

**Pucklechurch Custodial Services Limited**  
**Annual Report and Financial Statements**  
**31 December 2018**



# **Pucklechurch Custodial Services Limited**

## **Annual Report and Financial Statements**

**Year Ended 31 December 2018**

<b>Contents</b>	<b>Page</b>
Officers and Professional Advisers	<b>1</b>
Strategic Report	<b>2</b>
Directors' Report	<b>3</b>
Directors' Responsibilities Statement	<b>4</b>
Independent Auditors' Report to the Members of Pucklechurch Custodial Services Limited	<b>5</b>
Statement of Comprehensive Income	<b>8</b>
Statement of Financial Position	<b>9</b>
Statement of Changes in Equity	<b>10</b>
Notes to the Annual Report and Financial Statements	<b>11</b>

# **Pucklechurch Custodial Services Limited**

## **Officers and Professional Advisers**

### **The Board of Directors**

Graham Baldock  
John Cavill  
Philip Ashbrook (Resigned 29 June 2018)  
Peter Sheldrake (Appointed 29 June 2018)

### **Company Secretary**

Infrastructure Managers Limited

### **Registered Office**

Cannon Place  
78 Cannon Street  
London  
EC4N 6AF

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
Level 4  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX

### **Bankers**

Bank of Scotland  
The Mound  
Edinburgh  
EH1 1YZ

# **Pucklechurch Custodial Services Limited**

## **Strategic Report**

### **Year Ended 31 December 2018**

The Directors present their strategic report on Pucklechurch Custodial Services Limited ("the Company") for the year ended 31 December 2018.

#### **Principal Objectives and Strategies**

The Company's major activity is the financing, design, construction and subsequent operation of HMP Ashfield at Pucklechurch, under the Government's Private Finance Initiative (PFI) Scheme. The contract is in year 19 of a concession ending on 1 November 2024.

#### **Review of the Business**

As the Company is in the full operational phase it faces operational risks and actively monitors financial performance against financial models. During the year the Company was fully compliant with the contractual terms and incurred no penalty points. From a financial perspective the Company has been performing well and, up to the date the senior loans were repaid, was compliant with the covenants laid out in the Group loan agreement.

The Company has performed in line with the directors' expectations and model forecasts with the results for the year detailed in the Directors' Report.

#### **Future Developments**

The directors intend for the business to continue to operate in line with the financial forecast model, contractual terms and do not expect any strategic changes.

#### **Key Performance Indicators**

The performance of the Company from a cash perspective is assessed six monthly on a Group basis. The directors believe that future analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the performance or position of the Company.

#### **Financial Instruments**

Due to the nature of the Company's business, the financial risks the directors consider relevant to this Company are price, credit, cash flow and liquidity risk. The credit risk is not considered significant as the client is a quasi governmental organisation.


##### **Price risk**

The Company's price risk is managed through a twenty five year project agreement with the Ministry of Justice providing for payments that are fixed subject to performance and inflation indexation and through sub-contracts with suppliers that largely mirror the provisions of the project agreement with the Ministry of Justice.

##### **Cash Flow and Liquidity risk**

Cash flows are generated on the availability of the prison and from the operational management and maintenance of the facility. The project concession cash-flows are secured under contract from the Ministry of Justice, a government body.

This report was approved by the board of directors on ...14 JUNE 2019... and signed by order of the board by:



Peter Sheldrake  
Director

# **Pucklechurch Custodial Services Limited**

## **Directors' Report**

### **Year Ended 31 December 2018**

The directors present their report and the audited Annual Report and Financial Statements of the Company for the year ended 31 December 2018.

#### **Directors**

The directors who served the Company during the year and up to the date of this report were as follows:

Graham Baldock  
John Cavill  
Philip Ashbrook  
Peter Sheldrake

#### **Dividends**

Particulars of dividends paid are detailed in note 9 to the financial statements.

#### **Performance Review**

The profit for the financial year, after taxation, amounted to £211,517 (2017: £66,599).

The profit for the financial year will be transferred to reserves.

The directors are satisfied with the overall performance of the Company and do not foresee any significant change in the Company's activities in the coming financial year.

#### **Disclosure of Information to Auditors**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The auditors are deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 14 JUNE 2019 and signed by order of the board by:



Infrastructure Managers Limited  
Company Secretary

# **Pucklechurch Custodial Services Limited**

## **Directors' Responsibilities Statement**

### **Year Ended 31 December 2018**

The directors are responsible for preparing the Strategic Report, Directors' Report and the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the Annual Report and Financial Statements for each financial year. Under that law the directors have prepared the Annual Report and Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), and applicable law).

