

Company Registration No. 05065574

PS&N (PR) Limited

**Annual report and financial statements
for the year ended 31 December 2016**

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PS&N (PR) Limited

Annual report and financial statements for the year ended December 2016

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PS&N (PR) Limited

Annual report and financial statements for the year ended 31 December 2016

Officers and professional advisers

Executive Directors

R Brooks
G Davies

Company Secretary

C Watson

Registered office

Montpelier Galleries
Montpelier Street
London SW7 1HH

Bankers

Santander
2 Triton Square
Regent's Place
London NW1 3AN

The Royal Bank of Scotland plc
280 Bishopsgate
London EC2M 4RB

Solicitors

Stone King
Boundary House
91 Charterhouse Street
London EC1M 6 HR

Jones Day
21 Tudor Street
London EC4Y 0DJ

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

PS&N (PR) Limited

Directors' report

The Directors of PS&N (PR) Limited ("the Company") present their annual report and the audited financial statements for the year ended 31 December 2016.

This Directors' report has been prepared in accordance with the special provisions and exemptions applicable to small companies under 415a of the Companies Act 2006.

Principal activities and results

The company has been dormant through the year. The result for the year after taxation amounted to £nil (2015: £376,859). The Company did not pay a dividend during the year (2015: £nil).

The EU referendum result on the 23 June 2016 to leave the European Union does not change any specific financial information within the accounts for the year ended 31 December 2016.

Going concern

The Company has cash of £nil (2015: £nil). Following the disposal of its only asset, the Company has no income streams; nor does it have any expenses. However it has a significant receivable due from its immediate parent company should, in the extremely unlikely scenario, a cash call be made on the Company. Therefore, 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.

Directors

The Directors of the Company during the year and subsequently were as follows:

R Brooks
G Davies

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Financial risk management

The Company's approach to financial risk management is discussed in note 14 which covers credit risk, foreign currency risk, liquidity risk and interest rate risk.

PS&N (PR) Limited

Directors' report

Auditor

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as each 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 he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed by order of the Board



C Watson
Company Secretary

PS&N (PR) Limited

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare such financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Auditing Standard 1 requires that Directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper 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.

Independent auditor's report to the members of PS&N (PR) Limited

We have audited the financial statements of PS&N (PR) Limited for the year ended 31 December 2016 which comprise the Income Statement and Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Cash Flow Statement and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report.



Jeremy Black (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

12 May 2017

PS&N (PR) Limited

Income statement and statement of comprehensive income for the year ended 31 December 2016

	Notes	2016 £	2015 £
Revenue		-	-
Gross profit		-	-
Administrative expenses		-	-
Operating profit		-	-
Finance expense - net	5	-	(1,228)
Result/(loss) before taxation		-	(1,228)
Income tax	6	-	378,087
Result/profit for the year		-	376,859
Total comprehensive income for the year		-	376,859

All transactions are derived from continuing operations.

PS&N (PR) Limited

Statement of changes in equity for the year ended 31 December 2016

	Called up share capital £	Retained earnings £	Total £
At 1 January 2015	1	6,620,030	6,620,031
Profit for the year and total comprehensive income	-	376,859	376,859
	<hr/>	<hr/>	<hr/>
At 31 December 2015	1	6,996,889	6,996,890
Result for the year and other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2016	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

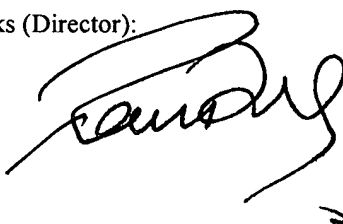
PS&N (PR) Limited

Statement of financial position As at 31 December 2016

	Notes	2016 £	2015 £
Non-current assets			
Investment property		-	-
Total non-current assets		-	-
Current assets			
Trade and other receivables	7	6,996,890	7,063,733
Cash and cash equivalents	8	-	-
Total current assets		6,996,890	7,063,733
Current liabilities			
Trade and other payables	9	-	(1,228)
Corporation tax		-	(65,615)
Total current liabilities		-	(66,843)
Net assets		6,996,890	6,996,890
Equity			
Called up share capital	10	1	1
Retained earnings		6,996,889	6,996,889
Total equity		6,996,890	6,996,890

The financial statements of PS&N (PR) Limited (Company number 05065574) were approved by the Board of Directors and authorised for issue on 5 April 2017.

