

Registration number: 07549543

Scarborough Overseas Holdings Limited

Annual Report and Financial Statements

for the Year Ended 28 February 2019



Scarborough Overseas Holdings Limited

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Scarborough Overseas Holdings Limited

Company Information

Directors	S R McCabe
	S C McCabe
	Esplanade Director Limited
Company secretary	Esplanade Secretarial Services Limited
Registered office	Europa House 20 Esplanade Scarborough North Yorkshire YO11 2AQ
Auditors	Mazars LLP 5th Floor 3 Wellington Place Leeds LS1 4AP

Scarborough Overseas Holdings Limited

Directors' Report for the Year Ended 28 February 2019

The Directors present their report and the financial statements for the year ended 28 February 2019.

Directors of the Company

The directors who held office during the year were as follows:

S R McCabe

S C McCabe

Esplanade Director Limited

Dividends

The directors recommend a final dividend payment of £Nil (2018: £nil) be made in respect of the financial year ended 28 February 2019.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

Mazars LLP continue in office in accordance with section 487(2) Companies Act 2006.

Impact of Brexit upon the Company

The Directors have considered the uncertainties regarding the withdrawal from the EU, however they do not believe there will be a material impact as a result of this.


Going Concern

The Directors' assessment of the going concern status of the company is detailed in note 2 of these financial statements.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 22 November 2019 and signed on its behalf by:



J J Tutton

For and on behalf of Esplanade Secretarial Services Limited
Company secretary

Scarborough Overseas Holdings Limited

Statement of Directors' Responsibilities

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 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

Scarborough Overseas Holdings Limited

Independent Auditor's Report to the members of Scarborough Overseas Holdings Limited

Opinion

We have audited the financial statements of Scarborough Overseas Holdings Limited (the 'Company') for the year ended 28 February 2019 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, 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 FRS 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 28 February 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 Auditor's 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 UK, including the FRC'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.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 2.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

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.

Scarborough Overseas Holdings Limited

Independent Auditor's Report to the members of Scarborough Overseas Holdings Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's 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 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities 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, 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.

Scarborough Overseas Holdings Limited

Independent Auditor's Report to the members of Scarborough Overseas Holdings Limited

Auditor's 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 auditor's 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 auditor's report.

Use of the audit 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 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.



David Smithson (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

5th Floor
3 Wellington Place
Leeds
LS1 4AP

Date: 22 November 2019

Scarborough Overseas Holdings Limited

Profit and Loss Account for the Year Ended 28 February 2019

	Note	2019 £	2018 £
Turnover		-	-
Administrative expenses	3	<u>(1,061,774)</u>	<u>(1,031,470)</u>
Operating loss		(1,061,774)	(1,031,470)
Interest receivable and similar income	4	1,037,265	992,598
Amounts written off investments		2,527,913	-
Interest payable and similar charges	5	<u>(1,064,987)</u>	<u>(1,017,904)</u>
Profit/(loss) before tax		1,438,417	(1,056,776)
Taxation	8	<u>-</u>	<u>-</u>
Profit/(loss) for the financial year		<u>1,438,417</u>	<u>(1,056,776)</u>

The above results were derived from continuing operations.

Scarborough Overseas Holdings Limited

Statement of Comprehensive Income for the Year Ended 28 February 2019

	2019	2018
	£	£
Profit/(loss) for the year	<u>1,438,417</u>	<u>(1,056,776)</u>
Total comprehensive loss for the year	<u><u>1,438,417</u></u>	<u><u>(1,056,776)</u></u>


The notes on pages 11 to 17 form an integral part of these financial statements.

Scarborough Overseas Holdings Limited

(Registration number: 07549543)
Balance Sheet as at 28 February 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	9	13,815,104	11,287,191
Other financial assets	10	<u>1</u>	<u>1</u>
		<u>13,815,105</u>	<u>11,287,192</u>
Current assets			
Debtors	11	20,173,003	20,173,779
Creditors: Amounts falling due within one year	12	<u>(24,776,652)</u>	<u>(23,687,932)</u>
Net current liabilities		<u>(4,603,649)</u>	<u>(3,514,153)</u>
Net assets		<u>9,211,456</u>	<u>7,773,039</u>
Capital and reserves			
Called up share capital	13	2	2
Profit and loss account		<u>9,211,454</u>	<u>7,773,037</u>
Total equity		<u>9,211,456</u>	<u>7,773,039</u>

Approved and authorised by the Board on 22 November 2019 and signed on its behalf by:


.....
J J Tutton

For and on behalf of Esplanade Director Limited
Director

Scarborough Overseas Holdings Limited

Statement of Changes in Equity for the Year Ended 28 February 2019

	Share capital £	Profit and loss account £	Total £
At 1 March 2018	2	7,773,037	7,773,039
Profit for the year	-	1,438,417	1,438,417
Total comprehensive loss	-	1,438,417	1,438,417
At 28 February 2019	2	9,211,454	9,211,456
	Share capital £	Profit and loss account £	Total £
At 1 March 2017	2	8,829,813	8,829,815
Loss for the year	-	(1,056,776)	(1,056,776)
Total comprehensive loss	-	(1,056,776)	(1,056,776)
At 28 February 2018	2	7,773,037	7,773,039

The notes on pages 11 to 17 form an integral part of these financial statements.
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Scarborough Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The principal activity of the company is that of a holding company.

The address of its registered office is:

Europa House
20 Esplanade
Scarborough
North Yorkshire
YO11 2AQ
UK

The principal place of business is:

Second Floor LHS
Building 3125
Century Way, Thorpe Park
Leeds
West Yorkshire
LS15 8ZB
UK

These financial statements were authorised for issue by the Board on 22 November 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Group accounts

The company has taken advantage of the exemption with Chapter 4 of Part 15 of the Companies Act 2006 not to prepare group accounts. Accordingly, these accounts present information about the company as an individual undertaking and not about its group.

