson Estates PLC**

## **Strategic Report**

**Year ended 31 March 2017**

### **Principal activity**

The principal activities of the group continue to be the trading and development of residential and commercial land and property.

### **Results and Performance**

Parkinson Estates PLC is the parent company of a group of companies predominantly engaged in the trading and development of residential and commercial land and property.

As shown in the consolidated statement of income and retained earnings on page 7, group turnover has decreased by 76% from the previous year as there were no land stock sales in this period. Profit before tax has decreased by 29% due partly to the reduced group turnover and partly due to a decrease in the share of operating profits of associates.

The consolidated statement of financial position on page 9 of the financial statements shows the financial position of the group at the balance sheet date. Net assets have increased during the year from £9,016,017 to £9,579,610 which is largely due to an increase in the valuation of the investment property and debtors.

The group results for the year are set out on page 7. The directors declared an interim dividend of £54,570 during the year (2016: £Nil). Profits of £618,163 (2016: £858,204) have been transferred to reserves.

### **Risks and Uncertainties**

The group's main financial risk is the devaluation of stock and investment property. This risk is managed by the group monitoring market conditions.

Delays in obtaining planning permissions on its sites are a continuing risk for the group. This risk is managed by responding rapidly to planning authority progress and queries and maintaining strong relationships with landowners and customers.

All sales are made in the UK in sterling and therefore the company has no foreign exchange exposure. Credit risk is not considered to be a risk as completion of property deals occurs simultaneously with the transfer of funds. The group holds cash in deposit bank accounts such that significant movements in interest rates would therefore affect investment income earned.

The group has considerable financial resources and continues to trade profitably. As a consequence, the directors believe that the group is well placed to manage its business risks successfully, despite the current uncertain economic outlook.

### **Key Performance Indicators**

The directors consider the key measurement of effectiveness is profit before tax. For the year ended 31 March 2017 profit before tax is £623,687 compared to £883,056 in the previous period.

### **Future Developments**

The group continues to actively seek new dealings in land and buildings and a number of potential exciting developments are in the pipeline. The company is actively seeking new development and investment opportunities. The strength of the group balance sheet enables it to develop any projects which are felt to have potential and be of benefit to the group.

# Parkinson Estates PLC

## Strategic Report *(continued)*

Year ended 31 March 2017

This report was approved by the board of directors on 29/03/17 and signed on behalf of the board by:



S Parkinson  
Director

Registered office:  
Parkinson Estates PLC  
Moss House  
8 Druids Lane  
Birmingham  
West Midlands  
B14 5SN

# **Parkinson Estates PLC**

## **Directors' Report**

**Year ended 31 March 2017**

The directors present their report and the financial statements of the group for the year ended 31 March 2017.

### **Directors**

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

M C Parkinson  
S Parkinson

### **Dividends**

Particulars of recommended dividends are detailed in note 12 to the financial statements.

### **Disclosure of information in the strategic report**

In accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the company has chosen to set out information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in the company's strategic report.

### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# Parkinson Estates PLC

## Directors' Report *(continued)*

Year ended 31 March 2017

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 29/03/17 and signed on behalf of the board by:



S Parkinson  
Director

Registered office:  
Parkinson Estates PLC  
Moss House  
8 Druids Lane  
Birmingham  
West Midlands  
B14 5SN

# **Parkinson Estates PLC**

## **Independent Auditor's Report to the Members of Parkinson Estates PLC**

**Year ended 31 March 2017**

We have audited the financial statements of Parkinson Estates PLC for the year ended 31 March 2017 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor**

As explained more fully in the directors' responsibilities statement, 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 and express an opinion on 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 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 group's and the parent 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 strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2017 and of the group's 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.

# Parkinson Estates PLC

## Independent Auditor's Report to the Members of Parkinson Estates PLC

(continued)

Year ended 31 March 2017

### Opinion on other matter 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 strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 the 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; and

*Independent Auditors LLP*

Jonathon Dale BA(Hons) FCA (Senior Statutory Auditor)

For and on behalf of  
Independent Auditors LLP  
Chartered Accountants & Statutory Auditor

Emstrey House North  
Shrewsbury Business Park  
Shrewsbury  
Shropshire  
SY2 6LG