They were signed on its behalf by R Brooks (Director):



PS&N (PR) Limited

Cash flow statement for the year ended 31 December 2016

	Notes	2016 £	2015 £
Net cash used in operating activities	11	<u>(66,843)</u>	<u>-</u>
Investing activities			
Interest received		-	-
Disposals of intangible and tangible assets		-	-
Net cash generated from investing activities		<u>-</u>	<u>-</u>
Financing activities			
Inter-company loans received		66,843	-
Dividends received		-	-
Dividends paid		-	-
Net cash generated from financing activities		<u>66,843</u>	<u>-</u>
Net movement in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		<u>-</u>	<u>-</u>

PS&N (PR) Limited

Notes to the financial statements for the year ended 31 December 2016

1. Significant accounting policies

PS&N (PR) Limited is a company incorporated in the United Kingdom under the Companies Act.

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. That is those International Accounting Standards, International Financial Reporting Standards and related interpretation (SIC-IFRIC interpretations), subsequent amendments to those standards and related interpretations, future standards and related interpretations issued or adopted by the International Accounting Standards Board ("IASB") that have been endorsed by the European Union.

The financial statements have been prepared on the historical cost basis.

The financial statements have been prepared on the going concern basis as outlined in the Directors' Report.

Standards and interpretations issued but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

- IFRS 16 - Leases
- IFRS 9 - Financial Instruments
- IFRS 15 - Revenue from Contracts with Customers
- Clarifications to IFRS 15 - Clarifications to IFRS 15 Revenue from Contracts with Customers
- Amendments to IAS 7 - Disclosure Initiative
- Amendments to IAS 12 - Recognition of Deferred Tax Assets for Unrealised Losses
- Annual Improvements to IFRSs: 2014-16 Cycle Amendments to IAS 40 - Transfers of Investment Property

The Directors do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense.

Current tax expense is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for accounting purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which these items can be utilised.

PS&N (PR) Limited

Notes to the financial statements for the year ended 31 December 2016

1. Significant accounting policies (continued)

Trade receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand 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 changes in value.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Related parties

For the purpose of these financial statements, shareholders, key management personnel and Board members, in each case together with their families and companies controlled by, or affiliated with them, associated companies and other companies within the Bonhams group are, considered and referred to as related parties. Transactions with related parties are priced predominantly at market rates.

2. Critical accounting estimates and assumptions

The entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Information regarding Directors and employees

No emoluments were payable to the Directors, during the current and preceding year. There were no staff employed by the Company during the year (2015: nil) and accordingly no costs were attributed to the Company (2015: £nil).

4. Audit fee

The audit fee for the year was £1,000 which was borne by another group company (2015: £1,000).

PS&N (PR) Limited

Notes to the financial statements for the year ended 31 December 2016

5. Finance expense - net

	2016 £	2015 £
Interest payable on overdue tax	-	(1,228)

6. Income tax

Reconciliation of the total tax credit

The tax credit in the income statement for the year is the same as (2015: higher than) that resulting from applying the average rate of corporation tax UK of 20% (2015: 20.25%). The differences are reconciled below:

	2016 £	2015 £
Result/(loss) before taxation	-	(1,228)
Accounting profit multiplied by the UK average rate of corporation tax at 20% (2015: 20.25%)	-	249
Group relief not paid for	-	(249)
Amounts over provided in previous years:		
- Current income tax	-	378,087
Total tax in the income statement	-	378,087

7. Trade and other receivables

	2016 £	2015 £
Amounts owed by group undertakings	6,996,890	7,063,733

Credit risk

The Company's principal financial assets are amounts owed by group undertakings so the Company's credit risk is primarily attributable to these receivables. The amounts presented in the balance sheet are net of allowances for doubtful or impaired receivables.

