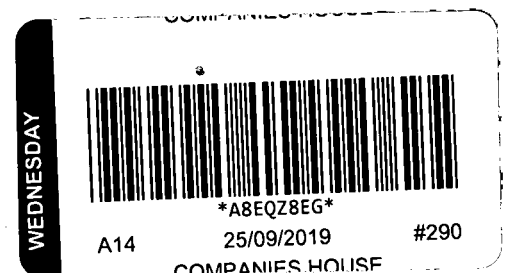


Registration number: 08763412

Praetura Asset Finance (Holdings) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



Praetura Asset Finance (Holdings) Limited

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Praetura Asset Finance (Holdings) Limited

Company Information

Directors	Mr Peadar O'Reilly
	Mr Michael C Hartley
	Mr Stephen N Sealey
	Mr Daryl L Johnson
	Mr Michael I Dalzell
	Mr Jack Summers
Company secretary	Mr Michael Walling
Registered office	Ewood House
	Walker Park
	Walker Road
	Blackburn
	Lancashire
	BB1 2QE
Auditors	KPMG LLP
	Chartered Accountants & Statutory Auditor
	One St Peter's Square
	Manchester
	M2 3AE

Praetura Asset Finance (Holdings) Limited

Directors' Report for the Year Ended 31 December 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Principal activities

The principal activities of the company in the year under review were those of asset finance.

Results and dividends

The profit for the year before taxation, amounted to £nil (2017: £nil)

Dividends

The directors have not proposed payment of a dividend in the year (2017: £nil)

Directors of the company

The directors who held office during the year were as follows:

Mr Peadar O'Reilly

Mr Stephen N Sealey

Mr Daryl L Johnson

Mr Michael I Dalzell

Mr Jack Summers

Mr Michael J Fletcher (resigned 20 September 2018)

Disclosure of information to the auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

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

Auditors

During the year, KPMG LLP were re-appointed as auditor pursuant to Section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 41SA of the Companies Act 2006.

Approved by the Board on 28 June 2019 and signed on its behalf by:


.....
Mr Peadar O'Reilly
Director

Praetura Asset Finance (Holdings) Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102 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 and apply them consistently;
- make judgements 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;
- 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.

Praetura Asset Finance (Holdings) Limited

Independent Auditor's Report to the Members of Praetura Asset Finance (Holdings) Limited

Opinion

We have audited the financial statements of Praetura Asset Finance (Holdings) Limited ("the company") for the year ended 31st December 2018 which comprise the Profit and Loss account, the Statement of Other Comprehensive income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of receivables and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

Praetura Asset Finance (Holdings) Limited

Independent Auditor's Report to the Members of Praetura Asset Finance (Holdings) Limited

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Praetura Asset Finance (Holdings) Limited

Independent Auditor's Report to the Members of Praetura Asset Finance (Holdings) Limited

The purpose of our audit work and to whom we owe our responsibilities

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 Allen (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One St Peter's Square
Manchester
M2 3AE

28 June 2019

Praetura Asset Finance (Holdings) Limited

Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover		-	-
Operating profit/(loss)		-	-
Profit/(loss) before tax		-	-
Profit/(loss) for the financial year		-	-

The above results were derived from continuing operations.

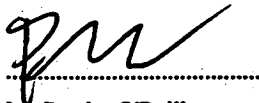
The company has no recognised gains or losses for the current or prior year other than the results above.

Praetura Asset Finance (Holdings) Limited

(Registration number: 08763412)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	6	3	3
Current assets			
Debtors	7	7,499,626	1,305,626
Creditors: Amounts falling due within one year	8	<u>(3)</u>	<u>(3)</u>
Net current assets		<u>7,499,623</u>	<u>1,305,623</u>
Total assets less current liabilities		7,499,626	1,305,626
Creditors: Amounts falling due after more than one year	8	<u>(6,194,000)</u>	<u>-</u>
Net assets		<u>1,305,626</u>	<u>1,305,626</u>
Capital and reserves			
Called up share capital	10	93	93
Share premium reserve		<u>1,305,533</u>	<u>1,305,533</u>
Total equity		<u>1,305,626</u>	<u>1,305,626</u>

Approved and authorised by the Board on 28 June 2019 and signed on its behalf by:



Mr Peadar O'Reilly
Director

Praetura Asset Finance (Holdings) Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £	Share premium £	Total £
At 1 January 2018	93	1,305,533	1,305,626
At 31 December 2018	93	1,305,533	1,305,626
	Share capital £	Share premium £	Total £
At 1 January 2017	93	1,300,915	1,301,008
New share capital subscribed	-	4,618	4,618
At 31 December 2017	93	1,305,533	1,305,626

The notes on pages 10 to 17 form an integral part of these financial statements.
Page 9

Praetura Asset Finance (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

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 United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The following principal accounting policies have been applied:

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Praetura Asset Finance (Holdings) Limited as at 31 December 2017 and these financial statements may be obtained from the registered office..

Going concern

The company has net current assets of £7,499,626 as at 31 December 2018. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of (at least 12) months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Praetura Asset Finance (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Debtors

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

Borrowings

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Praetura Asset Finance (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

Tax

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset, or a group of financial assets, is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ('a loss event') and that loss event (or events) has an impact on estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset, or group of assets, is impaired includes observable data that comes to the attention of the Company about the following loss events:

- delinquency in contractual payments of principal or interest;
- cash flow difficulties;
- breach of loan covenants or conditions; and
- initiation of bankruptcy proceedings.

Praetura Asset Finance (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates.