30th August 2017



# Parkinson Estates PLC

## Consolidated Statement of Income and Retained Earnings

Year ended 31 March 2017

	Note	2017 £	2016 £
<b>Turnover</b>	<b>4</b>	173,211	711,878
Cost of sales		21,186	324,967
<b>Gross profit</b>		152,025	386,911
Administrative expenses		(38,346)	165,340
<b>Operating profit</b>	<b>5</b>	190,371	221,571
Share of profit of associates	<b>15</b>	419,760	558,682
Other interest receivable and similar income	<b>9</b>	13,556	104,307
Interest payable and similar expenses	<b>10</b>	—	1,504
<b>Profit before taxation</b>		623,687	883,056
Tax on profit	<b>11</b>	5,524	24,852
<b>Profit for the financial year and total comprehensive income</b>		<u>618,163</u>	<u>858,204</u>
Dividends paid and payable	<b>12</b>	(54,570)	—
<b>Retained earnings at the start of the year</b>		8,965,017	8,106,813
<b>Retained earnings at the end of the year</b>		<u>9,528,610</u>	<u>8,965,017</u>

All the activities of the group are from continuing operations.

The notes on pages 12 to 23 form part of these financial statements.

# Parkinson Estates PLC

## Company Statement of Income and Retained Earnings

Year ended 31 March 2017

	Note	2017 £	2016 £
Profit for the financial year and total comprehensive income		221,877	238,941
Dividends paid and payable	12	(54,570)	—
<b>Retained earnings at the start of the year</b>		<u>3,006,991</u>	<u>2,768,050</u>
<b>Retained earnings at the end of the year</b>		<u>3,174,298</u>	<u>3,006,991</u>

The notes on pages 12 to 23 form part of these financial statements.

# Parkinson Estates PLC

## Consolidated Statement of Financial Position

31 March 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	14	1,614,570	1,450,636
Investments:	15		
Investments in associates		782,562	862,802
		<u>2,397,132</u>	<u>2,313,438</u>
<b>Current assets</b>			
Stocks	16	46,781	46,322
Debtors	17	5,416,792	3,167,805
Cash at bank and in hand		1,816,305	3,561,427
		<u>7,279,878</u>	<u>6,775,554</u>
<b>Creditors: amounts falling due within one year</b>	18	97,400	72,975
<b>Net current assets</b>		<u>7,182,478</u>	<u>6,702,579</u>
<b>Total assets less current liabilities</b>		<u>9,579,610</u>	<u>9,016,017</u>
<b>Net assets</b>		<u>9,579,610</u>	<u>9,016,017</u>
<b>Capital and reserves</b>			
Called up share capital	19	51,000	51,000
Profit and loss account	20	9,528,610	8,965,017
<b>Members funds</b>		<u>9,579,610</u>	<u>9,016,017</u>

These financial statements were approved by the board of directors and authorised for issue on 29/03/17, and are signed on behalf of the board by:



S Parkinson  
Director

Company registration number: 02569040

The notes on pages 12 to 23 form part of these financial statements.

**Parkinson Estates PLC**  
**Company Statement of Financial Position**  
**31 March 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	14	1,614,570	1,450,636
Investments	15	1,003	1,003
		<u>1,615,573</u>	<u>1,451,639</u>
<b>Current assets</b>			
Stocks	16	44,730	44,271
Debtors	17	3,015,792	3,016,680
Cash at bank and in hand		257,016	216,417
		<u>3,317,538</u>	<u>3,277,368</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>1,707,813</u>	<u>1,671,016</u>
<b>Net current assets</b>		<u>1,609,725</u>	<u>1,606,352</u>
<b>Total assets less current liabilities</b>		<u>3,225,298</u>	<u>3,057,991</u>
<b>Net assets</b>		<u>3,225,298</u>	<u>3,057,991</u>
<b>Capital and reserves</b>			
Called up share capital	19	51,000	51,000
Profit and loss account	20	3,174,298	3,006,991
<b>Members funds</b>		<u>3,225,298</u>	<u>3,057,991</u>

The profit for the financial year of the parent company was £221,877 (2016: £238,941).

These financial statements were approved by the board of directors and authorised for issue on 29/03/17, and are signed on behalf of the board by:

  
S Parkinson  
Director

Company registration number: 02569040

The notes on pages 12 to 23 form part of these financial statements.

