

pControl UK Limited

Company Number 04488670

Directors' report and financial statements for the 9 months period ended 30 September 2021

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pControl UK Limited

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pControl UK Limited
Board of Directors and other information

Directors

Geoffrey Hodge

Philip Davies

Allen Cohen – appointed 1 Oct 2021

Alan Flanagan – appointed 1 Oct 2021

Patricia Maurer – appointed 1 Oct 2021

Secretary

BNY Mellon Secretaries (UK) Limited

160 Queen Victoria Street

London

EC4V 4LA

Registered Office

160 Queen Victoria Street,

London, EC4V 4LA

Registered Number

04488670

pControl UK Limited

Directors' Report

The directors present their report and the financial statements for the 9 months period ended 30 September 2021.

Principal Activities

The principal activities of the company during the course of the period were consulting to financial services organisations on operations and technology and the sale of technology solutions for the financial services industry.

Business and future developments

In October 2021, the company's parent entity, Milestone Group Pty Limited and all its subsidiaries were acquired by The Bank of New York Mellon Corporation. The acquisition did not impact the planned and ongoing operations of the company in continuing to provide professional services to its parent company's UK and European based clients.

Political Donations

The Company made no political donations or incurred any political expenditure during the year.

Risk management process

Line management are responsible for actively identifying the risks associated with their key business processes, business changes or external threats, identifying and assessing the quality of controls in place to mitigate risk and assigning accountability for the effectiveness of those controls. This is done through the Corporate Risk Management Council ("CRMC"). The objective of this is to prevent or minimise:

- Errors or service delivery failures, especially those with impact on clients
- Financial losses
- Compliance breaches
- Reputational damage

The Company's risk appetite is commensurate with local business and regulatory requirements, within the guidance set by its parent company and in coordination with the relevant business expertise.

Risks associated with the Company's operations are measured through production and assessment of key risk indicators and other analysis, the results of which are formally reported to the CRMC on a monthly basis as part of the risk management framework which has been adopted.

Result of Operations

The operating loss after income tax for the 9 months period ended 30 September 2021 was £1,237,367.

Dividends

The directors do not recommend a dividend for the 9 months period ended 30 September 2021 (2020: £nil).

pControl UK Limited
Directors' Report – continued

Directors

The directors at any time during or since the financial period are:

Geoffrey Mark Hodge
Philip Davies
Mark Walsh – resigned 30 Sept 2021
Allen Cohen – appointed 1 Oct 2021
Alan Flanagan – appointed 1 Oct 2021
Patricia Maurer – appointed 1 Oct 2021

Events Subsequent to Balance Date

- a) The company's parent, Milestone Group Pty Limited, was acquired by Bank of New York Mellon Corporation on 1 October 2021 and the company therefore became a member of the BNY Mellon group from that date. The acquisition does not affect the ongoing operations of the company.
- b) The company changed its accounting period to 30 September 2021 and therefore the financial statements have been prepared for 9 months.

Audit

The Directors are of the opinion that pControl UK Limited is entitled to exemption from audit as a small company. The company is a wholly owned subsidiary of Milestone Group Pty Limited and, as the sole shareholder, Milestone Group Pty Limited has agreed that it does not require the financial statements of pControl UK Limited to be audited.

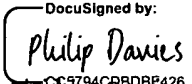
For the 9 months period ended 30 September 2021 the company was entitled to exemption under section 477 of the Companies Act 2006.

Members have not required the company to obtain an audit in accordance with section 476(1) of the Companies Act 2006.

The directors acknowledge their responsibility for:

- i) ensuring the company keeps accounting records which comply with section 386 and;
- ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit and loss for the financial period, in accordance with the requirements of section 396, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Signed in accordance with a resolution of directors.

DocuSigned by:

Director: Philip Davies

Dated: 21 Sept 2022

pControl UK Limited
Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101").

