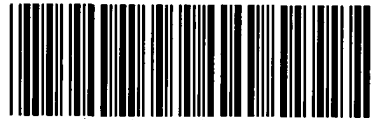


PRIMARY GROUP SERVICES LIMITED

Directors' Report and Financial Statements

For the year ended 31 March 2017



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COMPANIES HOUSE

Company registration number 03194221

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General information

Directors

The directors at the date of this report were as follows:

Mr J A Bourne
Mr S N Hardy

Principal Bankers

Barclays Bank PLC
One Churchill Place
Canary Wharf
London E14 5HP

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square
29 Wellington Street
Leeds LS1 4DL

Tax Advisors

Rawlinson & Hunter
Eighth Floor
6 New Street Square
New Fetter Lane
London EC4A 3AQ

Principal Lawyers

Norton Rose
3 More London Riverside
London SE1 2AQ

Registered Office

3 More London Riverside
London SE1 2AQ

Company Registration Number

03194221

The Company is a private company limited by shares and is incorporated in England.

Directors' report

The directors present the Directors' report together with the audited financial statements of the Company for the year ended 31 March 2017.

Business review**Results and performance**

Turnover was £42,749 (2016: £44,837), which comprised interest income in respect of a loan to the immediate parent company Primary Group (UK) Limited.

The profit attributable to the shareholder of the Company for the year ended 31 March 2017 was £31,639 (2016: £37,766) after a tax charge of £7,910 (2016: £7,071). The directors do not recommend payment of a dividend (2016: £Nil).

Business environment

The company is no longer trading.

Directors and directors' interests

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

Mr J A Bourne

Mr A N Murray (resigned 1 September 2017)

Mr S N Hardy (appointed 1 September 2017)

Independent auditors

PricewaterhouseCoopers LLP have signified their willingness to continue in office and a resolution to re-appoint them will be proposed at the forthcoming meeting.

Statement of disclosure of information to auditors

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 auditors are unaware; and they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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 prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102) Section 1A – Small Entities, and applicable law (United Kingdom Generally Accepted Accounting Practice). 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 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;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and

Directors' report (continued)

- 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.

Statement as to the disclosure of information to auditors

As 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 auditors are unaware, and the directors have taken all the 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.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

This report was approved by the board on 21 December 2017 and has been prepared in accordance with the small companies regime of the Companies Act 2006.

On behalf of the Board,



Mr J A Bourne
Director

21 December 2017

Independent auditors' report to the members of Primary Group Services Limited**Our opinion**

In our opinion, Primary Group Services Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

What we have audited

The financial statements, included within the Director's Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 March 2017;
- the Statement of Income for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception**Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Primary Group Services Limited (continued)**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit**Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



Gary Shaw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

21 December 2017

**Statement of Income
for the year ended 31 March 2017**

	Note	31 March 2017 £	31 March 2016 £
Turnover		42,749	44,837
Operating expenses	2	<u>(3,200)</u>	<u>-</u>
Profit on ordinary activities before taxation		39,549	44,837
Tax on profit on ordinary activities	3	<u>(7,910)</u>	<u>(7,071)</u>
Profit for the financial year		<u><u>31,639</u></u>	<u><u>37,766</u></u>

All results derive from continuing operations.

There are no recognised gains or losses, other than those reflected in the profit for the financial year. Accordingly, no statement of other comprehensive income is given.

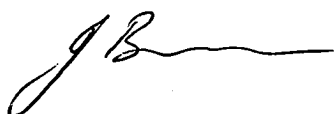
There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The notes to the financial statements on pages 8 to 10 form an integral part of these financial statements.

**Statement of Financial Position
as at 31 March 2017**

	Note	31 March 2017 £	31 March 2016 £
Current assets			
Debtors	4	1,844,138	1,808,999
Cash at bank and in hand		<u>52</u>	<u>352</u>
		1,844,190	1,809,351
Creditors: amounts falling due within one year	5	<u>(116,117)</u>	<u>(112,917)</u>
Net current assets		<u>1,728,073</u>	<u>1,696,434</u>
Total assets less current liabilities		<u>1,728,073</u>	<u>1,696,434</u>
Net Assets		<u>1,728,073</u>	<u>1,696,434</u>
Capital and reserves			
Called up share capital		1,000	1,000
Retained earnings		<u>1,727,073</u>	<u>1,695,434</u>
Total equity		<u>1,728,073</u>	<u>1,696,434</u>

The financial statements on pages 6 to 10 were approved by the board on 21 December 2017 and signed on behalf of the board.



