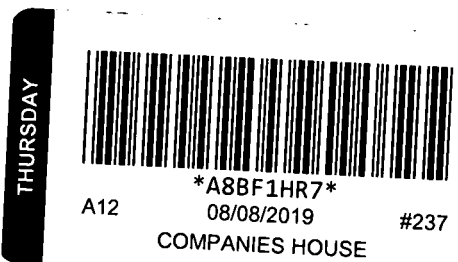


**REGISTERED NUMBER: 07125033 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019  
FOR  
BROOKSHIRE TRADING LIMITED**



**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

---

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Report of the Directors</b>	<b>2</b>
<b>Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements.</b>	<b>3</b>
<b>Report of the Independent Auditor to the Directors of Brookshire Trading Limited</b>	<b>4</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>	<b>6</b>
<b>Statement of Financial Position</b>	<b>7</b>
<b>Statement of Changes in Equity</b>	<b>8</b>
<b>Statement of Cash Flows</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10</b>

---

**BROOKSHIRE TRADING LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2019**

---

**DIRECTORS:**

T W Leader  
N A Taylor  
A J F Wildman

**REGISTERED OFFICE:**

Cayzer House  
30 Buckingham Gate  
London  
SW1E 6NN

**REGISTERED NUMBER:**

07125033 (England and Wales)

**AUDITOR:**

KPMG LLP  
15 Canada Square  
London E14 5GL

**BANKERS:**

Santander UK plc  
100 Ludgate Hill  
London EC4M 7RE

Royal Bank of Scotland  
London Corporate Service Centre  
1/2 Devonshire Square

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2019**

---

The directors present their report with the financial statements of the company for the year ended 31st March 2019.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of trading in commercial property. Property is bought and sold in the ordinary course of business. During the time that property is held for sale incidental rental income may be generated which is recognised as revenue.

**RESULTS FOR THE PERIOD**

The profit for the company before taxation was £119,024 (2018: £628,567).

No qualifying indemnity provisions arise in the year (2018: none).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st April 2018 to the date of this report.

T W Leader

N A Taylor

A J F Wildman

**RISK ASSOCIATED WITH BREXIT**

There is a risk that Brexit, other political developments or developments otherwise may affect company performance in the future.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

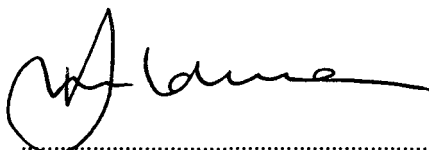
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**AUDITOR**

The auditor KPMG LLP will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The Company has relied upon the small companies' exemptions under Companies Act s419(2).

**ON BEHALF OF THE BOARD:**



.....  
A J F Wildman  
Director  
15 July 2019

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 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 they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BROOKSHIRE TRADING LIMITED**

## **Opinion**

We have audited financial statements of Brookshire Trading Limited ("the company") for the year ended 31 March 2019 which comprise the statement of comprehensive income, statement of financial position, statement of charge in equity, statement of cash flow, and related notes, including the accounting policies in note 1

In our opinion: the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Brexit other matter paragraph**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as valuation of trading inventory, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

## **Going Concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

## **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that the report has been prepared in accordance with the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BROOKSHIRE TRADING LIMITED**  
**(Continued)**

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

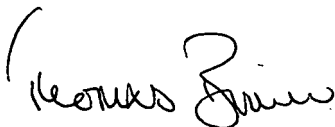
**Auditors' responsibilities**

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 our opinion in an auditors' report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's directors, 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 directors 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 directors, as a body, for our audit work, for this report, or for the opinions we have formed.