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 estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

pControl UK Limited
Statement of profit and loss and other comprehensive income
For the 9 months period ended 30 September 2021

	Notes	9 months period to Sept 2021 £	12 months period to Dec 2020 £
Revenue	2	2,080,498	3,357,937
Expenses	3, 4 & 5	(3,317,865)	(3,721,023)
Operating loss before taxation		(1,237,367)	(363,086)
Taxation	14	-	175,000
Total comprehensive loss for the 9 months period		(1,237,367)	(188,086)

Notes 1 to 16 are integral to these financial statements.

All items dealt with in arriving at the Company's results for the financial period and prior year relate to continuing operations. During the 9 months period, the Company had no items going through other comprehensive income (2020: Nil).

pControl UK Limited
Balance Sheet
As at 30 September 2021

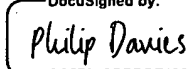
	Notes	Sept 2021 £	Dec 2020 £
Non-current assets			
Property, plant and equipment	13	97,048	129,407
Right of Use Asset	12	379,147	489,222
Deferred Tax Asset	15	34,946	34,946
Total non-current assets		511,141	653,575
Current assets			
Cash and Bank	7	12,250	1,149,347
Receivables	8	1,826,860	989,431
Prepayments	6	371,022	344,504
Current Tax Recoverable	15	175,000	175,000
Total current assets		2,385,132	2,658,282
Total assets		2,896,273	3,311,857
Non-current liabilities			
Lease Liabilities	12	303,574	421,704
Total non-current liabilities		303,574	421,704
Current liabilities			
Creditors and Accruals	9	1,066,913	735,798
Provisions	11	154,269	151,934
Deferred Revenue	10	2,074,404	1,467,941
Total current liabilities		3,295,586	2,355,673
Total liabilities		3,599,160	2,777,377
Shareholder's equity			
Share capital		1	1
Retained (deficit) / earnings		(702,888)	534,479
Total shareholders' equity		(702,887)	534,480

For the 9 months period ended 30 September 2021 the company was entitled to exemption under section 477 of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the period in question in accordance with section 476(1).

The directors acknowledge their responsibility for: i) ensuring the company keeps accounting records which comply with section 386 and ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit and loss for the financial period, in accordance with the requirements of section 396, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Signed in accordance with a resolution of directors

Director:

DocuSigned by:

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Date: 21 sept 2022

pControl UK Limited
Statement of Changes in Equity
30 September 2021

	Issued Share Capital £	Retained Earnings £	Total Equity £
Balance at 1 Jan 2020	1	722,565	722,566
Total comprehensive loss for the year		(188,086)	(188,086)
Balance at 31 Dec 2020	1	534,479	534,480
Balance at 1 Jan 2021	1	534,479	534,480
Total comprehensive loss for the 9 months period		(1,237,367)	(1,237,367)
Balance at 30 Sept 2021	1	(702,888)	(702,887)

Notes 1 to 16 are integral to these financial statements

pControl UK Limited

Notes to the financial statements for the 9 months period ended 30 September 2021

1 Accounting policies

1.1 Basis of preparation and statement of compliance with FRS 101

The Company is a private company limited by shares incorporated and domiciled in the UK and registered in England and Wales. The registered address is given on page 3.

These financial statements were prepared in accordance with FRS 101. The Company's ultimate parent undertaking, The Bank of New York Mellon Corporation includes the Company and all its subsidiary undertakings in its consolidated financial statements. The consolidated financial statements of The Bank of New York Mellon Corporation are prepared in accordance with U.S. Generally Accepted Accounting Principles, which is considered equivalent under the requirements of Section 401 of the Companies Act 2006. The Bank of New York Mellon Corporation's consolidated financial statements are available at <https://www.bnymellon.com/us/en/investorrelations/overview.html>.

Accordingly, the Company is a qualifying entity for the purpose of FRS 101 disclosure exemptions. Therefore, in preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs") but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Statement of cash flows and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- Disclosures in respect of compensation of key management personnel; and
- Disclosures in respect of revenue contracts with customers and significant judgements.

