

Company Registration No. 07558601 (England and Wales)

PENN PARK CAPITAL MANAGEMENT LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

PAGES FOR FILING WITH REGISTRAR

PENN PARK CAPITAL MANAGEMENT LIMITED

COMPANY INFORMATION

Director	Mr G Hall
Secretary	T Hall
Company number	07558601
Registered office	22 The Quadrant Richmond Surrey TW9 1BP
Accountants	PK Partners LLP 22 The Quadrant Richmond Surrey TW9 1BP

PENN PARK CAPITAL MANAGEMENT LIMITED

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PENN PARK CAPITAL MANAGEMENT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investments	3		2,295,233		1,896,293
Current assets					
Debtors	5	38,721		45,256	
Cash at bank and in hand		260,462		134,872	
		<u>299,183</u>		<u>180,128</u>	
Creditors: amounts falling due within one year	6	<u>(1,442,724)</u>		<u>(1,411,115)</u>	
Net current liabilities			(1,143,541)		(1,230,987)
Total assets less current liabilities			<u>1,151,692</u>		<u>665,306</u>
Capital and reserves					
Called up share capital	7		10,000		10,000
Profit and loss reserves			1,141,692		655,306
Total equity			<u>1,151,692</u>		<u>665,306</u>

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 1 December 2017

Mr G Hall

Director

Company Registration No. 07558601

PENN PARK CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Penn Park Capital Management Limited is a private company limited by shares incorporated in England and Wales. The registered office is 22 The Quadrant, Richmond, Surrey, TW9 1BP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Penn Park Capital Management Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 9.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods). the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

PENN PARK CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

PENN PARK CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PENN PARK CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Fixed asset investments

	2017	2016
	£	£
Listed investments	2,221,233	1,822,293
Unlisted investments	74,000	74,000
	<u>2,295,233</u>	<u>1,896,293</u>
Listed investments included above:		
Listed investments carrying amount	<u>2,221,233</u>	<u>1,822,293</u>

PENN PARK CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

4 Financial instruments

	2017	2016
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	28,000	35,000
Equity instruments measured at market value	2,295,233	1,896,293
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	1,420,443	1,405,443
	<u> </u>	<u> </u>

5 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Other debtors	28,000	35,000
Prepayments and accrued income	10,721	10,256
	<u> </u>	<u> </u>
	38,721	45,256
	<u> </u>	<u> </u>

6 Creditors: amounts falling due within one year

	2017	2016
	£	£
Corporation tax	22,281	5,672
Other creditors	1,416,443	1,401,443
Accruals and deferred income	4,000	4,000
	<u> </u>	<u> </u>
	1,442,724	1,411,115
	<u> </u>	<u> </u>

7 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary 'A' shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>
	10,000	10,000
	<u> </u>	<u> </u>

8 Events after the reporting date

Since the year end the company has been informed that a debtor of the company has gone into administration. Penn Park Capital Management holds an investment of £74,000 and is currently owed £21,000 via a loan. At the date of signing despite a personal guarantee the recoverability amount is uncertain.

Since the year end the company has sold all of its US equity holdings to realise profits in light of current favourable valuations and to take advantage of other opportunities.

PENN PARK CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

9 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity

	Notes	1 April 2015 £	31 March 2016 £
Equity as reported under previous UK GAAP		275,801	761,072
Adjustments arising from transition to FRS 102:			
Fair value of Investments	1	399,952	(95,766)
Equity reported under FRS 102		<u>675,753</u>	<u>665,306</u>

Reconciliation of profit/(loss) for the financial period

	Notes	2016 £
Profit as reported under previous UK GAAP		85,319
Adjustments arising from transition to FRS 102:		
Fair value of Investments	1	(95,766)
Loss reported under FRS 102		<u>(10,447)</u>

Reconciliation of equity

		At 1 April 2015			At 31 March 2016		
	Notes	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Investments	1	1,547,540	399,952	1,947,492	1,992,059	(95,766)	1,896,293
Current assets							
Debtors		44,798	-	44,798	45,256	-	45,256
Bank and cash		79,030	-	79,030	134,872	-	134,872
		<u>123,828</u>	<u>-</u>	<u>123,828</u>	<u>180,128</u>	<u>-</u>	<u>180,128</u>

PENN PARK CAPITAL MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

9 Reconciliations on adoption of FRS 102

(Continued)

Notes	At 1 April 2015			At 31 March 2016		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Creditors due within one year						
Loans and overdrafts	(1,376,443)	-	(1,376,443)	(1,401,443)	-	(1,401,443)
Taxation	(15,374)	-	(15,374)	(5,672)	-	(5,672)
Other creditors	(3,750)	-	(3,750)	(4,000)	-	(4,000)
	(1,395,567)	-	(1,395,567)	(1,411,115)	-	(1,411,115)
Net current liabilities	(1,271,739)	-	(1,271,739)	(1,230,987)	-	(1,230,987)
Total assets less current liabilities	275,801	399,952	675,753	761,072	(95,766)	665,306
Net assets	275,801	399,952	675,753	761,072	(95,766)	665,306
Capital and reserves						
Share capital	10,000	-	10,000	10,000	-	10,000
Profit and loss	1 265,801	399,952	665,753	751,072	(95,766)	655,306
Total equity	275,801	399,952	675,753	761,072	(95,766)	665,306

Reconciliation of profit/(loss) for the financial period

Notes	Year ended 31 March 2016		FRS 102 £
	Previous UK GAAP £	Effect of transition £	
Turnover	62,632	-	62,632
Administrative expenses	(16,015)	-	(16,015)
Interest receivable and similar income	2,100	-	2,100
Fair value movement on fixed asset investments	42,274	(95,766)	(53,492)
Profit/(loss) before taxation	90,991	(95,766)	(4,775)
Taxation	(5,672)	-	(5,672)
Profit/(loss) for the financial period	85,319	(95,766)	(10,447)

Notes to reconciliations on adoption of FRS 102

Listed investments

Investments are measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

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