

# **PCF Group Holdings Limited**

## **Report and Financial Statements**

30 September 2016

## Company Information

### Directors

S D Maybury

R J Murray

D R Bull (appointed 3 August 2015)

Z R Kerse (resigned 31 July 2015)

### Company Secretary

R J Murray

### Registered Office

Pinners Hall

105-108 Old Broad Street

London

EC2N 1ER

### Registered No.

02794633

### Auditors

Ernst & Young LLP

25 Churchill Place

Canary Wharf

London E14 5EY

## Strategic Report

### Business Review

The Company is the holding company of a group of specialist finance companies engaged in the provision of finance for vehicles, plant and equipment for consumers and businesses. The Company does not trade itself.

### Principal risks and uncertainties

#### Treasury management

The Company is exposed to the liquidity and interest rate risk arising from the requirement to fund its operations. Liquidity risk is the risk arising from unplanned decreases or changes in funding sources. The Company funds itself through overdraft facilities repayable on demand and advances from other group companies which are unsecured, repayable on demand and interest free. The Company has minimal risk to income from changes in market interest rates. Facilities provided by banks and finance houses are at fixed and floating rates. Interest rate swaps are used to the extent considered appropriate, to reduce interest rate fluctuations. It is and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. The Company does not operate in, nor have exposure to, currencies other than pounds sterling.

#### Capital management

The Company's objective is to maintain a strong capital base to support its current operations and planned growth in line with relevant budgets. Capital base for these purposes comprises shareholders' equity. The Company is not subject to external regulatory capital requirements.

#### Funding

The Company's financial instruments include advances from another group company, PCF Group Limited, and overdraft facilities. The main purpose of these financial instruments is to raise finance to fund the Company's principal activities. Continued, sustainable growth is dependent on the Company seeking further debt facilities or increases to those already in place. The Company borrowings are not expected to increase significantly in the next year.

The main risks arising from the Company's financial instruments are detailed in the notes to the financial statements.

Approved by order of the Board on 27<sup>th</sup> April 2017



S D Maybury

Director

## **Directors' report**

The directors present their report and financial statements for the 18 month period ended 30 September 2016.

### **Results and dividends**

The Company profit for the period before taxation was £316,000 (2015 – loss of £250,000). The taxation charge for the period was £45,000 (2015 – £nil).

The directors do not recommend the payment of a final dividend (2015 – £nil).

### **Principal activities, business review and future developments**

The Company is a holding company.

### **Directors**

The directors of the Company during the period ended 30 September 2016 were those listed on page 1.

### **International Financial Reporting Standards ('IFRS')**

The results for the period ended 30 September 2016 have been prepared in accordance with IFRS and its interpretations issued by the International Accounting Standards Board, as adopted by the European Union.

### **Statement of going concern**

The Company's business activities, together with the factors likely to affect its future development and position are set out in the Strategic Report. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the Financial Statements.

The Company participates in the Group's centralised treasury arrangements and so shares banking arrangements with other Group companies. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Group and the Company to continue as a going concern or its ability to continue with the current banking arrangements.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

## Directors' report

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors Report and the financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards as adopted by the European Union.

Company law requires the directors to prepare Financial Statements for each financial year. Under that law the directors must not approve the Company Financial Statements unless they are satisfied they present fairly the financial position, financial performance and cash flows of the Company for that period. In preparing those Financial Statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors' and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance; and
- state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements.

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

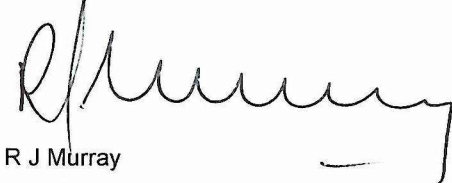
### Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Reappointment of auditors

A resolution to re-appoint Ernst & Young LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



R J Murray  
Director

# **Independent auditors' report**

## **to the members of PCF Group Holdings Limited**

We have audited the financial statements of PCF Group Holdings Limited for the period ended 30 September 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 7. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of directors' responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 September 2016 and of the Company's profit for the period then ended;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.



