

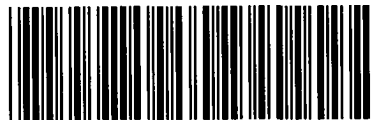
Registration number: 04688688

PNC Global Logistics UK Limited

Annual Report and Audited Financial Statements

for the Year Ended 30 December 2017

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PNC Global Logistics UK Limited

Company Information

Directors	B Chaing K Johnson
Registered office	A2 Yeoman Gate Yeoman Way Worthing West Sussex BN13 3QZ
Independent auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG

PNC Global Logistics UK Limited

(Registration number: 04688688)

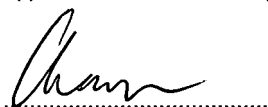
Balance Sheet as at 30 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	27,593	196,012
Current assets			
Debtors	5	3,136,524	3,456,192
Cash at bank and in hand		<u>172,674</u>	<u>74,440</u>
		3,309,198	3,530,632
Creditors: Amounts falling due within one year	6	<u>(3,106,268)</u>	<u>(3,404,853)</u>
Net current assets		<u>202,930</u>	<u>125,779</u>
Total assets less current liabilities		230,523	321,791
Creditors: Amounts falling due after more than one year	6	-	(9,742)
Provisions for liabilities		<u>(4,295)</u>	<u>(214,609)</u>
Net assets		<u>226,228</u>	<u>97,440</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account		<u>226,128</u>	<u>97,340</u>
Total equity		<u>226,228</u>	<u>97,440</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A - small entities.

In accordance with Section 444 of the Companies Act 2006, the company has elected not to file the profit and loss account and directors' report.

Approved and authorised by the Board on 13 September 2018 and signed on its behalf by:



B Chaing
Director

PNC Global Logistics UK Limited

Notes to the Financial Statements for the Year Ended 30 December 2017

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

A2 Yeoman Gate
Yeoman Way
Worthing
West Sussex
BN13 3QZ

The principal place of business for freight transactions is:

Paramount House
Delta Way
Egham
Surrey
TW20 8RZ

The principal place of business for distribution transactions is:

23-25 Sovereign Road
Kings Norton
Birmingham
B30 3HN

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and with the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

The financial statements have been prepared on a going concern basis as the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Revenues are recognised in accordance with the terms of client contracts. Recognition is following provision of the service or at the point that goods are dispatched, depending on the terms of the contract.

PNC Global Logistics UK Limited

Notes to the Financial Statements for the Year Ended 30 December 2017

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, less their estimated residual value, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	25% per annum reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for the provision of services in the ordinary course of business.

Trade debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in profit or loss in other administrative expenses.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors with no stated interest rate and payable within one year are recorded at transaction price.

PNC Global Logistics UK Limited

Notes to the Financial Statements for the Year Ended 30 December 2017

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to profit or loss over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Lease payments are apportioned between finance costs in the income statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

PNC Global Logistics UK Limited

Notes to the Financial Statements for the Year Ended 30 December 2017

Financial instruments

Classification

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.

Recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 48 (2016 - 81).

PNC Global Logistics UK Limited

Notes to the Financial Statements for the Year Ended 30 December 2017

4 Tangible assets

	Fixtures and fittings £
Cost or valuation	
At 31 December 2016	721,906
Additions	10,767
Disposals	<u>(357,038)</u>
At 30 December 2017	<u>375,635</u>
Depreciation	
At 31 December 2016	525,894
Charge for the year	36,050
Eliminated on disposal	<u>(213,902)</u>
At 30 December 2017	<u>348,042</u>
Carrying amount	
At 30 December 2017	<u>27,593</u>
At 30 December 2016	<u>196,012</u>

5 Debtors

	2017 £	2016 £
Trade debtors	1,977,043	1,784,814
Amounts owed by group undertakings	1,090,450	614,828
Other debtors	36,893	889,219
Prepayments	<u>32,138</u>	<u>167,331</u>
	<u>3,136,524</u>	<u>3,456,192</u>

PNC Global Logistics UK Limited

Notes to the Financial Statements for the Year Ended 30 December 2017

6 Creditors

Creditors: amounts falling due within one year

	Note	2017 £	2016 £
Loans and borrowings	8	694,487	1,398,373
Trade creditors		1,350,445	1,468,060
Amounts owed to group undertakings		702,634	-
Taxation and social security		242,301	271,847
Accruals and deferred income		101,396	37,984
Other creditors		15,005	228,589
		<u>3,106,268</u>	<u>3,404,853</u>

Creditors: amounts falling due after more than one year

	Note	2017 £	2016 £
Loans and borrowings	8	<u>-</u>	<u>9,742</u>

Debts secured over the company's invoice discounting arrangements amounted to £682,173 (2016: £1,333,309) at the balance sheet date.

