

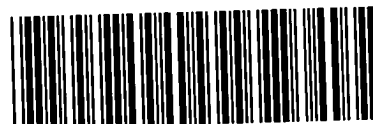
# **PNI Holdings Limited**

Registered number: 03897811

## **Directors' report and financial statements**

**For the year ended 30 September 2017**

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**PNI HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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**Directors**

M J Kelly  
D C Lewis  
I M Sackree  
D L Wilkinson

**Company secretary**

M J Kelly

**Registered number**

03897811

**Registered office**

The Point  
Welbeck Road  
West Bridgford  
Nottingham  
NG2 7QW

**Independent auditor**

Mazars LLP  
Chartered Accountants & Statutory Auditor  
Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

**Incorporation**

PNI Holdings Limited was incorporated on the 16 December 1999.  
Registered in England and incorporated under the Companies Act 1985  
as a Private Limited Company, limited by shares.

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**PNI HOLDINGS LIMITED**

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**PNI HOLDINGS LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**Introduction**

The directors submit their strategic report on PNI Holdings Limited ("the company") for the year ended 30th September 2017.

**Business review and future developments**

As a sub-holding company within Protocol Associates NV Group ("the group"), the company has incurred interest payable, but has no trading activity in the year. This will continue in the future.

The results for the company show a loss on ordinary activities before tax of £2,284k (2016: £5,347k).

**Principal risks and uncertainties**

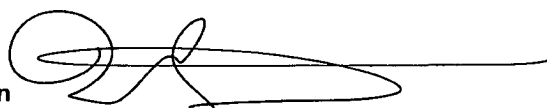
As an intermediate holding company, the company does not have activities or exposures which give rise to specific individual risks and uncertainties. As part of a group of companies which are principally reliant on the trading activities of Protocol National Limited and Examination and Assessment Services Limited, the directors consider that the principal risks and uncertainties applicable to those entities, and disclosed in their financial statements, are indirectly applicable to the group as a whole.

**Financial key performance indicators**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board and signed on its behalf.

**D L Wilkinson**  
Director



Date:

28 June 2018.

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## **PNI HOLDINGS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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The directors present their report and the financial statements for the year ended 30 September 2017.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £5,649k (2016 - loss £5,347k).

#### **Directors**

The directors who served during the year were:

M J Kelly  
D C Lewis  
I M Sackree  
D L Wilkinson

#### **Indication of exposure to price risk, credit risk, liquidity risk and cash flow risk**

As an intermediate holding company, the company does not have activities or exposures which give rise to specific individual risks and uncertainties. As part of a group of companies which are principally reliant on the trading activities of Protocol National Limited and Examination and Assessment Services Limited, the directors consider that the principal risks and uncertainties applicable to those entities, and disclosed in their financial statements, are indirectly applicable to the group as a whole.

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**PNI HOLDINGS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**Indication of financial risk management objectives and policies, including hedging policy**

The nature of the company's business means that financial risks are not a key consideration at company level, although as a member of Protocol Associates NV Group ("the group") the company is indirectly exposed to the effects of liquidity risk. The company is part of a group pooling arrangement and is funded through intercompany balances with entities that carry the groups external debt.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Director's indemnity**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

**Post balance sheet events**

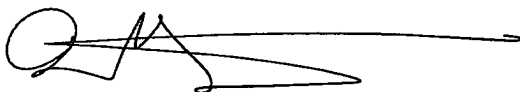
There have been no significant events affecting the Company since the year end.

**Auditor**

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**D L Wilkinson**  
Director



Date:

28 June 2018.

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**PNI HOLDINGS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNI HOLDINGS LIMITED**

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**Opinion**

We have audited the financial statements of PNI Holdings Limited (the 'Company') for the year ended 30 September 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, 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 30 September 2017 and of its loss 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.

**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.

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**PNI HOLDINGS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNI HOLDINGS LIMITED**

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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.

**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 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 or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to [prepare the financial statements in accordance with the small companies regime] [and] [take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report].



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PNI HOLDINGS LIMITED**

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**Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement 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, 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

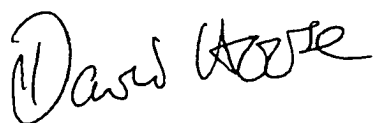
**Auditor's responsibilities for the audit of the financial statements**

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](http://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 Hoose (Senior statutory auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor  
Park View House  
58 The Ropewalk  
Nottingham  
NG1 5DW

Date: 29 June 2018

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**PNI HOLDINGS LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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	Note	2017 £000	2016 £000
Interest payable and expenses	6	(5,649)	(5,347)
<b>Loss before tax</b>		(5,649)	(5,347)
Taxation	7	-	-
<b>Loss for the year</b>		(5,649)	(5,347)
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		(5,649)	(5,347)

All of the activities of the company are classed as continuing.