Under company law the directors must not approve the Annual Report and Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing the Annual Report and Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the Annual Report and Financial Statements; and
- prepare the Annual Report and 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 enable them to ensure that the Annual Report and 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.

# **Pucklechurch Custodial Services Limited**

## **Independent Auditors' Report to the Members of Pucklechurch Custodial Services Limited**

**Year Ended 31 December 2018**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

In our opinion, Pucklechurch Custodial Services Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions Relating to Going Concern**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company's trade, suppliers and the wider economy.

# **Pucklechurch Custodial Services Limited**

## **Independent Auditors' Report to the Members of Pucklechurch Custodial Services Limited** *(continued)*

**Year Ended 31 December 2018**

### **Reporting on Other Information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### **Strategic Report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

### **Responsibilities for the Financial Statements and the Audit**

#### **Responsibilities of the Directors for the Financial Statements**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

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



# **Pucklechurch Custodial Services Limited**

## **Independent Auditors' Report to the Members of Pucklechurch Custodial Services Limited** *(continued)*

### **Year Ended 31 December 2018**

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of This Report**

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Other Required Reporting**

##### **Companies Act 2006 Exception Reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Paul Cheshire (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
Edinburgh

14 June 2019

# **Pucklechurch Custodial Services Limited**

## **Statement of Comprehensive Income**

**Year Ended 31 December 2018**

	Note	2018 £	2017 £
<b>Turnover</b>	<b>4</b>	<b>11,600,924</b>	11,240,600
Cost of sales		<u>(11,600,924)</u>	<u>(11,240,600)</u>
<b>Gross profit</b>		<b>—</b>	<b>—</b>
Administrative expenses		<u>(40,203)</u>	<u>(38,217)</u>
<b>Operating loss</b>	<b>5</b>	<b>(40,203)</b>	(38,217)
Other interest receivable and similar income	<b>7</b>	<u>410,027</u>	492,204
<b>Profit before taxation</b>		<b>369,824</b>	453,987
Tax on profit	<b>8</b>	<u>(158,307)</u>	<u>(387,388)</u>
<b>Profit for the financial year and total comprehensive income</b>		<b><u>211,517</u></b>	<b><u>66,599</u></b>

All the activities of the Company are from continuing operations.

The notes on pages 11 to 18 form part of the Annual Report and Financial Statements.

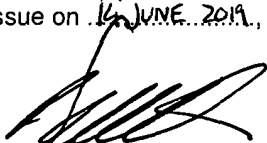
# Pucklechurch Custodial Services Limited

## Statement of Financial Position

As at 31 December 2018

	Note	2018 £	2017 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	2,089,717	1,968,077
Debtors: amounts falling due after more than one year	10	2,274,664	3,190,017
Cash at bank and in hand		525,260	449,934
		<u>4,889,641</u>	<u>5,608,028</u>
<b>Creditors: amounts falling due within one year</b>	11	(1,337,267)	(1,339,170)
<b>Net current assets</b>		<u>3,552,374</u>	<u>4,268,858</u>
<b>Total assets less current liabilities</b>		<u>3,552,374</u>	<u>4,268,858</u>
<b>Provisions for liabilities</b>			
Taxation including deferred taxation	12	(238,153)	(301,492)
<b>Net assets</b>		<u>3,314,221</u>	<u>3,967,366</u>
<b>Capital and reserves</b>			
Called up share capital	14	200,000	200,000
Retained earnings	15	3,114,221	3,767,366
<b>Total shareholders' funds</b>		<u>3,314,221</u>	<u>3,967,366</u>

The Annual Report and Financial Statements were approved by the board of directors and authorised for issue on 14 JUNE 2019, and are signed on behalf of the board by:



Peter Sheldrake  
Director

Company registration number: 03403669

The notes on pages 11 to 18 form part of the Annual Report and Financial Statements.