1.2 Measurement convention

These financial statements are prepared on the historical cost basis.

1.3 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors report on pages 4 to 6.

The directors perform an annual going concern review that considers the Company's ability to meet its financial obligations as they fall due, for a period of at least twelve months after the date that the financial statements are signed.

As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

pControl UK Limited**Notes to the financial statements for the 9 months period ended 30 September 2021**

The Directors have had regard to management's assessment to determine whether there are any material uncertainties that could cast significant doubt on the ability of the Company to continue as a going concern. No significant issues have been noted. In reaching this conclusion, management considered:

- The company has projected positive net cashflows until end of September 2023 which assumes a no new revenue scenario;
- New business contracted since 1 October 2021 which brings in significant additional revenue to the Company, and;
- The Company's year (2022) to date performance which indicates a net income of £0.7m (£0.3m above plan).

Based on the above assessment, the directors have concluded that the Company has adequate resources to continue in operational existence (for a period of at least twelve months after the date that the financial statements are signed). Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 Related party transactions

As the Company is a wholly owned indirect subsidiary of the ultimate parent company, The Bank of New York Mellon Corporation, it has taken advantage of the exemption contained in IAS 24 and has therefore not disclosed transactions with entities which form part of the Group.

1.5 Non-current assets

The carrying amounts of all non-current assets are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

2 Revenue recognition

Sales revenue represents revenue earned from services. Sales revenue is recorded when the fee in respect of services provided is earned. Interest revenue is recognized as it accrues.

	Jan to Sept 2021	Jan to Dec 2020
Sales Revenue	2,080,498	3,357,937
Interest Revenue	-	-
Total Revenue	<u>2,080,498</u>	<u>3,357,937</u>

3 Administrative Expenses

	Jan to Sept 2021	Jan to Dec 2020
Profit before taxation is stated after charging:		
Depreciation of tangible fixed assets	32,359	18,191
Depreciation of Right of Use Assets	102,736	146,767

pControl UK Limited**Notes to the financial statements for the 9 months period ended 30 September 2021****4 Staff Numbers and Costs**

The average number of persons employed by the Company (including directors) during the period was 31 (2020: 30)

The aggregate payroll costs of these persons were as follows:

	Jan to Sept 2021	Jan to Dec 2020
Salaries and Wages	2,397,160	3,075,426
Social Security Costs	244,135	295,374
Pensions	162,011	204,581
Other employee expenses	20,203	57,579
Total	2,823,509	3,632,960

Salaries and wages include short term incentives recognised on an accruals basis.

5 Directors Remuneration

The aggregate amount of remuneration paid to or receivable by directors in respect of qualifying services for the 9 months period from January 2021 to September 2021 was £ nil (2020 £ nil).

6 Prepayments

	30 Sept 2021	31 Dec 2020
Prepaid office rent and deposits	371,022	344,504

7 Cash and Bank

Cash is carried at the face value of the amount on deposit.

	30 Sept 2021	31 Dec 2020
Cash and bank balances	12,250	1,149,347

8 Receivables

Trade debtors are generally settled within 30 days and are carried at amounts due. The collectability of the debts is assessed at year end and specific provision is made for any doubtful accounts. The carrying amount of trade debtors approximates net fair value.

	30 Sept 2021	31 Dec 2020
Trade debtors	1,131,678	572,641
Intergroup balances	695,182	416,790
Total	1,826,860	989,431

pControl UK Limited**Notes to the financial statements for the 9 months period ended 30 September 2021**

Receivables are all due within 12 months.

Expected credit loss at 30 September 2021 is £nil (Dec 2020 - £nil).

9 Creditors and accruals

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the company. Trade accounts payable are normally settled within 30 days. The carrying amount of accounts payable approximates net fair value.

