

Company Registration No. 08187238 (England and Wales)

Britannia Parking Services Limited

**Annual report and financial statements
for the year ended 30 June 2020**



Britannia Parking Services Limited

Company information

Directors	G Stuart B Parker K Oram P Snowdon (Appointed 1 January 2020)
Company number	08187238
Registered office	7th Floor County Gates House 300 Poole Road Poole Dorset BH12 1AZ
Independent auditor	Saffery Champness LLP Midland House 2 Poole Road Bournemouth Dorset BH2 5QY

Britannia Parking Services Limited

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Britannia Parking Services Limited

Strategic report

For the year ended 30 June 2020

The directors present the strategic report for the year ended 30 June 2020.

Fair review of the business

The Company is incorporated as the holding company for Britannia Parking Services Limited and Brit Park Limited, which are wholly owned subsidiaries engaged in the management and operation of car parking facilities in major cities, town centres and shopping centres together with the provision of services for major retailers and national employers.

The Group's turnover for the year was £16.2m compared to £17.8m, a 9% decrease over the previous year. The Group's profit before tax for the year was £996k (2019: £1.4m). The gross margin was 36% (2019: 33%) and net margin 6.1% (2019: 7.8%). The Directors consider the Group's results for the period to be good given the continuing extremely competitive environment. The continued investment in technologies, both hardware and software, has resulted in the Group delivering growth in revenue for both existing and new business. This has also allowed the Group to control costs.

The Group, through its trading subsidiaries, continues to actively expand its portfolio and is currently in discussion over several new contracts together with renewing or extending several contracts on reviewed or enhanced terms. The blend of management contracts and leases provides comfort that the Group is not adversely exposed to significant changes in the wider UK economy or UK legislation which in turn affect customer behaviour and user patterns. The focus on the use of technology also allows the Group to control costs and remain competitive in the market place.

The loss before tax and intercompany dividends for Brit Park Limited is £544k (2019: £356k profit). The profit before tax and intercompany dividends for and for Britannia Parking Services Limited is £4.2m (2019: £3.7m).

Principal risks and uncertainties

The Company's approach to asset management is to develop added value be it through property related transactions or by managing third party car park assets or incomes. This is done by maintaining a cost-efficient focus and remaining consistent in the development of revenues. This is achieved by understanding and challenging both user patterns and market pricing whilst maintaining overall associated footfall quality. This approach is used on both owned sites and sites managed on behalf of partner and third-party clients.

In developing added value, the Company adopts a clear objective test for each location.

COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. In the UK, market activity is being impacted in all sectors and the current response to COVID 19 means that we are faced with an unprecedented set of circumstances. At the approval date of these financial statements the future impact to the car park management and operations sector is unknown and we cannot reliably estimate its effect on trading in the short term.

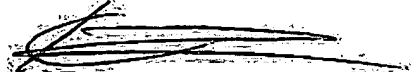
In light of the current uncertainties the directors have assessed the potential financial implications of the pandemic, as explained in note 21, and have assessed that the company have sufficient resources to allow it to trade through this period without any additional working capital funding required.

Britannia Parking Services Limited

Strategic report (continued)

For the year ended 30 June 2020

On behalf of the board

A handwritten signature in black ink, appearing to be 'K Oram', written over a horizontal line.

K Oram
Director

26 July 2021

Britannia Parking Services Limited

Directors' report

For the year ended 30 June 2020

The directors present their annual report and financial statements for the year ended 30 June 2020.

Principal activities

The company is principally engaged in the ownership, operation and management of car parks and associated facilities.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £2,900,000 (2019: £3,200,000). The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

G Stuart

B Parker

K Oram

P Snowdon

(Appointed 1 January 2020)

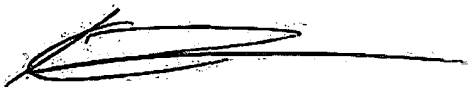
Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



K Oram

Director

26 July 2021

Britannia Parking Services Limited

Directors' responsibilities statement For the year ended 30 June 2020

The directors are responsible for preparing the annual 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 then apply them consistently;
- make judgements 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 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.

Britannia Parking Services Limited

Independent auditor's report

To the members of Britannia Parking Services Limited

Opinion

We have audited the financial statements of Britannia Parking Services Limited (the 'company') for the year ended 30 June 2020 which comprise the statement of income and retained earnings, the balance sheet 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 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 2020 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.

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.

Britannia Parking Services Limited

Independent auditor's report (continued)

To the members of Britannia Parking Services Limited

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 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 this gives rise to 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.

Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have 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 strategic report and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Britannia Parking Services Limited

Independent auditor's report (continued)

To the members of Britannia Parking Services 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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 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.



Roger Wareham (Senior Statutory Auditor)

For and on behalf of Saffery Champness LLP

27 July 2021

Chartered Accountants

Statutory Auditors

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

Britannia Parking Services Limited**Statement of income and retained earnings
For the year ended 30 June 2020**

		2020	2019
	Notes	£	£
Turnover	3	12,747,714	13,584,797
Cost of sales		(7,505,974)	(9,025,348)
Gross profit		5,241,740	4,559,449
Administrative expenses		(1,230,509)	(560,068)
Other operating income		276,656	-
Profit before taxation		4,287,887	3,999,381
Tax on profit	6	(48,590)	(254,118)
Profit for the financial year		4,239,297	3,745,263
Retained earnings brought forward		894,742	376,768
Dividends	7	(3,000,000)	(3,227,289)
Retained earnings carried forward		2,134,039	894,742


The profit and loss account has been prepared on the basis that all operations are continuing operations.

Britannia Parking Services Limited

**Balance sheet
As at 30 June 2020**

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		1,225,951		1,138,786
Current assets					
Debtors	9	3,806,292		2,943,503	
Cash at bank and in hand		516,436		815,786	
		<u>4,322,728</u>		<u>3,759,289</u>	
Creditors: amounts falling due within one year	10	(3,283,126)		(3,920,409)	
Net current assets/(liabilities)			1,039,602		(161,120)
Total assets less current liabilities			<u>2,265,553</u>		<u>977,666</u>
Provisions for liabilities					
Deferred tax liability	11	131,414		82,824	
		<u>(131,414)</u>		<u>(82,824)</u>	
Net assets			<u>2,134,139</u>		<u>894,842</u>
Capital and reserves					
Called up share capital	14		100		100
Profit and loss reserves			2,134,039		894,742
Total equity			<u>2,134,139</u>		<u>894,842</u>

The financial statements were approved by the board of directors and authorised for issue on 26 July 2021 and are signed on its behalf by:



K Oram
Director

Company Registration No. 08187238

Britannia Parking Services Limited

Notes to the financial statements For the year ended 30 June 2020

1 Accounting policies

Company information

Britannia Parking Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7th Floor, County Gates House, 300 Poole Road, Poole, Dorset, BH12 1AZ.

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 certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Britannia Parking Group Limited. These consolidated financial statements are available from its registered office, 7th Floor, County Gates House, 300 Poole Road, Poole, Dorset, BH12 1AZ.

Notes to the financial statements (continued)

For the year ended 30 June 2020

1 Accounting policies (continued)

1.2 Going concern

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

1.3 Turnover

Turnover is recognised when it is probable that the economic benefits will flow to the company and the revenue there from can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, net of trade discount and VAT.

(a) Gross Income

Including managed site owner income represents the combined turnover of the company acting as principal and agent on behalf of landholders.

(b) Sales of services

Revenue is recognised in the accounting period in which the services are rendered by reference to stage of completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Parking services and parking revenue is recognised on date of the entitlement to park. Revenue from season tickets is recognised over the life of the respective ticket in accordance with the day or days to which the ticket gives a valid entitlement to park. Season ticket monies received in advance of the entitlement to park date(s) are recorded as deferred income in the balance sheet.

Income from parking charge notices is recognised when it is probable that the income will be received.

Management services revenue is recognised when the service has been provided and is matched to the period of service provision.

(c) Sales of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Britannia Parking Services Limited

Notes to the financial statements (continued)

For the year ended 30 June 2020

1 Accounting policies (continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Car park setup costs	20% straight line
Fixtures, fittings & equipment	20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end 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, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents 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.

1 Accounting policies (continued)

1.7 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, 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.

Notes to the financial statements (continued)
For the year ended 30 June 2020

1 Accounting policies (continued)

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.

Basic financial liabilities

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

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 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.

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 Accounting policies (continued)

1.8 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 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.