# Pucklechurch Custodial Services Limited

## Statement of Changes in Equity

Year Ended 31 December 2018

		Called up share capital £	Retained earnings £	Total £
<b>At 1 January 2017</b>		200,000	5,150,767	5,350,767
Profit for the financial year			66,599	66,599
<b>Total comprehensive income for the year</b>		—	66,599	66,599
Dividends paid and payable	9	—	(1,450,000)	(1,450,000)
<b>Total investments by and distributions to owners</b>		—	(1,450,000)	(1,450,000)
<b>At 31 December 2017</b>		200,000	3,767,366	<b>3,967,366</b>
Profit for the financial year			211,517	<b>211,517</b>
<b>Total comprehensive income for the year</b>		—	211,517	<b>211,517</b>
Dividends paid and payable	9	—	(864,662)	<b>(864,662)</b>
<b>Total investments by and distributions to owners</b>		—	(864,662)	<b>(864,662)</b>
<b>At 31 December 2018</b>		<u>200,000</u>	<u>3,114,221</u>	<u><b>3,314,221</b></u>

The notes on pages 11 to 18 form part of the Annual Report and Financial Statements.

# **Pucklechurch Custodial Services Limited**

## **Notes to the Annual Report and Financial Statements**

### **Year Ended 31 December 2018**

#### **1. General Information**

Pucklechurch Custodial Services Limited ('the Company') is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is Cannon Place, 78 Cannon Street, London, EC4N 6AF.

The Company's principal activity is the design, construction, management and finance of HMP & YOI Ashfield at Pucklechurch.

The Company's functional and presentation currency is the pound sterling.

#### **2. Statement of Compliance**

The individual financial statements of Pucklechurch Custodial Services Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **3. Accounting Policies**

##### **(a) Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further in the accounting policies.

The accounting policies stated below have been consistently applied to the years presented, unless otherwise stated.

##### **(b) Disclosure exemptions**

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of BIIF Holdco Limited which can be obtained from the Company Secretary at Cannon Place, 78 Cannon Street, London, EC4N 6AF. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

The company is wholly owned by BIIF Holdco Limited and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

# **Pucklechurch Custodial Services Limited**

## **Notes to the Annual Report and Financial Statements** *(continued)*

### **Year Ended 31 December 2018**

#### **3. Accounting Policies** *(continued)*

##### **(c) Judgments and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty are as follows:

##### **i) Impairment of assets**

The carrying value of those assets recorded in the Company's Statement of Financial Position, at amortised cost, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and/or value in use of the potentially impaired asset or assets and compares that with the carrying value of the asset or assets in the Statement of Financial Position. Any reduction in value arising from such a review would be recorded in the Statement of Comprehensive Income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

##### **(d) Revenue recognition**

Turnover represents income from services provided under the service concession agreement.

# **Pucklechurch Custodial Services Limited**

## **Notes to the Annual Report and Financial Statements** *(continued)*

### **Year Ended 31 December 2018**

#### **3. Accounting Policies** *(continued)*

##### **(e) Income tax**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### **i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### **ii) Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is also recognised on the revaluations of derivative financial instruments, with the movements going through the Statement of Comprehensive Income.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the deferred tax asset or liability.

##### **(f) Finance debtor**

The Company has taken the transition exemption in FRS 102 Section 35.10(i) that allows the Company to continue the service concession arrangement accounting policies from previous UK GAAP.

The Company is accounting for the concession asset based on the ability to substantially transfer all the risks and rewards of ownership to the customer, with this arrangement the costs incurred by the Company on the design and construction of the assets have been treated as a finance debtor within these financial statements.

##### **(g) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less and bank overdrafts.

# **Pucklechurch Custodial Services Limited**

## **Notes to the Annual Report and Financial Statements** *(continued)*

### **Year Ended 31 December 2018**

#### **3. Accounting Policies** *(continued)*

##### **(h) Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the Statement of Financial Position and the amount of the provision as an expense. Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset.

##### **(i) Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price and subsequently at amortised cost, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the Statement of Comprehensive Income, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in the Statement of Comprehensive Income immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised. 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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Statement of Financial Position. Finance costs and gains or losses relating to financial liabilities are included in the Statement of Comprehensive Income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.



# Pucklechurch Custodial Services Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year Ended 31 December 2018

#### 4. Turnover

Turnover arises from:

	2018	2017
	£	£
Rendering of services	<u>11,600,924</u>	<u>11,240,600</u>

The whole of the turnover is attributable to the principal activity of the Company wholly undertaken in the United Kingdom.

#### 5. Operating Loss

Operating profit or loss is stated after charging:

	2018	2017
	£	£
Fees payable for the audit of the annual report and financial statements	<u>7,885</u>	<u>7,655</u>

#### 6. Particulars of Employees and Directors

The average number of persons employed by the Company during the financial year, including the directors, amounted to nil (2017: nil). The directors did not receive any remuneration from the Company during the year (2017: £nil).