Michael-John Albert (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
28<sup>th</sup> April 2017

## Income statement

for the period ended 30 September 2016

		18 Months ended September 2016 £000	12 months ended March 2015 £000
	<i>Notes</i>		
Administrative expenses		(225)	-
<b>Operating loss</b>		(225)	-
<i>Dividends received</i>		541	
Loss on impairment of investments		-	(250)
<b>Profit/(loss) on ordinary activities before taxation</b>	2	316	(250)
<i>Income tax expense</i>		(45)	-
<b>Profit/(loss) for the period attributable to equity holders</b>		361	(250)

## Statement of comprehensive income

for the period ended 30 September 2016

	2016 £000	2015 £000
Profit/(loss) for the period	361	(250)
<b>Total comprehensive income for the period</b>	361	(250)



## Balance sheet

at 30 September 2016

	Notes	30 September 2016 £000	31 March 2015 £000
<b>Non-current assets</b>			
Investment in subsidiary undertakings	3	2,504	2,504
<b>Total assets</b>		<u>2,504</u>	<u>2,504</u>
<b>Current liabilities</b>			
Amounts due to group companies	6	1,386	1,747
<b>Total liabilities</b>		<u>1,386</u>	<u>1,747</u>
<b>Net assets</b>		<u>1,118</u>	<u>757</u>
<b>Capital and reserves</b>			
Issued share capital	4	298	298
Profit and loss account	5	820	459
<b>Shareholders' equity</b>		<u>1,118</u>	<u>757</u>

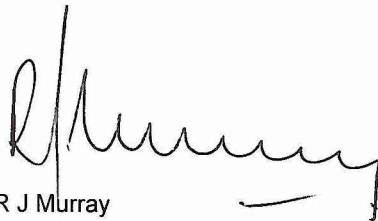
Signed on behalf of the Board of Directors by:



S D Maybury

Director

27<sup>th</sup> April 2017



R J Murray

Director

## Statement of changes in equity

for the period ended 30 September 2016

	2016 £000	2015 £000
<b>Total comprehensive income for the period</b>	361	(250)
Net increase in shareholders' equity	361	(250)
Opening shareholders' equity	757	1,007
<b>Closing shareholders equity</b>	<b>1,118</b>	<b>757</b>

## Statement of cash flows

for the period ended 30 September 2016

	2016 £000	2015 £000
<b>Cash flows from operating activities</b>		
Loss before taxation	(225)	(250)
Loss on impairment of investments	-	250
<b>Net cash flows from operating activities</b>	<b>(225)</b>	<b>-</b>
<b>Cash flows from investing activities</b>		
Increase in investments	-	(964)
Dividends received	541	-
<b>Net cash flows used in investing activities</b>	<b>541</b>	<b>(964)</b>
<b>Cash flows from financing activities</b>		
(Repayment)/Proceeds from borrowings	(316)	964
<b>Net cash flows from financing activities</b>	<b>(316)</b>	<b>964</b>
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of the period	-	-
<b>Cash and cash equivalents at end of the period</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements

at 30 September 2016

### 1. Accounting policies

#### General information

PCF Group Holdings Limited ('the Company') is a company domiciled in the United Kingdom.

The Company is a holding company.

#### Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union, interpretations issued by the International Accounting Standards Board ('IASB') and the Companies Act 2006.

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The financial statements are presented in pounds sterling and all values are rounded to the nearest thousand (£'000), except where otherwise indicated.

The Company is exempt from preparing group Financial Statements by virtue of s400 CA 2006 as the Company is part of a larger group with the ultimate parent company preparing group Financial Statements.

#### Changes in accounting policies

The accounting policies adopted are consistent with those used in the previous financial year except that the Company has adopted all standards, amendments and interpretations which became effective during the period. The adoption of these standards, amendments and interpretations did not have any effect on the financial position or performance of the Company but have resulted in additional disclosures.

#### Significant accounting judgments, estimates and assumptions

The preparation of Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors which are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates.

### Summary of significant accounting policies

#### Investment in subsidiary undertakings

Investments in subsidiary undertakings are initially recognised at cost. The Company recognises income from the investment only to the extent that receives distributions from post-acquisition accumulated profits. Distributions received in excess of such profits are regarded as a recovery of investment and recognised as a reduction in the cost of the investment.

At each reporting date, an assessment is made as to whether there is any indication that the investment may be impaired. If such an indication exists, the Company estimates the investment's recoverable amount. The recoverable amount is the higher of the asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The investment is written down to the recoverable amount if this is lower than its carrying value. The impairment loss is recognised in the Company's income statement.