**Thomas Brown (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

16 July 2019

**BROOKSHIRE TRADING LIMITED (REGISTERED NUMBER: 07125033)****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019**

---

	Notes	Year ended 2019 £	Year ended 2018 £
Revenue		268,215	1,771,629
Cost of sales		<u>(9,644)</u>	<u>(762,760)</u>
<b>GROSS PROFIT</b>		258,571	1,008,869
Investment income		-	-
Administrative expenses		<u>(139,547)</u>	<u>(380,302)</u>
<b>OPERATING PROFIT</b>		<u>119,024</u>	<u>628,567</u>
<b>PROFIT BEFORE TAX</b>		119,024	628,567
Income tax	5	<u>(22,615)</u>	<u>(118,027)</u>
<b>PROFIT FOR THE YEAR</b>		96,409	510,540
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>96,409</u></u>	<u><u>510,540</u></u>

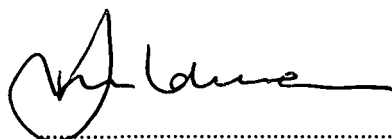
The notes from page 10 to 21 form part of these financial statements



**STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2019**

	Notes	2019 £	2018 £
<b>ASSETS</b>			
<b>Current assets</b>			
Inventories	6	2,987,193	2,987,193
Trade and other receivables	7	24,956	31,948
Cash and cash equivalents	8	<u>147,818</u>	<u>77,787</u>
		<u>3,159,967</u>	<u>3,096,928</u>
<b>TOTAL ASSETS</b>		<u><u>3,159,967</u></u>	<u><u>3,096,928</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	10	1	1
Retained earnings	11	<u>951,037</u>	<u>854,628</u>
<b>TOTAL EQUITY</b>		<u>951,038</u>	<u>854,629</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities	12	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
<b>Current liabilities</b>			
Trade and other payables	13	2,186,314	2,122,871
Tax payable		<u>22,615</u>	<u>119,428</u>
		<u>2,208,929</u>	<u>2,242,299</u>
<b>TOTAL LIABILITIES</b>		<u>2,208,929</u>	<u>2,242,299</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>3,159,967</u></u>	<u><u>3,096,928</u></u>

The financial statements were approved by the Board of Directors on 15 July 2019 and were signed on its behalf by:



.....  
A J F Wildman  
Director

The notes from page 10 to 21 form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

---

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 31st March 2017</b>	1	344,088	344,089
Profit for the year	-	<u>510,540</u>	<u>510,540</u>
<b>Balance at 31st March 2018</b>	<u>1</u>	<u>854,628</u>	<u>854,629</u>
Profit for the year	-	<u>96,409</u>	<u>96,409</u>
<b>Balance at 31st March 2019</b>	<u><u>1</u></u>	<u><u>951,037</u></u>	<u><u>951,038</u></u>

The notes from page 10 to 21 form part of these financial statements

---

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019**

---

		Year ended 2019 £	Year ended 2018 £
<b>Cash flows from operating activities</b>			
Cash inflow/(outflow) from operations	9	<u>70,031</u>	<u>(27,127)</u>
Net cash from operating activities		<u>70,031</u>	<u>(27,127)</u>
<b>Cash flows from financing activities</b>			
Interest received		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		70,031	(27,127)
<b>Cash and cash equivalents at beginning of year</b>		<u>77,787</u>	<u>104,914</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>147,818</u></u>	<u><u>77,787</u></u>

The notes from page 10 to 21 form part of these financial statements

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

---

**1. ACCOUNTING POLICIES**

Brookshire Trading Limited (the “company”) is a company incorporated in the United Kingdom.

The company has taken advantage upon the small companies’ exemption under Companies Act 414A(2) and 414B and therefore has not prepared a strategic report.

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (‘IFRS’) as adopted for use in the EU and therefore the financial statements comply with Article 4 of the EU IAS Regulations. IFRSs comprise accounting standards issued by the International Accounting Standards Board (‘IASB’) and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee (‘IFRIC’) and its predecessor body.

In the current year the company adopted IFRS 9 and IFRS 15 with a transition date of 1 April 2018.

There has been no change in the classification and measurement of the company’s financial instruments as a result of the adoption of IFRS 9 ‘Financial Instruments’.

There has been no material adjustments to the financial statements as a result of the adoption IFRS 15 ‘Contracts with Customers’. The company’s income is received from rental income and other income from tenants of the properties held as inventory, net of discounts, VAT and other sales-related taxes.

At the date of authorisation of these financial statements, the following standard, which has not been applied in these financial statements, was in issue but not yet effective.