Past due but not impaired receivables

The Company has no past due debts at the year end.

Impaired receivables

In determining the recoverability of the receivables the Company considers any changes in the credit quality of the debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited to the amounts due from group undertakings. Accordingly, the Directors believe that there are no provisions required for doubtful debts.

PS&N (PR) Limited

Notes to the financial statements for the year ended 31 December 2016

8. Cash and cash equivalents

	2016 £	2015 £
Cash and cash equivalents	-	-

Cash and cash equivalents are denominated in pounds sterling at 31 December 2016 and 31 December 2015.

9. Trade and other payables

	2016 £	2015 £
Accruals and deferred income	-	(1,228)
	-	(1,228)

The Directors consider that the carrying amount of trade payables approximates to their fair value.

10. Called up share capital

	2016 £	2015 £
Authorised, allotted, called up and fully paid:		
1 ordinary share of £1	1	1

The ultimate beneficial owners of the Company's 100% parent are:

	Number of ordinary shares 2016	Number of ordinary shares 2015
R Brooks	2,550,000	2,550,000
Clamator Beheer BV	1,540,000	1,540,000
R&H Trust Company (Jersey) Limited	950,000	950,000
Pasquale Investments II Limited	1,960,000	1,960,000

The ultimate beneficial ownership of the acquiring company is shown above.

PS&N (PR) Limited

Notes to the financial statements for the year ended 31 December 2016

11. Net cash generated from operating activities

	2016 £	2015 £
Operating profit	-	-
Operating cash flows before movements in working capital	-	-
(Increase)/decrease in receivables	(66,843)	-
Increase/(decrease) in payables	-	-
Cash generated from operations	(66,843)	-
Income taxes paid	-	-
Interest paid	-	-
Net cash used in operating activities	(66,843)	-

12. Parent undertaking

The immediate and ultimate parent company and controlling party is PS&N (Holdings) Limited, a company incorporated in Great Britain and registered in England and Wales.

Group financial statements are prepared for PS&N (Holdings) Limited which is the smallest and largest group for which consolidated financial statements are prepared of which the Company is a member.

Copies of the PS&N (Holdings) Limited financial statements are available by writing to Montpelier Galleries, Montpelier Street, London SW7 1HH.

13. Related parties

The entity had transactions with Bonhams 1793 Limited, its tenant company, during the year.

Amounts owed by and to related parties at the end of the year are as follows:

	Amounts owed by related parties		Amounts owed to related parties	
	2016 £	2015 £	2016 £	2015 £
PS&N (Holdings) Limited	6,996,890	7,063,733	-	-

PS&N (PR) Limited

Notes to the financial statements for the year ended 31 December 2016

14. Financial risk management

The Directors note that the financial risk relating to the operations of the Company is now limited and is actively managed through regular and thorough analysis of all receivables due to the Company.

Credit risk

The Company's principal financial assets are amounts owed by group undertakings so the Company's credit risk is primarily attributable to these receivables. The amounts presented in the balance sheet are net of allowances for doubtful or impaired receivables.

The Directors note that the financial risks relating to the operations of the Company are limited but managed through regular analysis of exposures by degree and magnitude of risk.

Interest rate risk management

Intragroup receivable balances do not bear interest and therefore the Directors do not believe the Company is subject to significant interest rate risk.

Liquidity risk management

The Directors consider the Company's receivable and payable position to mitigate any exposure to this risk.

Capital management risk

Capital is the equity attributable to the equity holders of the parent.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company might adjust the dividend payment to shareholders or issue new shares.

No changes were made in the objectives, policies or processes during the years end 31 December 2016 and 31 December 2015.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between sensible levels. The Company includes trade and other payables within net debt. Capital includes equity attributable to the equity holders of the parent.

	2016 £	2015 £
Trade and other payables (note 9)	-	1,228
Net debt	-	1,228
Equity	6,996,890	6,996,890
Total capital	6,996,890	6,996,890
Capital and net debt	6,996,890	6,998,118
Gearing ratio	0%	0%