The notes on pages 11 to 20 form part of these financial statements.

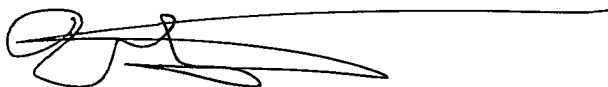
**PNI HOLDINGS LIMITED**  
**REGISTERED NUMBER: 03897811**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2017**

	Note	2017 £000	Restated 2016 £000
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	5,070	5,070
		<u>5,070</u>	<u>5,070</u>
Creditors: amounts falling due within one year	10	-	(2,402)
		<u>-</u>	<u>(2,402)</u>
<b>Net current assets</b>		<u>5,070</u>	<u>2,668</u>
<b>Total assets less current liabilities</b>		<u>5,070</u>	<u>2,668</u>
Creditors: amounts falling due after more than one year	11	(98,515)	(90,464)
		<u>(98,515)</u>	<u>(90,464)</u>
<b>Net liabilities</b>		<u>(93,445)</u>	<u>(87,796)</u>
<b>Capital and reserves</b>			
Called up share capital		1,029	1,029
Share premium account		114	114
Profit and loss account		(94,588)	(88,939)
		<u>(93,445)</u>	<u>(87,796)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**D L Wilkinson**  
 Director



Date:

28 June 2018.

The notes on pages 11 to 20 form part of these financial statements.

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**PNI HOLDINGS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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	Called up share capital £000	Share Premium Account £000	Profit and Loss Account £000	Total equity £000
At 1 October 2016	1,029	114	(88,939)	(87,796)
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	(5,649)	(5,649)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>At 30 September 2017</b>	<u>1,029</u>	<u>114</u>	<u>(94,588)</u>	<u>(93,445)</u>

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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	Called up share capital £000	Share Premium Account £000	Restated Profit and Loss Account £000	Restated Total equity £000
At 1 October 2015	1,029	114	(83,592)	(82,449)
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	(5,347)	(5,347)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>At 30 September 2016</b>	<u>1,029</u>	<u>114</u>	<u>(88,939)</u>	<u>(87,796)</u>

**Description of Reserves****Profit and Loss Account**

The Profit and Loss account represents cumulative profits and losses of the company.

**Share Premium**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

The notes on pages 11 to 20 form part of these financial statements.

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**PNI HOLDINGS LIMITED**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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	<b>2017 £000</b>	<b>Restated 2016 £000</b>
<b>Cash flows from operating activities</b>		
Loss for the financial year	(5,649)	(5,347)
Increase in creditors	9,286	5,174
(Decrease)/increase in amounts owed to groups	(3,637)	173
<b>Net cash generated from operating activities</b>	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at the end of year</b>	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at the end of year comprise:</b>	<u>-</u>	<u>-</u>

The notes on pages 11 to 20 form part of these financial statements.

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## **PNI HOLDINGS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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#### **1. General information**

PNI Holdings Limited presents its financial statements for the year ended 30 September 2017. The presentation currency for the financial statements is pounds sterling (£). The Company is limited by shares and is registered in England. Its registered office address is Protocol, The Point Welbeck Road, Nottingham, NG2 7QW.

As a sub-holding company within Protocol Associates NV Group ("the group"), the company has incurred interest payable, but has no trading activity in the year or the preceding year. This will continue in the future.

A summary of the Company's accounting policies, which have been consistently applied, are set out below:

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

##### **2.2 Going concern**

In the year to 30 September 2017, the company sustained an operating loss of £2,284k before taxation (2016: loss of £5,347k before taxation) with a shareholders deficit of £93,908k (2016: deficit of £91,624k), which indicates that the company may not be a going concern. However, based on the long term business plans, the directors are confident that the company will continue to trade profitably in future periods and generate sufficient cash flows to meet its obligations as they fall due for payment.

The company is dependent upon continued finance being available by other group companies and the directors. These parties have confirmed that sufficient funds will continue to be made available to allow the company to meet its liabilities as they fall due.

The directors therefore consider it appropriate that the financial statements are prepared on a going concern basis.

The accounts include no adjustments, which might be found to be necessary, should it transpire that the going concern basis is no longer appropriate.

##### **2.3 Fixed asset investments**

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been indication of potential impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**2. Accounting policies (continued)**

**2.4 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.5 Financial instruments**

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds only basic financial instruments, which comprise cash and cash equivalents, debtors and creditors. The Company has chosen where applicable to apply the measurement and recognition provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instrument Issues in full.