# Notes to the financial statements

at 30 September 2016

## 1. Accounting policies (continued)

### *De-recognition of financial assets and liabilities*

#### *Financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

#### *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

#### *Taxes*

##### *Current tax*

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using rates of tax that have been enacted, or substantially enacted, by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Income Statement.

### *Future changes in accounting policies*

The following accounting standards, amendments and interpretations issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee are effective for the Group's accounting periods beginning on or after 1 April 2015:

	<i>Effective from:</i>
• IFRS 2 (amendment) 'Share Based Payments'	1 January 2018
• IFRS 9 'Financial Instruments'	1 January 2018
• IFRS 11 (amendment) 'Joint Arrangements'	1 January 2016
• IFRS 15 'Revenue from Contracts with Customers'	1 January 2018
• IAS 7 (amendment) 'Disclosure Initiative'	1 January 2017
• IAS 12 (amendment) 'Recognition of Deferred Tax Asset for Unrecognised Losses'	1 January 2017
• IAS 16 (amendment) 'Property Plant and Equipment'	1 January 2016
• IAS 38 (amendment) 'Intangible Assets'	1 January 2016

Adoption of these standards and interpretations is not expected to have a material impact on the Company Financial Statements.

## Notes to the financial statements

at 30 September 2016

### 2. Profit on ordinary activities before taxation

#### Audit Fees

Audit fees were paid by the ultimate parent undertaking in the period and recharged accordingly through administrative expenses. Audit fees were approximately £5,000, but were recharged to another Group Company.

#### Directors' emoluments and staff costs

Staff salaries were paid by the ultimate parent undertaking in the period and recharged accordingly through administrative expenses. Directors' emoluments were nil.

### 3. Investments

The subsidiary undertakings of PCF Group Holdings Limited at 30 September 2016, all of which are incorporated and operate in the United Kingdom and are registered in England and Wales, were as follows:

<i>Name of company</i>	<i>Proportion held</i>	<i>Nature of business</i>
AMC Trust Limited	100%	Holding Company
PCF Group Limited	100%	Holding Company
PCF Asset Finance	100%	Hire Purchase
PCF Business Finance Limited	100%	Hire Purchase
PCF Leasing Limited	100%	Leasing
PCF Credit Limited	100%	Hire Purchase and Leasing

All the companies have an accounting reference date of 30 September.

	<i>Investment in subsidiary undertakings</i>
	<i>£000</i>
Cost and net book value at 1 April 2015	2,504
Cost and net book value at 30 September 2016	2,504

It is the opinion of the directors that the recoverable amount of the Company's investment in subsidiary undertakings is not less than the amount at which it is stated in the Company financial statements.

### 4. Share capital

	<i>Number</i>	<i>£000</i>
<i>Authorised ordinary shares</i>		
At 1 April 2014, 1 April 2015 and 30 September 2016 – £1 each	63,000,000	63,000
<i>Allotted and fully paid ordinary shares</i>		
At 1 April 2014, 1 April 2015 and 30 September 2016 – £1 each	298,104	298

## Notes to the financial statements

at 30 September 2016

### 5. Reconciliation of changes in reserves

	<i>Profit and loss account</i>
At 1 April 2014	709
Total recognised income and expense for the period	(250)
At 1 April 2015	459
Total recognised income and expense for the period	361
At 30 September 2016	820

### 6. Related parties

These are the following outstanding balances with other Group companies:

	<i>2016</i>	<i>2015</i>
	<i>£000</i>	<i>£000</i>
Amount due to other Group companies	1,386	1,747

These balances are unsecured and repayable on demand. There were no other material related party transactions.

#### Ultimate Parent Company

The Company's parent undertaking is Private & Commercial Finance Group plc, a company incorporated in England and Wales. Private & Commercial Finance Group plc is both the smallest and largest group of which the Company is a member and for which group financial statements are prepared. Group financial statements are available from its registered office: Pinners Hall, 105-108 Old Broad Street, London, EC2N 1ER.

### 7. Events after the balance sheet date

PCF Group Holdings Limited was authorised as a bank on 6 December 2016 following approval from the FCA and PRA. No other information has been identified since the balance sheet date about conditions existing at the balance sheet date which is required to be disclosed in these financial statements.