	30 Sept 2021	31 Dec 2020
Trade creditors	731,920	533,988
Accruals	150,000	-
Lease Liabilities	184,993	201,810
	<u>1,066,913</u>	<u>735,798</u>

10 Deferred Revenue

	30 Sept 2021	31 Dec 2020
Deferred subscriptions fees		
less than 12 months	<u>2,074,404</u>	<u>1,467,941</u>

11 Provisions

	30 Sept 2021	31 Dec 2020
Annual leave provisions	<u>154,269</u>	<u>151,934</u>

12 Right of Use Assets and lease Liabilities

The companies lease for office premises have been accounted for in accordance with IFRS 16. The balance sheet shows the following amounts in relation to this right of use asset and lease liability.

pControl UK Limited**Notes to the financial statements for the 9 months period ended 30 September 2021**

	30 Sept 2021	31 Dec 2020
Right of Use Asset	379,147	489,222
Lease Liability	488,567	623,514

	30 Sept 2021	31 Dec 2020
Maturity analysis - contractual undiscounted cash flows		
Expiring within one year	199,467	222,786
Expiring between one and five years	337,833	482,283

Total undiscounted lease liabilities	537,300	705,069
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Effect of discounting	(48,733)	(81,555)
Lease Liability	488,567	623,514

Amounts recognised in Statement of profit or loss and other comprehensive income

Interest on lease liabilities	16,412	27,944
Amortisation of ROU asset	102,736	146,767

13 Property Plant and Equipment

On acquisition items of property, plant and equipment are recorded at cost. They are depreciated from the date of acquisition over their estimated useful lives using the straight-line depreciation method.

	Furniture and Fittings	Computer and Office equipment	Total
Cost			
At 1 January 2021	302,667	57,465	360,132
Additions	-	-	-
Disposals	-	-	-
At 30 September 2021	302,667	57,465	360,132
Depreciation			
At 1 January 2021	176,492	54,233	230,725
Depreciation for period	31,823	536	32,359
At 30 September 2021	208,315	54,769	263,084
Net book value			
At 31 December 2020	126,175	3,232	129,407
At 30 September 2021	94,352	2,696	97,048

pControl UK Limited**Notes to the financial statements for the 9 months period ended 30 September 2021****14 Taxation**

The company adopts the liability method of tax effect accounting. Income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. The tax effect of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, is carried forward in the balance sheet as a future income tax benefit or a provision for deferred income tax.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits relating to tax losses are only brought to account when their realisation is virtually certain.

Recognised in the statement of profit and loss and other comprehensive income

	30 Sept 2021	31 Dec 2020
<i>UK corporation tax</i>		
Current tax	-	(197,676)
Deferred tax (<i>See note 15</i>)	-	22,676
Total tax expense/(credit)	-	(175,000)

Factors Affecting Total Tax Charge for the Current Period

The charge for the 9 months period can be reconciled to the profit per the income statement as follows:

Loss for the period - continuing activities	(1,237,367)	(363,086)
Tax on loss at standard UK tax rate of 19.00%	235,100	68,986
Rebates due under R&D Tax Relief scheme	-	(175,000)
Amounts not recognised	(235,100)	(68,986)
Total tax expense/(credit)	-	(175,000)

15 Deferred tax assets and liabilities

	30 Sept 2021	31 Dec 2020
Provision at start of period	(34,946)	(12,270)
Deferred tax charge for the period	-	(22,676)
Provision at end of period	(34,946)	(34,946)

pControl UK Limited

Notes to the financial statements for the 9 months period ended 30 September 2021

16 Events Subsequent to Balance Date

- a) The company's parent, Milestone Group Pty Limited, was acquired by Bank of New York Mellon Corporation on 1 October 2021 and the company therefore became a member of the BNY Mellon group from that date. The acquisition does not affect the ongoing operations of the company.
- b) The company changed its accounting period to 30 September 2021 and therefore the financial statements have been prepared for 9 months.