**Financial assets - Classified as basic instruments**

Financial assets are defined as cash or any asset from another entity, or a contractual right to receive cash or another financial asset from another entity, or a contractual right to exchange financial instruments with another entity under conditions that are potentially favourable, or an equity instrument of another entity. The only category of financial asset held by the Company is Debtors.

Debtors are assets with fixed or determinable payments that are not quoted on an active market, other than those that are categorised as financial assets at transaction value through profit and loss. These are initially recognised at the transaction price. At each Balance Sheet date, they are subsequently measured at amortised cost, with interest income recognised to profit and loss using the effective interest method.

**Financial liabilities - Classified as basic instruments**

Financial liabilities are defined as any liability that is contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial instruments with another entity under conditions that are potentially unfavourable. Financial liabilities held by the Company include issued debt. Interest charges are recognised in the profit and loss using the effective interest method. The only category of financial liability held by the Company is those measured at amortised cost using the effective interest method.

**2.6 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.7 Provisions**

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**2. Accounting policies (continued)**

**2.8 Finance costs**

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.9 Taxation**

Tax is recognised in the Profit and Loss Account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

There are no key sources of estimation or uncertainty that have had a significant effect on the amounts recognised in the financial statements.



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**PNI HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**4. Employees and operating loss**

The monthly average number of persons (all are directors) employed by the company during the year was 4 (2016: 4). These directors received no emoluments for their services to the company (2016: £Nil).

Directors' emoluments in respect of services to the group are borne by ELS Group Limited, another group company, and their emoluments are shown in the financial statements of that company. Copies of these financial statements can be obtained from the Company Secretary, ELS Group Ltd (C/O Protocol), The Point, Welbeck Road, Nottingham, NG2 7QW.

**5. Auditor's remuneration**

The audit fee, and other fees payable to the external auditors are borne by Protocol National Limited, which is a fellow group company. The fees are disclosed in the financial statements of Protocol National Limited.

**6. Interest payable and similar expenses**

	<b>2017 £000</b>	<b>2016 £000</b>
Debenture loan interest	5,921	5,173
Intercompany interest	(272)	174
	<u>5,649</u>	<u>5,347</u>

**7. Taxation**

The company has received the benefit of tax losses amounting to £Nil (2016: £Nil) without making any payment.

	<b>2017 £000</b>	<b>2016 £000</b>
Total current tax	<u>-</u>	<u>-</u>

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**PNI HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**7. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.5% (2016 - 20%). The differences are explained below:

	<b>2017 £000</b>	<b>2016 £000</b>
Loss on ordinary activities before tax	(5,649)	(5,347)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2016 - 20%)	(1,102)	(1,069)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,065	1,034
Utilisation of losses	(251)	(260)
Transfer pricing adjustments	288	295
<b>Total tax charge for the year</b>	-	-

**Factors that may affect future tax charges**

The main factor to consider is the decrease in tax rate. The standard rate of corporation tax rate in the UK is 20% for accounting periods from 1 April 2016 and 19% for accounting periods from 1 April 2017. Following the introduction of The Finance Act 2016 a corporation tax rate of 17% will apply to accounting periods from 1 April 2020.

Deferred tax is referred to in note 14.

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**PNI HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**8. Fixed asset investments**

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 October 2016	600
At 30 September 2017	600
<b>Impairment</b>	
At 1 October 2016	600
At 30 September 2017	600
At 30 September 2017	-
At 30 September 2016	-

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Holding	Principal activity
Education Lecturing Services (a company limited by guarantee)	United Kingdom	100 %	Non-trading company

All undertakings are 100% owned and the entities are incorporated in England and Wales.

The aggregate of the share capital and reserves as at 30 September 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £000	Profit/(loss) £000
Education Lecturing Services	12	-
	12	-

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**PNI HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**9. Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Amounts owed by group undertakings	5,070	5,070
	<u>5,070</u>	<u>5,070</u>

Included in amounts owed by group undertakings are loans to Protocol National Limited £5,070k (2016: £5,070k).

Amounts owed by group undertakings are unsecured, interest free, and are repayable on demand.

**10. Creditors: Amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Amounts owed to group undertakings	-	2,402
	<u>-</u>	<u>2,402</u>

Included in amounts owed to group undertakings are loans to Protocol Associates NV £NIL (2016: £2,402k).

Amounts owed to group undertakings are unsecured, interest free, and are repayable on demand.

**11. Creditors: Amounts falling due after more than one year**

	<b>2017</b>	<b>Restated 2016</b>
	<b>£000</b>	<b>£000</b>
Loan notes	98,070	88,784
Amounts owed to group undertakings	445	1,680
	<u>98,515</u>	<u>90,464</u>

**Secured loans**

The term loan to a fellow group company is unsecured and includes interest accrued in the financial year of £98,070k (2016: £88,784k) which is rolled over quarterly at a rate of 8% per annum. The beneficiary of the loan is Protocol Associates NV.