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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Britannia Parking Services Limited

Notes to the financial statements (continued)

For the year ended 30 June 2020

1 Accounting policies (continued)

1.11 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed. Due to Covid-19 there have been rent free periods during the year and these have been recognised in the period to which they relate.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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 Turnover and other revenue

	2020	2019
	£	£
Other significant revenue		
Grants received	276,656	-

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

Britannia Parking Services Limited**Notes to the financial statements (continued)****For the year ended 30 June 2020****4 Operating profit**

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(276,656)	-
Fees payable to the company's auditor for the audit of the company's financial statements	9,950	9,750
Depreciation of owned tangible fixed assets	253,804	207,092
Loss on disposal of tangible fixed assets	8,179	6,609
Operating lease charges	513,119	525,082
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Parking attendants and supervisors	93	148
Business development and operational management	1	-
Total	<u>94</u>	<u>148</u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	2,094,837	2,618,663
Social security costs	114,306	124,258
Pension costs	42,483	35,216
	<u>2,251,626</u>	<u>2,778,137</u>

Britannia Parking Services Limited

Notes to the financial statements (continued)

For the year ended 30 June 2020

6 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	-	190,559
Deferred tax		
Origination and reversal of timing differences	48,590	63,559
Total tax charge	48,590	254,118

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	4,287,887	3,999,381
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	814,699	759,882
Tax effect of expenses that are not deductible in determining taxable profit	1,554	1,358
Group relief	(664,535)	(496,123)
Permanent capital allowances in excess of depreciation	(40,373)	(74,558)
Movement in deferred tax	48,590	63,559
Movement in pension provision	3,621	-
Provisional loss carry back	(114,966)	-
Taxation charge for the year	48,590	254,118

7 Dividends

	2020	2019
	£	£
Interim paid	3,000,000	3,227,289

Britannia Parking Services Limited

Notes to the financial statements (continued)

For the year ended 30 June 2020

8 Tangible fixed assets

	Car park setup costs	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 July 2019	155,706	1,497,888	1,653,594
Additions	46,639	302,368	349,007
Disposals	(13,935)	(100)	(14,035)
At 30 June 2020	188,410	1,800,156	1,988,566
Depreciation and impairment			
At 1 July 2019	66,654	448,154	514,808
Depreciation charged in the year	31,961	221,843	253,804
Eliminated in respect of disposals	(5,926)	(71)	(5,997)
At 30 June 2020	92,689	669,926	762,615
Carrying amount			
At 30 June 2020	95,721	1,130,230	1,225,951
At 30 June 2019	89,052	1,049,734	1,138,786

9 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	1,398,557	1,534,344
Amounts owed by group undertakings	541,587	892,959
Other debtors	494,897	21,402
Prepayments and accrued income	1,371,251	494,798
	3,806,292	2,943,503

Britannia Parking Services Limited

Notes to the financial statements (continued)

For the year ended 30 June 2020

10 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	2,009,882	2,702,191
Corporation tax	192,202	192,201
Other taxation and social security	20,178	61,283
Other creditors	108,658	128,145
Accruals and deferred income	952,206	836,589
	<u>3,283,126</u>	<u>3,920,409</u>

11 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2020	Liabilities 2019
	£	£
Balances:		
Accelerated capital allowances	<u>131,414</u>	<u>82,824</u>
Movements in the year:		2020
		£
Liability at 1 July 2019		82,824
Charge to profit or loss		48,590
Liability at 30 June 2020		<u>131,414</u>

The deferred tax liability set out above relates to accelerated capital allowances.

12 Provisions for liabilities

	2020	2019
	£	£
Deferred tax liabilities	<u>131,414</u>	<u>82,824</u>
	<u>131,414</u>	<u>82,824</u>

Britannia Parking Services Limited

Notes to the financial statements (continued)

For the year ended 30 June 2020

13 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>42,483</u>	<u>35,216</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

14 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

15 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	35,000	34,000
Between two and five years	<u>29,167</u>	<u>62,333</u>
	<u>64,167</u>	<u>96,333</u>

16 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

During the year the company received services totalling £119,851 (2019:£139,878) from companies controlled by G Stuart, a director of the company. At the year end, £13,200 (2019: £1,051) was owed to connected companies.

A group set-off is held in respect of the company's bank balances.

A third party guarantee has been given by one of the directors in respect of the company's bank balances.

The company has taken advantage of the exemption available in FRS102 section 33 from the requirement to disclose transactions with group companies on the grounds that the company is a wholly owned subsidiary within the group.

17 Controlling party

The ultimate parent undertaking of the largest and smallest group of undertakings for which the group accounts are presented is Britannia Parking Group Limited and the ultimate controlling party is G Stuart. Britannia Parking Group Limited has included the company in its group accounts, copies of which may be obtained from the Director, from the registered office address set out on the company information page.

18 COVID-19

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. In the UK, market activity is being impacted in all sectors and the current response to COVID 19 means that we are faced with an unprecedented set of circumstances. At the approval date of these financial statements the future impact to the car park management and operations sector is unknown and we cannot reliably estimate its effect on trading in the short term.

In light of the current uncertainties the directors have assessed the potential financial implications of the pandemic, and have assessed that the company have sufficient resources to allow it to trade through this period.