**IFRS 16 ‘Leases’**

IFRS 16 Leases provides a new approach to lease accounting replacing IAS 17 Leases. The company is required to recognise lease contracts as a lessee on the balance sheet as a right of use asset with a corresponding lease liability with the exception of short-term or low value leases. The company has not entered into any lease contracts as lessee and will not be impacted upon adoption of IFRS 16. The new standard is not being early adopted and will be applied in the financial statements for the year ended 31 March 2020.

**Measurement convention**

The financial statements are prepared on a historical cost basis.

**Functional and presentational currency**

The financial statements are presented in pounds sterling.

**Going concern**

The company is financed from funding provided by its parent. Additional working capital can be drawn from its parent as required to make trading acquisitions as they arise. The timing of repayments of the inter-company loan is discretionary and when cash flow permits. The directors, after making enquiries that funding from its parent will continue, have a reasonable expectation that the company has adequate resources to continue in operational existence for at least twelve months from the date that the financial statements are approved.

A letter of support was received from Brookshire Capital LLP which confirms that the parent will not call the loan in the next 12 months. Accordingly they continue to adopt the going concern basis in preparing these financial statements.

**Receivables**

Receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

---

**Inventories**

Inventory consists of property held for the purposes of trading. Inventories are valued at the lower of cost and net realisable value. Cost is based on the latest cost principle and for each acquisition is inclusive of inventory purchase price, expenditure incurred in acquiring the inventory and bringing it to their current condition for sale.

**Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis.

**Cash and cash equivalents**

Cash comprises cash on hand and demand deposits.

**Impairment**

At each balance sheet date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

**Revenue**

Revenue is measured at the fair value of rents receivable and other income from tenants of the company's trading properties, net of discounts, VAT and other sales-related taxes. Revenue also includes the consideration received when selling trading property. Revenue is attributed to the period in which the service is provided or contracts have been exchanged on the sale of trading property. Turnover is attributable to one geographical market, the United Kingdom.

**Expenses**

All expenses are accounted for on an accruals basis.

**Trade payables**

Trade payables are stated at their nominal value.

**Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Profit or Loss and Other Comprehensive Income because it excludes items of income and expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that were applicable at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient profits will be available to allow all or part of the assets to be recovered.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2019**

**Critical accounting judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates may differ from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Property held for trading purposes of the company is carried at the lower of cost or net realizable value. The selling price of a property is affected by such factors as the occupational property market trading conditions, tenant covenants if the property is not vacant, and property specific factors. To ensure the property is carried at the lower of cost or net realizable value, trading property is professionally valued by external valuers. The directors judge that the carrying cost values ascribed to the trading property reflect these factors, as at the balance sheet date and into the future, given anticipated market conditions.

**2. EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31st March 2019 or for the year ended 31st March 2018.

	Year ended 2019 £	Year ended 2018 £
Directors' remuneration	<u>-</u>	<u>-</u>

**3. OPERATING LEASES**

**Leases as lessor**

The company leases out commercial property under operating leases. The future minimum lease payments receivable under non-cancellable leases were as follows:

	Year ended 2019 £	Year ended 2018 £
Less than one year	261,468	259,030
Between one and five years	939,579	939,519
Greater than five years	<u>684,254</u>	<u>919,627</u>
Total lease payments	<u>1,885,301</u>	<u>2,118,176</u>

**Leases as lessee**

The company had not entered into any lease agreements as lessee.

**4. PROFIT BEFORE TAX**

The profit before tax is stated after charging:

	2019 £	LLP 2018 £
Auditor's remuneration	<u>6,664</u>	<u>7,070</u>

No non-audit fees were incurred in the year (2018: none).

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2019**

<b>5. INCOME TAX</b>	<b>Year ended</b>	<b>Year ended</b>
<b>Analysis of tax expense</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current tax:		
Tax	22,615	119,427
Deferred tax current year: (see note 12)	-	(1,400)
	<u>22,615</u>	<u>118,027</u>
Total tax expense in Statement of Profit or Loss and Other Comprehensive Income		
	<u>22,615</u>	<u>118,027</u>
<b>Reconciliation of effective tax rate</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit before tax	<u>119,024</u>	<u>628,567</u>
Tax using the UK corporation tax rate of 19% (2018: 20%)	22,615	119,427
Release of deferred tax balances	-	(1,400)
Total tax expense	<u>22,615</u>	<u>118,027</u>

**Factors that may affect future current and total tax charges**

There are no factors that will affect future tax charges. The standard rate of UK corporation tax at the balance sheet date was 19% (2018: 19%) but reductions in the UK corporation tax rate from 19% to 18% (effective from 1 April 2020) were substantively enacted on 18 October 2016. This will reduce the company's future tax charge accordingly.