**Parkinson Estates PLC**  
**Consolidated Statement of Cash Flows**  
**Year ended 31 March 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Profit for the financial year	618,163	858,204
<i>Adjustments for:</i>		
Depreciation of tangible assets	269	332
Fair value adjustment of investment property	(164,203)	(26,599)
Share of profit of associates	(419,760)	(558,682)
Other interest receivable and similar income	(13,556)	(104,307)
Interest payable and similar expenses	–	1,504
Tax on profit	5,524	24,852
Accrued expenses	4,356	831
<i>Changes in:</i>		
Stocks	(459)	295,231
Trade and other debtors	(2,248,987)	435,136
Trade and other creditors	(163)	(1,754)
Cash generated from operations	(2,218,816)	924,748
Interest paid	–	(1,504)
Interest received	13,556	104,307
Tax paid	(23,012)	(5,538)
Net cash (used in)/from operating activities	<u>(2,228,272)</u>	<u>1,022,013</u>
<b>Cash flows from investing activities</b>		
Dividends received	500,000	400,000
Net cash from investing activities	<u>500,000</u>	<u>400,000</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	37,720	1,417
Dividends paid	(54,570)	–
Net cash (used in)/from financing activities	<u>(16,850)</u>	<u>1,417</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,745,122)	1,423,430
<b>Cash and cash equivalents at beginning of year</b>	3,561,427	2,137,997
<b>Cash and cash equivalents at end of year</b>	<u>1,816,305</u>	<u>3,561,427</u>

The notes on pages 12 to 23 form part of these financial statements.

**Parkinson Estates PLC**  
**Notes to the Financial Statements**  
**Year ended 31 March 2017**

**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Parkinson Estates PLC, Moss House, 8 Druids Lane, Birmingham, West Midlands, B14 5SN.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**General information and basis of preparation**

Parkinson Estates PLC is a company limited by shares incorporated in England within the United Kingdom. The address of the registered office is disclosed on the Strategic Report.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

**Fixed asset investments**

Fixed asset investments are stated at cost less provision for impairment.

In the consolidated financial statements, shares in associated undertakings are accounted for using the equity method of accounting. The consolidated profit and loss account includes the group's share of the pre-tax profits and attributable taxation of the associates based on financial statements for the year ended 31 March 2017. In the consolidated balance sheet, the shares in associates are shown at the group's share of the net assets of the associates.

**Provisions**

Provisions are recognised when the relevant entity has a legal or constructive obligation at the reporting date as a result of a past event, it is probable that the entity will be required to settle the obligation and the amount of the obligation can be reliably estimated.

**Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

# **Parkinson Estates PLC**

## **Notes to the Financial Statements** *(continued)*

**Year ended 31 March 2017**

### **Consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the equity method and goodwill on consolidation has been capitalised and written off over its useful economic life. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

### **Judgements and key sources of estimation uncertainty**

No significant judgements have had to be made by management in preparing these financial statements.

### **Revenue recognition**

Turnover represents the amount receivable in respect of property sales, rental income on property held, property valuation fees and management fees. Rental income is recognised in the period to which the charge relates, sale of freehold rents is recognised on the date the transfer is signed by both parties. Property valuation fees and management fees are recognised on an accruals basis.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

### **Income tax**

Taxation expense represents the aggregate amount of current tax and deferred tax recognised in the reporting period.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

### **Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed five years.

# Parkinson Estates PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

### 3. Accounting policies *(continued)*

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery - 15% straight line

#### Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

#### Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

#### Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.



# Parkinson Estates PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

### 3. Accounting policies *(continued)*

#### Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

# Parkinson Estates PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

### 3. Accounting policies *(continued)*

#### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

### 4. Turnover

Turnover arises from:

	2017	2016
	£	£
Sale of freehold property	36,575	608,100
Management fees	29,099	5,415
Rental income	107,537	98,363
	<u>173,211</u>	<u>711,878</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

# Parkinson Estates PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

### 5. Operating profit

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	269	332
Fair value adjustments to investment property	<u>(164,203)</u>	<u>(26,599)</u>

### 6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>4,750</u>	<u>5,700</u>

### 7. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2017	2016
	No.	No.
Management staff	<u>2</u>	<u>2</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Social security costs	<u>—</u>	<u>150</u>

### 8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	<u>—</u>	<u>1,085</u>

### 9. Other interest receivable and similar income

	2017	2016
	£	£
Interest on loans and receivables	—	88,022
Interest on cash and cash equivalents	13,556	16,285
	<u>13,556</u>	<u>104,307</u>

