

**RACS COLLECTIVE (UK) LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE PERIOD ENDED 31 MARCH 2018**

THURSDAY



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COMPANIES HOUSE

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2018**

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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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2018**

	Note	31 March 2018 £	31 January 2017 £
<b>Fixed assets</b>			
Tangible assets	4	93,800	12,619
		<u>93,800</u>	<u>12,619</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	3,333,920	2,619,331
Cash at bank and in hand	6	3,897,288	541,675
		<u>7,231,208</u>	<u>3,161,006</u>
Creditors: amounts falling due within one year	7	(7,843,270)	(3,490,591)
<b>Net current liabilities</b>		<u>(612,062)</u>	<u>(329,585)</u>
<b>Total assets less current liabilities</b>		<u>(518,262)</u>	<u>(316,966)</u>
Creditors: amounts falling due after more than one year		(30,374)	-
<b>Net liabilities</b>		<u><u>(548,636)</u></u>	<u><u>(316,966)</u></u>
<b>Capital and reserves</b>			
Called up share capital		1,000	1,000
Profit and loss account		(549,636)	(317,966)
		<u><u>(548,636)</u></u>	<u><u>(316,966)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

  
**D Hughes**  
 Director

Date: 31 January 2019

The notes on pages 3 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**1. GENERAL INFORMATION**

RACS Collective (UK) Limited is a limited liability company incorporated in England and Wales. The registered office is RACS Group House, Three Horseshoes Walk, Warminster, BA12 9BT.

**2. ACCOUNTING POLICIES**

**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

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

The following principal accounting policies have been applied:

**2.2 GOING CONCERN**

RACS Collective (UK) has net liabilities of £508,781 at the year end. Included within creditors due within one year at the year end are amounts owed to group companies of £4,601,308. The directors have received confirmation that the repayment of this balance will not be sought for the foreseeable future, being at least 12 months from the date of the approval of these financial statements, if it is detrimental to the financial position of the company. The company is part of a wider group of companies headed up by Valyrian Limited. The group is undergoing a period of restructuring and change and the directors have prepared business plans and forecasts for the group as a whole which demonstrate the group is able to continue operating within its current facilities for the next 12 months. The directors have also obtained confirmation from Valyrian Limited and other group companies that support within the group will be forthcoming. Following the year end a fellow subsidiary company, Recruitment and Contractor Services Limited was put into liquidation. The liquidation of Recruitment and Contractor Services Limited is expected to result in a net improvement of the financial position of the Valyrian Limited group. Therefore the financial statements have been prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

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**2. ACCOUNTING POLICIES (continued)**

**2.3 REVENUE**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 INTEREST INCOME**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

**2.5 FINANCE COSTS**

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

**2.6 TANGIBLE FIXED ASSETS**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 25% Straight line
Computer equipment	- 33% Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**2. ACCOUNTING POLICIES (continued)**

**2.7 DEBTORS**

Short term 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.

**2.8 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.

**2.9 CREDITORS**

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

**2.10 FINANCIAL INSTRUMENTS**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**3. EMPLOYEES**

The Company has no employees other than the directors, who did not receive any remuneration (2017: £NIL).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**
**4. TANGIBLE FIXED ASSETS**

	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>COST OR VALUATION</b>			
At 1 April 2017	<b>16,370</b>	<b>-</b>	<b>16,370</b>
Additions	<b>16,721</b>	<b>76,933</b>	<b>93,654</b>
At 31 March 2018	<b>33,091</b>	<b>76,933</b>	<b>110,024</b>
<b>DEPRECIATION</b>			
At 1 April 2017	<b>3,751</b>	<b>-</b>	<b>3,751</b>
Charge for the period on owned assets	<b>6,662</b>	<b>5,811</b>	<b>12,473</b>
At 31 March 2018	<b>10,413</b>	<b>5,811</b>	<b>16,224</b>
<b>NET BOOK VALUE</b>			
At 31 March 2018	<b>22,678</b>	<b>71,122</b>	<b>93,800</b>
At 31 March 2017	<b>12,619</b>	<b>-</b>	<b>12,619</b>

**5. DEBTORS**

	<b>2018 £</b>	<b>2017 £</b>
Trade debtors	<b>1,689,731</b>	<b>2,503,340</b>
Amounts owed by group undertakings	<b>1,069,254</b>	<b>-</b>
Other debtors	<b>574,935</b>	<b>115,991</b>
	<b>3,333,920</b>	<b>2,619,331</b>

**6. CASH AND CASH EQUIVALENTS**

	<b>2018 £</b>	<b>2017 £</b>
Cash at bank and in hand	<b>3,897,288</b>	<b>541,675</b>
	<b>3,897,288</b>	<b>541,675</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade creditors	8,464	65,141
Amounts owed to group undertakings	4,458,741	-
Obligations under finance lease and hire purchase contracts	15,322	-
Other creditors	3,355,618	3,422,150
Accruals and deferred income	5,125	3,300
	<u>7,843,270</u>	<u>3,490,591</u>

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	30,374	-
	<u>30,374</u>	<u>-</u>

**9. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	15,322	-
Between 1-5 years	30,374	-
	<u>45,696</u>	<u>-</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2018**

**10. RELATED PARTY TRANSACTIONS**

During the year the company had transactions and balances outstanding at the year end with related companies as follows;

	2018 £	2017 £
Management charge from companies under common control	329,701	1,525,000
Amounts due to group companies	4,458,741	-
Amounts due from group companies	1,069,254	-
Amounts due from companies under common control	546,310	-
Amounts due to companies under common control	337,697	1,062,000

The management charges were made by a company which was included within the same group as RACS Collective (UK) at the year end, but was not within the same group at the time of the charges being made.

**11. CONTROLLING PARTY**

The ultimate parent undertaking from 19 March 2018 is Valyrian Limited, a company incorporated in England and Wales. Prior to this there was no parent undertaking.

There is no ultimate controlling party. Prior to 19 March 2018 the ultimate controlling party was T Hillier by virtue of his majority shareholding.

**12. AUDITORS' INFORMATION**

The auditors' report on the financial statements for the year ended 31 March 2018 was unqualified. The audit report was signed on 31 January 19 by Simon Morrison FCA (Senior statutory auditor) on behalf of Bishop Fleming Bath Limited.