The tax charge on profit for the year is the same as the standard rate of corporation tax in the UK of 19%.

<b>6. INVENTORIES</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Property at cost	<u>2,987,193</u>	<u>2,987,193</u>
<b>7. TRADE AND OTHER RECEIVABLES</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Current:		
Trade debtors	24,486	31,324
Prepayments and accrued income	<u>470</u>	<u>624</u>
	<u>24,956</u>	<u>31,948</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2019**

<b>8.</b>	<b>CASH AND CASH EQUIVALENTS</b>		Year ended 2019	Year ended 2018
			£	£
	Bank accounts		<u>147,818</u>	<u>77,787</u>
<b>9.</b>	<b>RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS</b>		Year ended 2019	Year ended 2018
			£	£
	Profit before income tax		119,024	628,567
	Adjustments for:			
	Increase/(decrease) in amounts due to parent		68,598	(1,354,492)
	Finance income		<u>-</u>	<u>-</u>
			187,622	(725,925)
	Decrease in inventories		-	753,459
	Decrease/(increase) in trade and other receivables		6,992	(4,054)
	(Decrease) in trade and other payables		<u>(5,155)</u>	<u>(12,072)</u>
	Cash generated from operations		189,459	11,408
	Income taxes paid		<u>(119,428)</u>	<u>(38,535)</u>
	<b>Cash inflow/(outflow) generated by operating activities</b>		<u>70,031</u>	<u>(27,127)</u>
<b>10.</b>	<b>CALLED UP SHARE CAPITAL</b>		Year ended 2019	Year ended 2018
	Allotted, issued and fully paid:	Nominal	£	£
	Number	Class		
	1	Ordinary	£1	
			<u>1</u>	<u>1</u>
<b>11.</b>	<b>RESERVES</b>			Retained earnings
				£
	At 1st April 2018			854,628
	Profit for the year			<u>96,409</u>
	At 31st March 2019			<u>951,037</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**12. PROVISIONS FOR LIABILITIES**

The movement for the year in the company's deferred tax position was as follows:

	Year ended 2019 £	Year ended 2018 £
At 1 April 2018	-	1,400
Charge to income for the year	-	(1,400)
At 31 March 2019	-	-

Deferred tax is provided as follows.

	Year ended 2019 £	Year ended 2018 £
Other timing differences	-	-

**13. TRADE AND OTHER PAYABLES**

	Year ended 2019 £	Year ended 2018 £
Current:		
Taxation	18,053	18,398
Other creditors	10,131	9,999
Brookshire Capital LLP current account	2,137,903	2,069,305
Deferred income	20,227	25,169
	<u>2,186,314</u>	<u>2,122,871</u>

**14. TRANSACTIONS WITH DIRECTORS**

The directors, N A Taylor and A J F Wildman, are partners in Brookshire Capital LLP, the limited liability partnership that owns all the share capital of this company. They each have a 15% share in the partnership.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2019**

---

**15. FINANCIAL RISK MANAGEMENT**

The objective of the company is to trade in property.

The company's principal financial instruments arise directly from its operations. The company does not have any exposure to any derivative instruments.

The company has exposure to market risk, credit risk and liquidity risk arising from the use of financial instruments. This note presents information about the exposure to each of the above risks and the objectives and policies and processes for measuring and managing risk. There is no foreign currency risk as all assets and liabilities of the group are maintained in pounds sterling.

The members review and agree policies for managing its risk exposure which are summarised below.

**Credit risk**

Credit risk is the risk that an issuer or counterparty to an asset will be unable or unwilling to meet a commitment that it has entered into with the company.

In the event of default by an occupational tenant, the group will suffer a rental shortfall and incur additional costs including: legal expenses; and in maintaining, insuring, and re-letting the property. The directors monitor any tenant arrears in order to anticipate, and minimise the impact of, defaults by occupational tenants.