#### 7. Other Interest Receivable and Similar Income

	2018	2017
	£	£
Interest on cash and cash equivalents	5,255	1,357
Interest received on finance debtor	<u>404,772</u>	<u>490,847</u>
	<u>410,027</u>	<u>492,204</u>

#### 8. Tax on Profit

##### Major components of tax expense

	2018	2017
	£	£
<b>Current tax:</b>		
UK current tax expense	221,645	292,320
Adjustment in respect of previous periods	—	180,096
Total current tax	<u>221,645</u>	<u>472,416</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>(63,338)</u>	<u>(85,028)</u>
<b>Tax on profit</b>	<u>158,307</u>	<u>387,388</u>

# Pucklechurch Custodial Services Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year Ended 31 December 2018

#### 8. Tax on Profit *(continued)*

##### Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

	2018	2017
	£	£
Profit before taxation	<b>369,824</b>	453,987
Profit by rate of tax	<b>70,267</b>	87,377
Adjustment to tax charge in respect of prior periods	–	180,096
Effect of expenses not deductible for tax purposes	<b>80,589</b>	108,679
Impact of change in tax rates	<b>7,451</b>	11,236
Total tax charge	<b>158,307</b>	387,388

Adjustments to the tax charge in respect of prior periods relates to amounts owed to group entities for losses received.

#### 9. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2018	2017
	£	£
Interim dividend of £4.32 (2017: £7.25) per ordinary share	<b>864,662</b>	1,450,000

#### 10. Debtors

Debtors amounts falling due within one year are as follows:

	2018	2017
	£	£
Prepayments and accrued income	<b>1,161,657</b>	1,097,351
Finance debtor	<b>921,832</b>	840,535
Other debtors	<b>6,228</b>	30,191
	<b>2,089,717</b>	1,968,077

Debtors amounts falling due after more than one year are as follows:

	2018	2017
	£	£
Finance debtor	<b>2,274,664</b>	3,190,017

The movement in the finance debtor is analysed as follows:

	2018	2017
	£	£
At beginning of year	<b>4,030,552</b>	5,158,748
Repayments	<b>(834,056)</b>	(1,128,196)
At end of year	<b>3,196,496</b>	4,030,552

# Pucklechurch Custodial Services Limited

## Notes to the Annual Report and Financial Statements *(continued)*

### Year Ended 31 December 2018

#### 11. Creditors: amounts falling due within one year

	2018	2017
	£	£
Accruals and deferred income	1,111,476	1,046,886
Taxation and social security	4,181	—
Amounts owed to Group undertakings	221,610	292,284
	<u>1,337,267</u>	<u>1,339,170</u>

The amounts owed to Group undertakings relate to Group Relief which is repayable on demand.

#### 12. Provisions for Liabilities

	Deferred tax (note 13)
	£
At 1 January 2018	301,492
Deferred tax	(63,339)
<b>At 31 December 2018</b>	<u><b>238,153</b></u>

#### 13. Deferred Tax

The deferred tax included in the statement of financial position is as follows:

	2018	2017
	£	£
Included in provisions for liabilities (note 12)	<u>238,153</u>	<u>301,492</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2018	2017
	£	£
Accelerated capital allowances	<u>238,153</u>	<u>301,492</u>

The net deferred tax liability expected to reverse in 2019 is £72,066 (2018: £95,000). This relates to the reversal of timing differences on capital allowances.

	2018
	£
Opening balance	301,492
Movement through the profit or loss	(63,339)
<b>Closing balance</b>	<u><b>238,153</b></u>

#### 14. Called Up Share Capital

##### Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

#### 15. Reserves

Retained earnings - This reserve records retained earnings and accumulated losses.

# **Pucklechurch Custodial Services Limited**

## **Notes to the Annual Report and Financial Statements** *(continued)*

### **Year Ended 31 December 2018**

#### **16. Related Party Transactions**

The Company is wholly owned by BIIF Holdco Limited and has taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures', that allows it not to disclose transactions with wholly owned members of a group.

#### **17. Controlling Party**

The immediate parent undertaking is Premier Custodial Investments Limited.

The intermediate parent undertaking is BIIF Holdco Limited, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of BIIF Holdco Limited consolidated financial statements can be obtained from the Company Secretary at Cannon Place, 78 Cannon Street, London, EC4N 6AF.

The ultimate parent and controlling party is BIIF L.P. BIIF L.P. is owned by a number of investors with no one investor having individual control.