### 10. Interest payable and similar expenses

	2017	2016
	£	£
Other interest payable and similar charges	<u>—</u>	<u>1,504</u>

# Parkinson Estates PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

### 11. Tax on profit

#### Major components of tax expense

	2017 £	2016 £
<b>Current tax:</b>		
UK current tax expense	7,998	25,486
Adjustments in respect of prior periods	(2,474)	(634)
Total current tax	<u>5,524</u>	<u>24,852</u>
<b>Tax on profit</b>	<u>5,524</u>	<u>24,852</u>

The tax that would be payable if the investment property held by the group was disposed of at its valuation in the financial statements as at 31 March 2017 amounts to £5,229. Given that the amount is immaterial no deferred tax provision has been recognised.

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 20% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	623,687	883,056
Profit on ordinary activities by rate of tax	124,737	176,611
Adjustment to tax charge in respect of prior periods	(2,474)	(634)
Effect of expenses not deductible for tax purposes	(32,841)	(5,019)
Effect of capital allowances and depreciation	54	440
Share of profit of associates	(83,952)	(111,736)
Utilisation of tax losses	—	(34,810)
Tax on profit	<u>5,524</u>	<u>24,852</u>

### 12. Dividends

	2017 £	2016 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>54,570</u>	<u>—</u>

# Parkinson Estates PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

### 13. Intangible assets

Group	Goodwill £
<b>Cost</b>	
At 1 April 2016 and 31 March 2017	(309,611)
<b>Amortisation</b>	
At 1 April 2016 and 31 March 2017	(309,611)
<b>Carrying amount</b>	
At 1 April 2016 and 31 March 2017	—

The company has no intangible assets.

### 14. Tangible assets

Group and company	Land and buildings £	Plant and machinery £	Total £
<b>Cost or valuation</b>			
At 1 April 2016	1,450,000	13,580	1,463,580
Revaluations	164,203	—	164,203
<b>At 31 March 2017</b>	<b>1,614,203</b>	<b>13,580</b>	<b>1,627,783</b>
<b>Depreciation</b>			
At 1 April 2016	—	12,944	12,944
Charge for the year	—	269	269
<b>At 31 March 2017</b>	<b>—</b>	<b>13,213</b>	<b>13,213</b>
<b>Carrying amount</b>			
At 31 March 2017	1,614,203	367	1,614,570
At 31 March 2016	1,450,000	636	1,450,636

The investment property held by the group and company was formally revalued on an open market basis on 25 August 2015 by Mr D J Coleman MRICS MARLA FNAEA of Hollier Browne Chartered Surveyors at a market value of £1,450,000.

The directors have revalued the investment property on an open market basis as at the balance sheet date by reference to publicly available property price information in the sum of £1,614,203.

The historic cost of the investment property was £1,257,276 (2015 : £1,257,276).

# Parkinson Estates PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

### 15. Investments

Group	Interests in associates £
<b>Share of net assets/cost</b>	
At 1 April 2016	862,802
Share of profit or loss	419,760
Dividends received	(500,000)
<b>At 31 March 2017</b>	<u>782,562</u>
<b>Impairment</b>	
At 1 April 2016 and 31 March 2017	<u>-</u>
<b>Carrying amount</b>	
At 31 March 2017	<u>782,562</u>
At 31 March 2016	<u>862,802</u>
<b>Company</b>	<b>Shares in group undertakings £</b>
<b>Cost</b>	
At 1 April 2016 and 31 March 2017	<u>1,003</u>
<b>Impairment</b>	
At 1 April 2016 and 31 March 2017	<u>-</u>
<b>Carrying amount</b>	
At 1 April 2016 and 31 March 2017	<u>1,003</u>

### Subsidiaries, associates and other investments

Details of the investments in which the group and the parent company have an interest of 20% or more are as follows:

	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>		
Homedea Limited	Ordinary	100
Countrypark Properties Limited	Ordinary	100
<b>Associates</b>		
Stanley N Evans (Properties) Limited	Ordinary	50
Maypole Estates Limited	Ordinary	50

# Parkinson Estates PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

### 15. Investments *(continued)*

#### Investments in associates

Summarised financial information of associates:

	2017	2016
	£	£
Fixed assets	57,582	57,775
Current assets	1,232,054	1,289,490
Current liabilities	<u>507,073</u>	<u>484,463</u>
Revenues	<u>550,184</u>	<u>724,396</u>