In the application of the accounting policies management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historic experience and other factors that are considered to be relevant and are reviewed on an on-going basis.

Management have considered the key assumptions used to estimate the company's assets and liabilities as at the balance sheet date, and believe these assumptions to be entirely appropriate. The estimates and judgements most likely to have a significant effect are in the following areas:

Impairment loss provisions

Impairment provisions are made in respect of agreements where a loss event has occurred. The impairment provisions are deducted from the net investment in finance agreements. Management review agreements individually and an assessment of the recoverability of the balance is made based upon management's experience and knowledge of the customer and asset. The charge in the statement of income comprises write offs, recoveries and the movement in the impairment provision in the period.

The whole of the turnover is attributable to the principal activity of the company and all relates to the leasing of goods.

3 Auditors' remuneration

	2018	2017
	£	£
Audit of the financial statements	<u>2,000</u>	<u>2,000</u>
Other fees to auditors		
Taxation compliance services	<u>775</u>	<u>750</u>

During Audit and tax fees for the period were borne by the parent company.

4 Employees

None of the directors received any emoluments from the company during the current year (2017: Nil). All directors who served during the year were employed by the parent company and were remunerated through the parent company. The company had no employees during the current year (2017: Nil)

Praetura Asset Finance (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

5 Taxation

Total tax expense recognised in the profit and loss account

	2018	2017
	£	£
Current tax on income for the period	-	-
Total tax	-	-

The tax assessed for the year is the same (2017: same) as the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences is explained below:

	2018	2017
	£	£
Profit/(loss) before tax	-	-
Corporation tax at standard rate	-	-
Total tax charge/(credit)	-	-

A reduction in the UK Corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future tax charge accordingly.

Praetura Asset Finance (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

6 Investments in subsidiaries, joint ventures and associates

	2018 £	2017 £
Investments in subsidiaries	<u>3</u>	<u>3</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2018		<u>3</u>
At 31 December 2018		<u>3</u>
Provision		
At 1 January 2018		<u>-</u>
At 31 December 2018		<u>-</u>
Carrying amount		
At 31 December 2018		<u>3</u>
At 31 December 2017		<u>3</u>

Details of undertakings

Details of the investments are as follows:

Undertaking							Proportion of voting rights and shares held	
							2018	2017
Subsidiary undertakings								
Praetura Asset Finance Limited	Ewood House Walker Road, Guide, Blackburn, BB1 2QE	Ordinary	100%	100%				
Praetura Asset Finance (A) Limited	Ewood House Walker Road, Guide, Blackburn, BB1 2QE	Ordinary	100%	100%				
Praetura Asset Finance (L) Limited	Ewood House Walker Road, Guide, Blackburn, BB1 2QE	Ordinary	100%	100%				
Praetura Asset Finance (SB) Limited	Ewood House Walker Road, Guide, Blackburn, BB1 2QE	Ordinary	100%	100%				
Praetura Asset Finance (IFF) Limited	Ewood House Walker Road, Guide, Blackburn, BB1 2QE	Ordinary	100%	100%				
Praetura Asset Finance (BB) Limited	Ewood House Walker Road, Guide, Blackburn, BB1 2QE	Ordinary	100%	100%				

Praetura Asset Finance (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

7 Debtors

	Note	2018 £	2017 £
Amounts owed by related parties	14	7,498,822	1,304,798
Other debtors		<u>804</u>	<u>828</u>
Current debtors		<u>7,499,626</u>	<u>1,305,626</u>

8 Creditors

	Note	2018 £	2017 £
Due within one year			
Other creditors		<u>3</u>	<u>3</u>
Due after one year			
Loans and borrowings	9	<u>6,194,000</u>	<u>-</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand (subject to bank consent).

9 Loans and borrowings

Analysis and maturity of loans is given below:

	2018 £	2017 £
Amounts falling due after one year		
Other borrowings	<u>6,194,000</u>	<u>-</u>

The company had available to it a total debt facility of £15,000,000. Borrowings totalling £6,194,000 were outstanding under this facility as at 31 December 2018 (2017: £nil), with amounts being repayable on a repayment profile of monthly instalments.

The interest rates are not included in these accounts as they are deemed to be commercially sensitive.

Bank loans are secured by way of fixed and floating charges over the company's assets created on 27 December 2018.

10 Share capital

Allotted, called up and fully paid shares

Praetura Asset Finance (Holdings) Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

	2018		2017	
	No.	£	No.	£
Ordinary of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

11 Capital commitments

The company had no capital commitments at 31 December 2018 (2017: £nil).

12 Contingent liabilities

The company had no contingent liabilities at 31 December 2018 (2017: £Nil).

13 Financial assets and liabilities

The fair value of a financial instrument is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

All financial assets and liabilities recorded in the balance sheet are held at amortised cost.

It is considered that the carrying amount is a reasonable approximation of fair value for all financial assets and liabilities.

14 Related party transactions

The company has taken exemption under FRS 102 paragraph 33.1A 'Related Party Disclosures' not to disclose related party transactions with other group companies.

15 Controlling party

The company is a subsidiary undertaking of PAF Group Limited, incorporated in England and Wales. The ultimate parent company is PAF Group Limited, incorporated in England and Wales. The registered address for PAF Group Limited is 3rd Floor Giants Basin, Potato Wharf, Manchester, England, M3 4NB.

The largest and smallest group in which the results of the company are consolidated is that headed by PAF Group Limited. No other group financial statements include the results of the company. The consolidated financial statements of this group are available to the public and may be obtained from the company's registered office.