

Company Registration No. 08008729 (England and Wales)

**PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

**PAGES FOR FILING WITH REGISTRAR**

# PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

## CONTENTS

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	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 8

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# PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	3		13,265		4,291
<b>Current assets</b>					
Debtors	4	232,325		103,225	
Cash at bank and in hand		410,087		423,293	
		<u>642,412</u>		<u>526,518</u>	
<b>Creditors: amounts falling due within one year</b>	5	<u>(121,801)</u>		<u>(132,618)</u>	
<b>Net current assets</b>			520,611		393,900
<b>Total assets less current liabilities</b>			<u>533,876</u>		<u>398,191</u>
<b>Creditors: amounts falling due after more than one year</b>	6		(2,715,000)		(2,715,000)
<b>Net liabilities</b>			<u>(2,181,124)</u>		<u>(2,316,809)</u>
<b>Capital and reserves</b>					
Called up share capital			1		1
Profit and loss reserves			(2,181,125)		(2,316,810)
<b>Total equity</b>			<u>(2,181,124)</u>		<u>(2,316,809)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

## **PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED**

### **BALANCE SHEET (CONTINUED)**

***AS AT 31 DECEMBER 2018***

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The financial statements were approved by the board of directors and authorised for issue on 10 May 2019 and are signed on its behalf by:

Mr I Bell  
**Director**

**Company Registration No. 08008729**

# PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 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 of £2,181,124 (2017 - £2,316,809).

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 2018

### 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 2018

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### 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 transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.9 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.

### 1.10 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 2018

### 1 Accounting policies

(Continued)

#### 1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

#### 1.12 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 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2017 - 4).

### 3 Tangible fixed assets

	Plant and fixtures, fittings machinery and equipment		Total
	£	£	£
<b>Cost</b>			
At 1 January 2018	10,732	4,139	14,871
Additions	13,329	316	13,645
Disposals	(1,350)	-	(1,350)
At 31 December 2018	22,711	4,455	27,166
<b>Depreciation and impairment</b>			
At 1 January 2018	8,190	2,390	10,580
Depreciation charged in the year	4,361	310	4,671
Eliminated in respect of disposals	(1,350)	-	(1,350)
At 31 December 2018	11,201	2,700	13,901
<b>Carrying amount</b>			
At 31 December 2018	11,510	1,755	13,265
At 31 December 2017	2,542	1,749	4,291



# PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

<b>4 Debtors</b>		
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	174,903	70,969
Other debtors	43,093	8,394
Prepayments and accrued income	14,329	23,862
	<u>232,325</u>	<u>103,225</u>

Included in other debtors is a balance of £29,887 (2017 - £0) which is owed from Prime Collateralised Securities (PCS) EU, a connected company.

<b>5 Creditors: amounts falling due within one year</b>		
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Trade creditors	37,925	54,595
Taxation and social security	41,448	28,955
Other creditors	8,660	9,206
Accruals and deferred income	33,768	39,862
	<u>121,801</u>	<u>132,618</u>

<b>6 Creditors: amounts falling due after more than one year</b>		
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Notes</b>		
Amount owed to Prime Collateralised Securities (PCS)		
Europe ASBL	<u>2,715,000</u>	<u>2,715,000</u>

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.

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	<u>2,715,000</u>	<u>2,715,000</u>
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# PRIME COLLATERALISED SECURITIES (PCS) UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 7 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:

2018	2017
£	£
66,775	37,375
<u>66,775</u>	<u>37,375</u>

### 8 Directors' transactions

Dividends totalling £0 (2017 - £0) were paid in the year in respect of shares held by the company's directors.

At the 31st December 2018 the company owed £97 to a director (2017 - £1,074). 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.

### 9 Parent company

Prime Collateralised Securities (PCS) Europe ASBL is deemed to have control of the company by holding 100% of the issued ordinary share capital, a company registered in Belgium with a single enterprise number of 0845.816.542. The registered office is 97 Rue Royale, 1000, Brussels, Belgium.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.