Obligations under hire purchase contracts are secured against the assets to which the finance relates.

7 Share capital

Allotted, called up and fully paid shares

	No.	2017 £	No.	2016 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

PNC Global Logistics UK Limited

Notes to the Financial Statements for the Year Ended 30 December 2017

8 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Finance lease liabilities	-	9,742

	2017 £	2016 £
Current loans and borrowings		
Finance lease liabilities	12,314	65,064
Other borrowings	682,173	1,333,309
	<u>694,487</u>	<u>1,398,373</u>

9 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of contingencies not included in the balance sheet is £30,140,294 (2016 - £Nil). The company has given cross guarantees to the group's bankers in respect of borrowings by certain group companies.

Operating leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	92,111	256,497
Later than one year and not later than five years	208,948	286,897
	<u>301,059</u>	<u>543,394</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £240,672 (2016 - £396,492).

PNC Global Logistics UK Limited

Notes to the Financial Statements for the Year Ended 30 December 2017

10 Related party transactions

Summary of transactions with other related parties

Euroresins UK Limited, under common control

During the year the company invoiced Euroresins UK Limited for services totalling £81,608 (2016: £nil). At the balance sheet date the amount receivable from Euroresins UK Limited was £15,617 (2016: £nil).

Marpex Chemicals Limited, under common control

During the year the company invoiced Marpex Chemicals Limited for services and other charges totalling £34,201. At the balance sheet date the amount receivable from Marpex Chemicals Limited was £1,065 (2016: £nil).

Cathay Investments Limited, under common control

The company has given cross guarantees in respect of borrowings by Cathay Investments Limited and certain of its subsidiaries. The total amount of contingencies not included in the balance sheet is £24,039,988 (2016: £nil).

Amethyst Group Limited, group company

During the year the company invoiced Amethyst Group Limited for services provided, consumables and the transfer of fixed assets. Total income received during the year was £715,919 (2016: £nil). During the year the company was charged £329,985 (2016: £nil) from Amethyst Group Limited. At the balance sheet date the amount receivable from Amethyst Group Limited was £179,195 (2016: £nil).

The Original Poster Company Limited, group company

During the year the company recharged expenses of £22,099 (2016: £nil) to The Original Poster Company Limited. At the balance sheet date the amount receivable from The Original Poster Company Limited was £4,587 (2016: £nil).

Perkins Group Services Limited, group company

During the year the company invoiced Perkins Group Services Limited for services totalling £34,745 (2016: £nil). At the balance sheet date the amount receivable from Perkins Group Services Limited was £2,231 (2016: £nil).

Cathay Investments 2 Limited, ultimate parent company

During the year the company was charged for management fees and insurance recharges totalling £46,840 (2016: £nil) from Cathay Investments 2 Limited. At the balance sheet date the amount due to Cathay Investments 2 Limited was £429,707 (2016: £nil).

11 Parent and ultimate parent undertaking and controlling party

The company's immediate parent is PNC Global Logistics Limited, incorporated in England and Wales.

The ultimate parent is Cathay Investments 2 Limited, incorporated in England and Wales.

The most senior parent entity producing publicly available financial statements is Cathay Investments 2 Limited. These financial statements are available upon request from A2 Yeoman Gate, Yeoman Way, Worthing, West Sussex, BN13 3QZ.

The principal place of business of Cathay Investments 2 Limited is Office 37, Airport House, Purley Way, Croydon, CR0 0XZ.

At the beginning of the year, there was no controlling party.

At the year end, the ultimate controlling party is B Chaing, a director of the ultimate parent company, who with members of his close family, controls the company as a result of controlling, directly or indirectly, the majority of the issued share capital in the ultimate parent company.

PNC Global Logistics UK Limited

Notes to the Financial Statements for the Year Ended 30 December 2017

12 Audit

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report was Marc Summers BSc (Hons) FCA who signed for and on behalf of Grant Thornton UK LLP, Statutory Auditor.