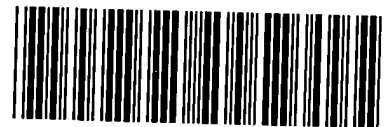


Company Registration No. 08008729 (England and Wales)

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

FRIDAY



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COMPANIES HOUSE

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Mr I Bell Mr R Ford Mrs K Vasu |
| Company number | 08008729 |
| Registered office | 40 Gracechurch Street London EC3V 0BT |
| Auditor | KPMG Audit LLP, Statutory Auditor Chartered Accountants 1 Sovereign Square Sovereign Street Leeds LS1 4DA |
| Business address | 40 Gracechurch Street London EC3V 0BT |

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

CONTENTS

| | Page |
|---|-------------|
| Directors' report | 1 - 2 |
| Independent auditor's report to the members of Prime Collateralised Securities (PCS) UK Limited | 3 - 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Notes to the financial statements | 7 - 12 |

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of Prime Collateralised Securities (PCS) UK Limited is the provision of labelling services to international fixed income debt securities market transactions.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr I Bell
Mr R Ford
Mrs K Vasu

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 and prudent; and
- 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.

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor is aware of that information.

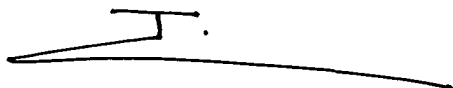
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

On behalf of the board

A handwritten signature in black ink, appearing to be 'I. Bell', with a long horizontal stroke extending to the right.

Mr I Bell
Director

14 June 2018

40 Gracechurch Street
London
EC3V 0BT

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

Opinion

We have audited the financial statements of Prime Collateralised Securities (PCS) UK Limited ("the company") for the year ended 31 December 2017, which comprise the Profit and Loss Account and Balance Sheet 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 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of 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.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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.

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

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 prepare the financial statements in accordance with the small companies regime and, take advantage of the small companies exemption in preparing the directors' report and 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 1, 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.

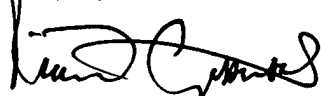
Auditor's responsibilities

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.

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 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.



Richard Gabbertás

(Senior Statutory Auditor)

for and on behalf of KPMG Audit LLP, Statutory Auditor

14 June 2018

Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

| | Notes | 2017 £ | 2016 £ |
|--|----------|------------------------|-------------------------|
| Turnover | | 825,996 | 765,882 |
| Cost of sales | | (160,665) | (185,977) |
| Gross profit | | <u>665,331</u> | <u>579,905</u> |
| Administrative expenses | | (726,805) | (706,094) |
| Operating loss | 2 | <u>(61,474)</u> | <u>(126,189)</u> |
| Interest receivable and similar income | | 13 | 9 |
| Interest payable and similar expenses | | (23) | - |
| Amounts written off investments | | (10,268) | (20,480) |
| Loss before taxation | | <u>(71,752)</u> | <u>(146,660)</u> |
| Tax on loss | | - | - |
| Loss for the financial year | | <u><u>(71,752)</u></u> | <u><u>(146,660)</u></u> |

The accompanying notes form an integral part of these financial statements.

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

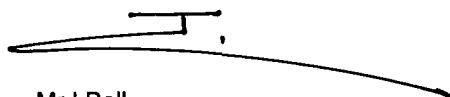
BALANCE SHEET

AS AT 31 DECEMBER 2017

| | Notes | 2017 £ | £ | 2016 £ | £ |
|--|-------|------------------|--------------------|------------------|--------------------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | 4,291 | | 3,191 |
| Current assets | | | | | |
| Debtors | 6 | 103,225 | | 151,914 | |
| Cash at bank and in hand | | 423,293 | | 486,557 | |
| | | <u>526,518</u> | | <u>638,471</u> | |
| Creditors: amounts falling due within one year | 7 | <u>(132,618)</u> | | <u>(171,719)</u> | |
| Net current assets | | | 393,900 | | 466,752 |
| Total assets less current liabilities | | | <u>398,191</u> | | <u>469,943</u> |
| Creditors: amounts falling due after more than one year | 8 | | (2,715,000) | | (2,715,000) |
| Net liabilities | | | <u>(2,316,809)</u> | | <u>(2,245,057)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 9 | | 1 | | 1 |
| Profit and loss reserves | | | (2,316,810) | | (2,245,058) |
| Total equity | | | <u>(2,316,809)</u> | | <u>(2,245,057)</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 14 June 2018 and are signed on its behalf by:



Mr I Bell
Director

Company Registration No. 08008729

The accompanying notes form an integral part of these financial statements.

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Prime Collateralised Securities (PCS) UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 40 Gracechurch Street, London, EC3V 0BT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for at least twelve months from the date of their approval.

At the year end date the company's balance sheet reports a net liabilities position.

The company is reliant for its day to day working capital requirements on its cash reserves and on the funding provided by its loan arrangements with PCS (Europe) and also on its licensing agreement with that same entity which allows for Prime Collateralised Securities (PCS) UK Limited future income generation.

The directors therefore feel that it is appropriate to prepare these financial statements on a going concern basis, as they are satisfied that all commitments over the next twelve months from the date of report can be met.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|----------------------------------|--------------------------------------|
| Plant and machinery | 25% of cost on a straight line basis |
| Fixtures, fittings and equipment | 15% on a written down basis |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest rate method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2 Operating loss

| | 2017 | 2016 |
|---|--------------|--------------|
| | £ | £ |
| Operating loss for the year is stated after charging/(crediting): | | |
| Fees payable to the company's auditor for the audit of the company's financial statements | 9,250 | 8,250 |
| | <u>9,250</u> | <u>8,250</u> |

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2016 - 4).

4 Tangible fixed assets

| | Plant and machinery | Fixtures, fittings and equipment | Total |
|------------------------------------|---------------------|----------------------------------|---------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 January 2017 | 8,113 | 4,139 | 12,252 |
| Additions | 3,026 | - | 3,026 |
| Disposals | (407) | - | (407) |
| At 31 December 2017 | <u>10,732</u> | <u>4,139</u> | <u>14,871</u> |
| Depreciation and impairment | | | |
| At 1 January 2017 | 6,980 | 2,081 | 9,061 |
| Depreciation charged in the year | 1,515 | 309 | 1,824 |
| Eliminated in respect of disposals | (305) | - | (305) |
| At 31 December 2017 | <u>8,190</u> | <u>2,390</u> | <u>10,580</u> |
| Carrying amount | | | |
| At 31 December 2017 | <u>2,542</u> | <u>1,749</u> | <u>4,291</u> |
| At 31 December 2016 | <u>1,133</u> | <u>2,058</u> | <u>3,191</u> |

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

5 Financial instruments

| | 2017 | 2016 |
|---|------|--------|
| | £ | £ |
| Carrying amount of financial liabilities | | |
| Measured at fair value through profit or loss | | |
| - Other financial liabilities | - | 20,480 |

6 Debtors

| | 2017 | 2016 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 70,969 | 118,708 |
| Other debtors | 8,394 | 7,910 |
| Prepayments and accrued income | 23,862 | 25,296 |
| | <u>103,225</u> | <u>151,914</u> |

7 Creditors: amounts falling due within one year

| | 2017 | 2016 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 54,595 | 80,760 |
| Other taxation and social security | 28,955 | 26,668 |
| Derivative financial instruments | - | 20,480 |
| Other creditors | 9,206 | 11,018 |
| Accruals and deferred income | 39,862 | 32,793 |
| | <u>132,618</u> | <u>171,719</u> |

8 Creditors: amounts falling due after more than one year

| | 2017 | 2016 |
|--|-----------|-----------|
| | £ | £ |
| Notes | | |
| Amount owed to Prime Collateralised Securities (PCS) | | |
| Europe ASBL | 2,715,000 | 2,715,000 |

The unsecured balance included in creditors falling due after more than one year is wholly repayable on 11 March 2040 or earlier by instalments dependant on the financial results of Prime Collateralised Securities (PCS) UK Limited.