Scarborough Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

Critical accounting estimates and assumptions

(i) Impairment of investments

In considering the carrying value of the investments the directors have assessed the value of the underlying assets to determine if a provision is required.

(ii) Recoverability of intercompany receivable balances

The company makes an estimate of the recoverable value of intercompany debtors. When assessing impairment of intercompany debtors, management considers historical experience and knowledge of any other specific factors affecting an intercompany debtor's ability to pay.

Going concern

The financial statements have been prepared on a going concern basis as the parent company has confirmed that it will continue to provide financial support for the foreseeable future to the Company and will not seek repayments of amounts due from the Company unless it is able to do so.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Financial Instruments

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price. Most debt instruments are subsequently measured at amortised cost using the effective interest rate method. Short term payables and receivables are measured at the invoice price.

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price. Short term payables are measured at the invoice price.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Scarborough Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

3 Administrative expenses

	2019 £	2018 £
Administrative expenses excluding exceptional items	24,509	38,872
Provision against amounts due from group undertakings	<u>1,037,265</u>	<u>992,598</u>
	<u><u>1,061,774</u></u>	<u><u>1,031,470</u></u>

4 Interest receivable and similar income

	2019 £	2018 £
Interest receivable from group undertakings	<u>1,037,265</u>	<u>992,598</u>

5 Interest payable and similar charges

	2019 £	2018 £
Interest payable to group undertakings	<u>1,064,987</u>	<u>1,017,904</u>

6 Particulars of employees

The average number of employees (excluding directors) during the year was nil (2018: nil).

No emoluments were paid to the directors during the year (2018: £nil).

7 Auditor's remuneration

Auditors remuneration, in respect of audit services of £750 was borne by Scarborough Management Limited during the year (2018: £750).

Auditors remuneration, in respect of non audit services, has been disclosed within Scarborough Management Limited (2018: Scarborough Management Limited).

Scarborough Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

8 Taxation

Tax charged/(credited) in the income statement

	2019 £	2018 £
Current taxation		
UK corporation tax	-	-
UK corporation tax adjustment to prior periods	-	-
	<u>-</u>	<u>-</u>

Tax on ordinary activities is different from the standard rate of corporation tax in the UK of 19% (2018: 19.08%).

The differences are reconciled below:

	2019 £	2018 £
Profit/(loss) before tax	<u>1,438,417</u>	<u>(1,056,776)</u>
Corporation tax at standard rate	273,299	(201,633)
Effect of expense not deductible in determining taxable profit (tax loss)	(278,566)	196,805
Tax increase (decrease) arising from group relief	9,067	8,644
Tax increase (decrease) from transfer pricing adjustments	<u>(3,800)</u>	<u>(3,816)</u>
Total tax charge/(credit)	<u>-</u>	<u>-</u>

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective from 1 April 2020) was substantively enacted in September 2016 and has therefore been considered when calculating tax and any deferred tax balances at the reporting date.

Scarborough Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

9 Investments in subsidiaries, joint ventures and associates

	2019 £	2018 £
Investments in subsidiaries	<u>13,815,104</u>	<u>11,287,191</u>
Subsidiaries		£
Cost or valuation		
At 1 March 2018		<u>30,621,951</u>
At 28 February 2019		<u>30,621,951</u>
Provision		
At 1 March 2018		19,334,760
Provision		<u>(2,527,913)</u>
At 28 February 2019		<u>16,806,847</u>
Carrying amount		
At 28 February 2019		<u>13,815,104</u>
At 28 February 2018		<u>11,287,191</u>

Other financial assets

	2019 £	2018 £
Unquoted investments	<u>1</u>	<u>1</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Esplanade Consultants Limited	England and Wales	Ordinary	100%	100%
Scarborough China Holdings Limited	England and Wales	Ordinary	100%	100%
Scarborough Property Company Limited	England and Wales	Ordinary	100%	100%

The principal activity of Esplanade Consultants Limited is that of a holding company.

The principal activity of Scarborough China Holdings Limited is of a holding company.

The principal activity of Scarborough Property Company Limited is that of a holding company.

Scarborough Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

10 Other investments

	2019 £	2018 £
Non-current financial assets		
Financial assets at cost less impairment	<u>1</u>	<u>1</u>

11 Debtors

	Note	2019 £	2018 £
Trade debtors		1,031	1,808
Amounts owed by group undertakings	15	20,171,972	20,171,923
Other debtors		<u>-</u>	<u>48</u>
Total current trade and other debtors		<u>20,173,003</u>	<u>20,173,779</u>

12 Creditors

	Note	2019 £	2018 £
Due within one year			
Amounts owed to group undertakings	15	24,762,121	23,678,378
Accrued expenses		<u>14,531</u>	<u>9,554</u>
		<u>24,776,652</u>	<u>23,687,932</u>

13 Share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

14 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2018: £Nil).

15 Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

Scarborough Overseas Holdings Limited

Notes to the Financial Statements for the Year Ended 28 February 2019

16 Parent and ultimate parent undertaking

The company is controlled by the immediate parent company, Esplanade Group (Scarborough) International Limited, a company registered in England and Wales.

The ultimate parent company is Scarborough Group International Limited, a company registered in Scotland. Scarborough Group International Limited is also the parent undertaking of the largest and smallest group for which accounts are drawn up and of which the company is a member. Copies of the accounts of Scarborough Group International Limited can be obtained from: C/O Shepherd And Wedderburn, 1 Exchange Crescent, Conference Square, Edinburgh, Scotland, EH3 8UL.

The ultimate controlling party is K C McCabe.