The carrying amount of financial assets, including cash balances, amounts due from tenants and other receivables recorded in the financial statements represents the company's maximum exposure to credit risk.

The carrying amount of these assets at 31 March 2019 was £172,774 (2018: £109,735).

There were no financial assets which were considered impaired as at 31 March 2019 (2018: none).

All of the company's cash is placed with financial institutions with a Standard and Poor's long-term credit rating of A-1 or better. Bankruptcy or insolvency of such financial institutions may cause the company's ability to access cash placed on deposit to be delayed or limited. Should the credit quality or the financial position of the banks currently employed significantly deteriorate cash holdings would be moved to another bank.

**Liquidity risk**

Liquidity risk is the risk that the company will encounter in realising assets or otherwise raising funds to meet financial commitments. The company's trading stock comprises UK commercial property. Such commercial property is not traded in an organised public market and may be illiquid. As a result the company may not be able to liquidate quickly the property that it holds at an amount close to their cost.

The company's liquidity risk is managed on an ongoing basis by the directors. In order to mitigate liquidity risk the company aims to have sufficient cash balances, or access to funds from its parent, (including the expected proceeds of any property sales) to ensure that the company is able to meet its obligations for a period of twelve months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2019

## 15. FINANCIAL RISK MANAGEMENT (continued)

At the reporting date, the maturity profile of the company's financial assets and financial liabilities were (on a contractual basis):

		Contractual value					
	Carrying amount £	Within one year £	1 - 2 years £	2 -5 years £	More than 5 years £	Total £	
<b>At 31 March 2019</b>							
Financial assets							
Trade and other receivables	24,956	24,956	-	-	-	24,956	
Cash and cash equivalents	<u>147,818</u>	<u>147,818</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,818</u>	
	<u>172,774</u>	<u>172,774</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,774</u>	
Financial liabilities							
Trade and other payables:							
- amounts owed to group undertakings	2,137,903	2,137,903	-	-	-	2,137,903	
- other financial liabilities	<u>10,131</u>	<u>10,131</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,131</u>	
	<u>2,148,034</u>	<u>2,148,034</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,148,034</u>	
		Contractual value					
	Carrying amount £	Within one year £	1 - 2 years £	2 -5 years £	More than 5 years £	Total £	
<b>At 31 March 2018</b>							
Financial assets							
Trade and other receivables	31,948	31,948	-	-	-	31,948	
Cash and cash equivalents	<u>77,787</u>	<u>77,787</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,787</u>	
	<u>109,735</u>	<u>109,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,735</u>	
Financial liabilities							
Trade and other payables:							
- amounts owed to group undertakings	2,069,305	2,069,305	-	-	-	2,069,305	
- other financial liabilities	<u>9,999</u>	<u>9,999</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,999</u>	
	<u>2,079,304</u>	<u>2,079,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,079,304</u>	

Amounts owed to group undertakings do not have specific repayment dates and are paid down periodically as trading requires.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2019**

**15. FINANCIAL RISK MANAGEMENT (continued)**

**Credit risk**

None of the company's financial instruments is directly interest bearing. The company is supported by a parent inter-company loan which has no fixed payment terms and is interest free. The cost to the parent company of the inter-company loan is incorporated into its annual management charge to the company. The financing of the loan within the parent company does, however, involve borrowings which are variable rate instruments. As a consequence the company is exposed to interest rate risk due to fluctuations in the prevailing market rate.

Having assessed the level of risk the directors have concluded that it is within acceptable limits.

The interest profile of the group's financial assets and financial liabilities after the impact of the interest rate contracts at the year end are as follows:

	Floating rate £	Fixed rate £	Interest free £	Total £
<b>As at 31 March 2019</b>				
Financial assets				
Trade and other receivables	-	-	24,956	24,956
Cash and cash equivalents	-	-	147,818	147,818
Financial liabilities				
Trade and other payables	-	-	2,148,034	2,148,034
	Floating rate £	Fixed rate £	Interest free £	Total £
<b>As at 31 March 2018</b>				
Financial assets				
Trade and other receivables	-	-	31,948	31,948
Cash and cash equivalents	-	-	77,787	77,787
Financial liabilities				
Trade and other payables	-	-	2,079,304	2,079,304