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9 Called up share capital

| | 2017 | 2016 |
|---|----------|----------|
| | £ | £ |
| Ordinary share capital Issued and fully paid 1 Ordinary shares of £1 each | 1 | 1 |
| | <u>1</u> | <u>1</u> |

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

| 2017 | 2016 |
|--------|--------|
| £ | £ |
| 37,375 | 35,595 |

11 Directors' transactions

At the 31st December 2017 the company owed £1,074 to a director (2016: £526). No interest has been charged to the company in respect of this loan which is repayable on demand and classified in creditors due within one year.

12 Parent company

BNY Mellon is deemed to have control of the company by holding in trust 100% of the issued ordinary share capital. The registered office is 1 Canada Square, London E14 5AL.

There were no other transactions between Prime Collateralised Securities (PCS) UK Limited and BNY Mellon during this year.

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

UNAUDITED DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

| | | 2017 | | 2016 |
|---|-------------------|-----------------|-------------------|------------------|
| | £ | £ | £ | £ |
| Turnover | | | | |
| Sales - UK | | 187,845 | | 179,580 |
| Sales - Non UK | | 638,151 | | 586,302 |
| | | <u>825,996</u> | | <u>765,882</u> |
| Cost of sales | | | | |
| Purchases | 101,529 | | 120,812 | |
| Consultancy fees | 59,136 | | 65,165 | |
| | <u> </u> | (160,665) | <u> </u> | (185,977) |
| Gross profit | 80.55% | 665,331 | 75.72% | 579,905 |
| Administrative expenses | | (726,805) | | (706,094) |
| Operating loss | | <u>(61,474)</u> | | <u>(126,189)</u> |
| Investment revenues | | | | |
| Bank interest receivable | 13 | | 9 | |
| | <u> </u> | 13 | <u> </u> | 9 |
| Interest payable and similar expenses | | | | |
| Interest on overdue taxation - not financial liabilities | | (23) | | - |
| Other gains and losses | | | | |
| Gains and losses - Fair value gains or losses on derivatives in a designated fair value hedge | | (10,268) | | (20,480) |
| Loss before taxation | 8.69% | <u>(71,752)</u> | 19.15% | <u>(146,660)</u> |

PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

UNAUDITED SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2017

| | 2017 | 2016 |
|---|---------|---------|
| | £ | £ |
| Administrative expenses | | |
| Wages and salaries | 229,484 | 205,383 |
| Social security costs | 25,671 | 22,808 |
| Agency costs | - | 1,738 |
| Staff refreshments | 743 | 1,115 |
| Staff pension costs | 5,021 | 5,000 |
| Directors' remuneration | 271,827 | 263,509 |
| Directors' social security costs | 35,209 | 35,106 |
| Rent re operating leases | 48,053 | 47,460 |
| Service charge payable | 2,549 | 1,968 |
| Repairs and maintenance | 38 | 96 |
| Insurance | 16,959 | 15,301 |
| Computer running costs | 8,135 | 5,651 |
| Travelling and subsistence | 51,768 | 44,962 |
| Research periodicals and subscriptions | 609 | 2,394 |
| Legal and professional fees | 13 | - |
| Accountancy fees | 9,611 | 8,904 |
| Audit fees | 9,250 | 8,250 |
| Bank charges | 452 | 453 |
| Printing, postage and stationery | 2,769 | 2,495 |
| Conference fees | 5,534 | 5,242 |
| Telecommunications | 6,009 | 5,218 |
| Entertaining | 3,512 | 4,030 |
| Sundry expenses | 14 | 19 |
| Depreciation | 1,824 | 1,223 |
| Profit or loss on sale of tangible assets (non exceptional) | (647) | - |
| Profit or loss on foreign exchange | (7,602) | 17,769 |
| | <hr/> | <hr/> |
| | 726,805 | 706,094 |
| | <hr/> | <hr/> |