Mr J A Bourne
Director

21 December 2017

Notes to the financial statements for the year ended 31 March 2017

1. Accounting policies

Basis of preparation

These financial statements are prepared in accordance with United Kingdom Accounting Standards including FRS 102 Section 1A - Small Entities and the Small Companies Regulations. The financial statements have been prepared on a going concern basis under the historical cost method. These policies have been consistently applied to all years presented.

Going concern

The directors feel that the Company is well placed to manage its business risks. The Company recognised an operating profit in the year and the directors have reviewed whether the going concern basis of preparing the financial statements continues to remain appropriate. Further to this review the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover comprises amounts receivable in respect of the interest receivable and similar income from group loans. Turnover is reported net of any value added tax. Interest income is recognised using the effective interest rate method. Interest receivable is recognised in the year on an accrued basis.

Taxation

Taxation for the year comprises current and deferred tax recognised in the reporting period. Current or deferred taxation assets and liabilities are not discounted.

Current tax

Current tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Auditors' remuneration

The 2016 audit fee of £3,000 was paid by the immediate parent company, Primary Group (UK) Limited.

	31 March 2017 £	31 March 2016 £
Fees payable to the Company's auditors for the audit of the Company:	3,200	-
	<u>3,200</u>	<u>-</u>

**Notes to the financial statements
for the year ended 31 March 2017 (continued)**

3. Tax on profit on ordinary activities

	31 March 2017 £	31 March 2016 £
(a) Analysis of charge for the year		
Current tax:		
Based on the profit for the year at 20% (2016: 20%)		
Group relief	7,910	8,349
Adjustment to tax in respect of prior periods	-	(1,278)
	<u>7,910</u>	<u>7,071</u>
Current tax charge for the year	<u>7,910</u>	<u>7,071</u>
Total tax charge for the year (note 3(b))	<u>7,910</u>	<u>7,071</u>

	31 March 2017 £	31 March 2016 £
(b) Factors affecting total tax charge for the year		
The tax assessed for the year differs from the standard rate of corporation tax in the UK at 20% (2016: 20%)		
The differences are explained below:		
Profit on ordinary activities before tax	39,549	44,837
	<u>39,549</u>	<u>44,837</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%)	7,910	8,967
Effects of:		
Permanent differences	-	(618)
Adjustment to tax in respect of prior periods – group relief	-	(1,278)
	<u>7,910</u>	<u>7,071</u>
Total tax charge for the year (note 3(a))	<u>7,910</u>	<u>7,071</u>

(c) Tax rate change

The main rate of corporation tax will reduce to 19% from 1 April 2017. This change was substantively enacted as part of the Finance (No. 2) Act 2015.

A further reduction to the UK Corporation tax rate was substantively enacted as part of the Finance Act 2016. This reduces the main rate to 17% from 1 April 2020.

**Notes to the financial statements
for the year ended 31 March 2017 (continued)**

4. Debtors

	31 March 2017 £	31 March 2016 £
Amounts due within one year		
Amounts owed by group undertakings	1,844,138	1,808,999
	<u>1,844,138</u>	<u>1,808,999</u>

Amounts due from group undertakings within one year are in respect of a loan to the immediate parent company Primary Group (UK) Limited. Interest is calculated at a rate of the Bank of England base rate plus 2%.

5. Creditors: amounts falling due within one year

	31 March 2017 £	31 March 2016 £
Other creditors	112,917	112,917
Accrual	3,200	-
	<u>116,117</u>	<u>112,917</u>

6. Related party transactions

The Company was a wholly owned subsidiary of Primary Group (UK) Limited at the balance sheet date and is included in the consolidated financial statements of Primary Group (UK) Limited. Consequently, the Company is not required by FRS 102 Section 1A to disclose related party transactions with Primary Group (UK) Limited.

7. Ultimate holding company

The ultimate holding company at the date on which the financial statements were approved was Primary Group 1 Holdings Limited, a company incorporated in Bermuda. As at 31 March 2017 the largest group in which the results of the company are consolidated is that of which Primary Group Limited is the parent company.

The smallest such group is that of which Primary Group (UK) Limited is the parent company. The registered address of Primary Group (UK) Limited is 3 More London Riverside, London SE1 2AQ.

At the date on which the financial statements were approved, the ultimate controlling party was Mr P W H James.