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**11. Creditors: Amounts falling due after more than one year (continued)**

	<b>2017</b>	<b>Restated</b>
	<b>2016</b>	
	<b>£000</b>	<b>£000</b>
<b>Maturity of debt</b>		
Debenture notes repayable otherwise than by instalments	98,070	88,784
Term loan from a fellow group company	445	1,680
<b>Total borrowings</b>	<b>98,515</b>	<b>90,464</b>

**Terms of repayment**

With respect to the £98,070k (2016: £88,784k) of unsecured debenture notes falling due otherwise than by instalments, payment becomes due on a takeover or listing of the group. The company also has the option of repaying the debenture note at 30 days notice.

**Rates of interest payable**

With respect to £88,369k (2016: £82,820k) of debenture notes repayable otherwise than by instalments, interest accrues at 8% per annum on the principal amount. 50% of the interest is added to the principal sum on 30 June and 31 December, and 50% is payable on those dates. Interest which is not paid attracts interest at the default rate of 4% above the rate otherwise payable, which compounds monthly.

With respect to £9,701k (2016: £5,964k) of debenture notes repayable otherwise than by instalments, interest accrues at 8% per annum on the principal amount, and is added to the principal sum on 31 March and 30 September.

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**12. Financial instruments**

	<b>2017</b>	<b>Restated</b>
	<b>£000</b>	<b>2016</b>
		<b>£000</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	5,070	5,070
	<u>5,070</u>	<u>5,070</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(98,978)	(96,694)
	<u>(98,978)</u>	<u>(96,694)</u>

Financial assets that are debt instruments measured at amortised cost comprises of amounts owed by group undertakings totaling £5,070k (2016: £5,070k).

Financial liabilities measured at amortised cost comprise of amounts owed to group undertakings totaling £NIL (2016: £2,402k), debentures totaling £98,533k (2016: £92,612k) and a loan from a fellow group company totaling £445k (2016: £1,680k).

**13. Deferred tax**

A net deferred tax asset is regarded as recoverable and therefore recognised only when, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. This is not deemed appropriate in the current year and therefore no deferred tax asset is recognised.

Deferred tax assets have not been recognised as follows:

	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
<b>Deferred tax assets have not been recognised as follows:</b>		
Losses	1,030	1,248
	<u>1,030</u>	<u>1,248</u>

The recoverable value of deferred tax assets would be affected by any changes to the standard rate of corporation tax in the United Kingdom. Refer to note 7 for details of any enacted changes.

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**14. Share capital**

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
999,999 Ordinary shares of £0.90 each	899,999	899,999
142,857 'A' Ordinary shares of £0.90 each	128,571	128,571
1 '£1' Ordinary share of £1	1	1
	<u>1,028,571</u>	<u>1,028,571</u>

**Share rights**

The ordinary shares and 'A' ordinary shares rank pari passu with regard to distribution rights. With regard to voting rights the holders of 'A' ordinary shares are entitled to cast, in relation to each resolution proposed, such number of votes as shall comprise three quarters of all votes so cast. The one pound share has the same rights as an ordinary share.

**15. Related party transactions**

PNI Holdings Limited has taken the exemption contained in Section 33 of FRS 102 - "Related Party Disclosures" and therefore has not disclosed transactions or balances with entities wholly owned by Protocol Associates NV.

The Key Management Personnel of the company are deemed to be the Directors. The costs of the directors to the company are borne by (and disclosed in the financial statements of) ELS Group Limited, a fellow member of the Protocol group in the UK.

**16. Controlling party**

The company's immediate and ultimate holding company is Protocol Associates NV, a company incorporated within Belgium, which is the smallest and largest group to consolidate these financial statements. Copies of the group financial statements can be obtained from the Company Secretary, PANV (C/O Protocol), The Point, Welbeck Road, West Bridgford, Nottingham, NG2 7QW.

Bridgepoint Capital (Nominees) Limited have a majority shareholding in Protocol Associates NV. This shareholding is for the benefit of a number of investment vehicles managed by Bridgepoint Capital Limited. In the opinion of the directors there is no ultimate controlling party. Copies of the financial statements of these companies are available at their registered office at 95 Wigmore Street, London, W1U 1FB.

**17. Prior year adjustment**

An adjustment of £3,828k has been posted to the opening reserves of the 2016 comparatives as it has come to the attention of management that a material adjustment was made prior to 2016 to the intercompany balance with Protocol Associates NV, but had not been accounted for in the books of the company. This has impacted on the Profit and Loss Reserve and the carrying value of the intercompany loan.