

Registered number: 03923388

PALLADIUM UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019



PALLADIUM UK LIMITED

COMPANY INFORMATION

Directors	G R Morris P S Silva
Company secretary	E M Stockley
Registered number	03923388
Registered office	Turnberry House 2nd Floor, 100 Bunhill Row London EC1Y 8ND
Independent auditors	PKF Littlejohn LLP Statutory auditor 15 Westferry Circus Canary Wharf London E14 4HD

PALLADIUM UK LIMITED

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PALLADIUM UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

The Directors present their report and the financial statements for the year ended 30 June 2019.

Directors

The Directors who served during the year were:

J L Heredia (resigned 2 August 2018)
G R Morris (appointed 2 August 2018)
P S Silva

Future developments

At the date of this report, many countries are experiencing severe disruption as a result of the COVID-19 pandemic. The Board has considered the potential impact of the recent COVID-19 outbreak on the Company's business. It has concluded that whilst there is likely to be a possible negative impact on overall business activity, the financial support from Palladium Group Holdings Pty is sufficiently strong to enable the Board to be confident that Palladium UK Limited is well positioned through the COVID-19 crisis.

The Directors will continue to monitor the pandemic and the effect that may result from an extended outbreak.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 29th June 2020

and signed on its behalf.



G R Morris
Director

PALLADIUM UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PALLADIUM UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALLADIUM UK LIMITED

Opinion

We have audited the financial statements of Palladium UK Limited (the 'Company') for the year ended 30 June 2019, which comprise the Statement of comprehensive income, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to the Directors' Report and Note 3.2, which describes the company's assessment of the COVID-19 impact on its ability to continue as a going concern. The company has explained that the events arising from the COVID-19 outbreak do not impact its use of the going concern basis of preparation nor do they cast significant doubt about the company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

The Company is not exposed to significant concentrations of third-party debtors or creditors and therefore management have concluded that COVID-19 is not expected to affect the Company from a revenue perspective or debt recovery in the short term to medium term.

Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

PALLADIUM UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALLADIUM UK LIMITED (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

PALLADIUM UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PALLADIUM UK LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.



Zahir Khaki (Senior statutory auditor)

for and on behalf of
PKF Littlejohn LLP

Statutory auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD
Date: 29 June 2020

PALLADIUM UK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 £	2018 £
Turnover	91,694	287,501
Cost of sales	(45,419)	(156,958)
Gross profit	46,275	130,543
Administrative expenses	(12,912)	(131,688)
Operating profit/(loss)	33,363	(1,145)
Intercompany interest receivable	27,114	13,797
Intercompany interest payable	(7,190)	(17,585)
Profit/(loss) before tax	53,287	(4,933)
Tax on profit/(loss)	(3,785)	(914)
Profit/(loss) for the financial year	49,502	(5,847)

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 8 to 12 form part of these financial statements.

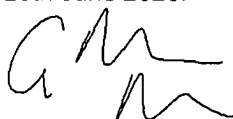
PALLADIUM UK LIMITED
REGISTERED NUMBER: 03923388

BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	5	847,349	570,923
Cash at bank and in hand	6	1,765	85,012
		<u>849,114</u>	<u>655,935</u>
Creditors: amounts falling due within one year	7	(1,032,062)	(888,385)
Net current liabilities		<u>(182,948)</u>	<u>(232,450)</u>
Total assets less current liabilities		<u>(182,948)</u>	<u>(232,450)</u>
Net liabilities		<u>(182,948)</u>	<u>(232,450)</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account		(182,950)	(232,452)
		<u>(182,948)</u>	<u>(232,450)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29th June 2020.



G R Morris
Director

The notes on pages 8 to 12 form part of these financial statements.

PALLADIUM UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. General information

Palladium UK Limited ("the Company") is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Turnberry House 2nd Floor, 100 Bunhill Row, London, EC1Y 8ND.

The financial statements are presented in sterling which is the functional currency of the Company.

The principal activity is management consultancy.

2. Statement of compliance

The individual Financial Statements of Palladium UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

3.1 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:

3.2 Going concern

The accounts have been prepared on the going concern basis. The validity of which is dependant upon the continued support from Palladium Group Holdings Pty Ltd. The Directors have obtained written confirmation from Palladium Group Holdings Pty Ltd that financial support will be made available to ensure that the company will meet its committed and contracted liabilities as they fall due.

After making enquiries and including an assessment of the potential impact of the COVID-19 virus, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. On the basis of their assessment of the Company's financial position and of the confirmation received from the Directors of Palladium Group Holdings Pty Ltd, the Company's Directors continue to adopt the going concern basis of accounting in preparing the Company's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

3. Accounting policies (continued)

3.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

3.4 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. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

3.5 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

PALLADIUM UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

3. Accounting policies (continued)

3.6 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3.7 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3.8 Debtors

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

3.9 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.

3.10 Creditors

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

3.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

4. Employees

There were no employees during the year, other than directors.

During the year, the Directors were paid by entities under common control of the ultimate parent Company, Palladium Group Holdings Pty Ltd, and receive no remuneration for their services to Palladium UK Limited.

PALLADIUM UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

5. Debtors

	2019 £	2018 £
Trade debtors	-	16,251
Amounts owed by group undertakings	746,457	466,141
Other debtors	100,892	88,531
	<u>847,349</u>	<u>570,923</u>

6. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,765	85,012
	<u>1,765</u>	<u>85,012</u>

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	322
Amounts owed to group undertakings	1,014,539	862,965
Corporation tax	3,785	-
Other taxation and social security	-	5,148
Other creditors	344	6,500
Accruals and deferred income	13,394	13,450
	<u>1,032,062</u>	<u>888,385</u>

8. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
2 (2018 - 2) Ordinary Shares shares of £1.00 each	<u>2</u>	<u>2</u>

PALLADIUM UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

9. Related party transactions

The Company has taken advantage of the exemption in FRS 102 from disclosing related party transactions with entities that are part of the Palladium Group Holdings Pty Ltd group. Copies of the Financial Statements of Palladium Group Holdings Pty Ltd can be obtained by writing to Palladium International Pty Ltd, Level 7, 307 Queen Street, Brisbane, Queensland 4000, Australia.

10. Post balance sheet events

The COVID-19 virus is a global situation which has arisen post balance sheet date, the assessment of this situation will need continued attention and will evolve over time. The rapid development and fluidity of the COVID-19 virus will make it difficult to predict the ultimate impact at this stage. In line with most experts, we believe that the impact of the virus outbreak will be material on the general economy.

Management is in the process of assessing the impact of COVID-19 on the Company, however, given the fluidity and significant volatility of the situation, it is not possible to quantify the impact at this stage.

11. Controlling party

The Company is a wholly owned subsidiary of Palladium International Limited, a company incorporated in the United Kingdom. The ultimate controlling entity is Palladium Group Holdings Pty Ltd, a company incorporated in Australia.