**Market price risk**

The company holds trading stock comprising of UK commercial properties. The company acquires property that presents suitable trading opportunities. Purchase decisions are based on analysis of a number of factors including the prospects of a favourable sale providing capital growth, sector and geographic prospects. Factors such as tenant covenant strength, lease length and initial and equivalent yields can also affect the marketability of a property.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2019**

---

**15. FINANCIAL RISK MANAGEMENT (continued)**

Market price risk is managed as part of the acquisition process. While the objective is to maximise overall returns to the shareholders, consideration of the effects of adverse valuation movements in the trading stock is taken into account. Property is carried at the lower of cost or net realisable value. This is monitored by way of property valuations which are managed through the appointment of an independent external valuer. This does not guarantee a certain sales price will be achieved and a degree of valuation uncertainty will always remain.

Any changes in market conditions will have a direct impact on the profit or loss reported through the Statement of Profit or Loss and Other Comprehensive Income. Cost of property held as inventory for trading purposes is disclosed in note 5.

**Fair values**

When measuring the fair value of an asset or a liability, the company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (for example, as prices) or indirectly (for example, derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the company's financial instruments are not materially different from their carrying values, largely owing to their short maturity.

The company has no financial assets or liabilities classified as Level 1, Level 2 or Level 3,

All financial assets and liabilities not measured at fair value are shown on the following table.

**BROOKSHIRE TRADING LIMITED (REGISTERED NUMBER: 07125033)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2019**

As at 31 March 2019	Note	Carrying amount			Fair value				
		Other financial assets	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*									
Inventories	6	2,987,193	-	-	2,987,193				
Trade and other receivables	7	-	24,956	-	24,956				
Cash and cash equivalents	8	-	147,818	-	147,818				
		<u>2,987,193</u>	<u>172,774</u>	<u>-</u>	<u>3,159,967</u>				
Financial liabilities not measured at fair value*									
Trade payables	13	-	-	(10,131)	(10,131)				
Brookshire Capital LLP current account	13	-	-	(2,137,903)	(2,137,903)				
		<u>-</u>	<u>-</u>	<u>(2,148,034)</u>	<u>(2,148,034)</u>				

As at 31 March 2018	Note	Carrying amount			Fair value				
		Other financial assets	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value*									
Inventories	6	2,987,193	-	-	2,987,193				
Trade and other receivables	7	-	31,948	-	31,948				
Cash and cash equivalents	8	-	77,787	-	77,787				
		<u>2,987,193</u>	<u>109,735</u>	<u>-</u>	<u>3,096,928</u>				
Financial liabilities not measured at fair value*									
Trade payables	13	-	-	(9,999)	(9,999)				
Brookshire Capital LLP current account	13	-	-	(2,069,305)	(2,069,305)				
		<u>-</u>	<u>-</u>	<u>(2,079,304)</u>	<u>(2,079,304)</u>				

\*The company has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2019**

---

**16. RELATED PARTY DISCLOSURES**

Brookshire Trading Limited continued to receive cash funding from its parent on an interest free basis with no set repayment terms. Management fees of £125,000 (2018: £338,000) were charged by the parent in the year. At the year end Brookshire Trading Limited owed £2,137,903 (2018: £2,069,305) to its parent.

The Company is party to a financing facility which has been arranged with its parent. Inventory totalling £2,806,871 held by the Company is used as security for the loan facility.

**17. ULTIMATE CONTROLLING PARTY**

The company's immediate parent company is Brookshire Capital LLP and the ultimate parent company is Caledonia Investments plc. Caledonia Investments plc is the controlling party. The parent company of the smallest and largest group that includes the company and for which group accounts are prepared is Brookshire Capital LLP.

Caledonia Investments plc is an investment entity under IFRS 10 and prepares group accounts which do not consolidate investment subsidiaries, consequently these statements are not consolidated.

Group accounts for Brookshire Capital LLP and Caledonia Investments plc may be obtained from their registered office at Cayzer House, 30 Buckingham Gate, London SW1E 6NN.

**18. POST BALANCE SHEET EVENTS**

A unit held as inventory has had its lease renewed since the year end.