### 16. Stocks

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Land and buildings for resale	<u>46,781</u>	<u>46,322</u>	<u>44,730</u>	<u>44,271</u>

### 17. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	1,546	1,561	546	436
Called up share capital not paid	37,499	37,499	37,499	37,499
Prepayments and accrued income	2,747	3,745	2,747	3,745
Other debtors	5,375,000	3,125,000	2,975,000	2,975,000
	<u>5,416,792</u>	<u>3,167,805</u>	<u>3,015,792</u>	<u>3,016,680</u>

### 18. Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	240	230	240	230
Amounts owed to group undertakings	—	—	1,620,244	1,620,244
Accruals and deferred income	14,479	10,123	10,311	8,250
Corporation tax	7,998	25,486	7,679	10,500
Social security and other taxes	915	1,088	915	1,088
Director loan accounts	73,768	36,048	68,424	30,704
	<u>97,400</u>	<u>72,975</u>	<u>1,707,813</u>	<u>1,671,016</u>

# Parkinson Estates PLC

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2017

### 19. Called up share capital

#### Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	51,000	51,000	51,000	51,000

Each share is entitled to one vote in any circumstances and each share is also entitled parri passu to dividend payments or any other distributions, including a distribution arising from a winding up of the company.

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	2017	2016
	£	£
Ordinary shares of £1 each	37,499	37,499

### 20. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses and includes a fair value reserve of £356,927.

### 21. Contingencies

Parkinson Estates plc has guaranteed the liabilities of Countrypark Properties Limited (registered number 04590184) and Homedeaal Limited (registered number 01858570) in order that both companies qualify for exemption from audit under Section 479a of the Companies Act 2006 in respect of the year ended 31 March 2017.

### 22. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	2017			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
M C Parkinson	(18,024)	(28,860)	10,000	(36,884)
S Parkinson	(18,024)	(28,860)	10,000	(36,884)
	<u>(36,048)</u>	<u>(57,720)</u>	<u>20,000</u>	<u>(73,768)</u>

  

	2016			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
M C Parkinson	(17,316)	(708)	—	(18,024)
S Parkinson	(17,315)	(709)	—	(18,024)
	<u>(34,631)</u>	<u>(1,417)</u>	<u>—</u>	<u>(36,048)</u>

The non-interest bearing loans are repayable upon demand.



# Parkinson Estates PLC

## Notes to the Financial Statements *(continued)*

### Year ended 31 March 2017

#### 23. Related party transactions

The company was under the control of S Parkinson, a director by virtue of his 69.62% majority shareholding.

During the year the company paid dividends totalling £37,989 (2016 - £Nil) and £16,581 (2016 - £Nil) to S Parkinson and M C Parkinson respectively.

Included within debtors due within one year are loans to related parties as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Vantage Automotive PTY Limited	800,000	800,000	650,000	650,000
Rock My Wedding Limited	125,000	125,000	125,000	125,000
Equity House Developments Limited	4,450,000	2,200,000	2,200,000	2,200,000

Vantage Automotive PTY Limited is a company owned by S Price and her spouse. S Price is a close family relative of S Parkinson and M Parkinson. Up until 1st March 2016 the company was 51% owned by S Parkinson and a company in which both S Parkinson and M C Parkinson were directors. The loan is interest bearing with no fixed repayment date.

Rock My Wedding Limited is 50% owned by S Parkinson and 15% owned by M C Parkinson and a company in which both are also directors. The loan is interest bearing with no fixed repayment date.

Equity House Developments Limited is 100% owned by S Parkinson and a company in which both S Parkinson and M C Parkinson are directors. The loan is non-interest bearing with no fixed repayment date.

During the year the group and company made sales of £4,386 (2016 - £903) to Maypole Estates Limited, £12,146 (2016 - £2,256) to Equity House Developments Limited and £12,146 (2016 - £2,256) to Property Management and Financial Consultants, a partnership in which S Parkinson and M C Parkinson are members.

During the year, the group incurred expenditure from A Parkinson, a close family relative of S Parkinson, in respect of professional fees of £47,301 (2016 - £39,055). In addition, the company incurred expenditure of £17,734 (2016 - £14,931) in relation to professional fees from A Parkinson. As at the balance sheet date there was £2,500 included within group accruals and deferred income.