

**Company Registration No. 04108794**

**PRIMARY CAPITAL II (FINANCE) LIMITED**

**Annual Report and Financial Statements  
for the year ended 31 December 2018**

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# **PRIMARY CAPITAL II (FINANCE) LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS 2018**

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# **PRIMARY CAPITAL II (FINANCE) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

N A Wallace  
G Heddle  
S Lloyd  
R Foreman

### **SECRETARY**

S Lloyd

### **BUSINESS ADDRESS**

Augustine House  
Austin Friars  
London  
EC2N 2HA

### **REGISTERED OFFICE**

Augustine House  
Austin Friars  
London  
EC2N 2HA

### **BANKER**

Lloyds Bank Plc  
25 Gresham Street  
London  
EC2V 7HN

### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
2 New Street Square  
London  
EC4A 3BZ

## **PRIMARY CAPITAL II (FINANCE) LIMITED**

### **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

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

### **ACTIVITIES AND BUSINESS REVIEW**

The primary role of Primary Capital II (Finance) Limited (the "Company") is the provision of short term funding facilities to Primary Capital II (Nominees) Limited and the Primary Capital II fund (the "Fund").

Following the realisation of the remaining investment in the Fund during 2018, the Fund is now in liquidation phase and will commence winding up. This will lead to the winding up of Primary Capital II (Nominees) Limited and consequently the Company.

### **GOING CONCERN**

As detailed in Note 1 the Fund and Primary Capital II (Nominees) Limited's financial statements have been prepared on a basis other than going concern and the Directors have concluded that the Company's financial statements should also be prepared on a basis other than going concern.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk to the Company is financial risk which it is exposed to through its relationship to the Fund and its reliance on the continuing operation of the Fund. The most important components of its financial risk are credit risk and liquidity risk.

#### **Credit Risk**

Credit risk is the risk that the counterparty will be unable to pay amounts in full when due. Management monitors exposure to credit risk through regular review of credit exposure, assessing creditworthiness of counter parties and true and fair estimates of provision for doubtful debts. Due to the nature of its financial assets, the Company believes it is not exposed to any major concentration of credit risk.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its financial requirements. To guard against this risk, assets are managed with liquidity in mind maintaining a balance of cash and cash equivalents. The maturity profile is monitored to ensure adequate liquidity is maintained.

### **RESULTS AND DIVIDEND**

The results for the year are shown in the profit and loss account on page 6. The directors do not recommend the payment of a dividend (2017: £nil).

### **DIRECTORS**

The Directors of the company throughout the year and up to the date of this report were as follows:

N A Wallace  
G Heddle  
S Lloyd  
R Foreman

## **PRIMARY CAPITAL II (FINANCE) LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **AUDITOR**

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

(1) so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to section 485-488 of Companies Act 2006, the company has passed an elective resolution to dispense with the requirement to appoint auditors annually. Therefore Deloitte LLP are deemed to continue as auditor.

The company has not prepared a strategic report in accordance with the small companies exemption.

Approved by the Board of Directors  
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'Simon Lloyd', with a horizontal line underneath.

Simon Lloyd

Director

15 August 2019

## **PRIMARY CAPITAL II (FINANCE) LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulations.

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

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

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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARY CAPITAL II (FINANCE) LIMITED**

## **Report on the audit of the financial statements**

### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of the result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 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.

We have audited the financial statements of Primary Capital II (Finance) Limited (the "company") which comprise:

- the profit and loss account;
- the balance sheet; and
- the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standards 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter - Financial statements prepared other than on a going concern basis**

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in respect of these matters.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARY CAPITAL II (FINANCE) LIMITED (CONTINUED)**

### **Auditor's 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 auditor's 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.

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

### **Use of our report**

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.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

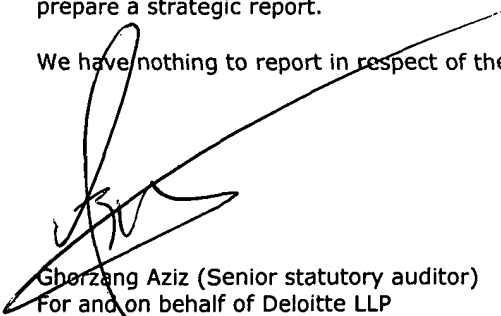
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters 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 financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



Ghorzang Aziz (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
15 August 2019



## PRIMARY CAPITAL II (FINANCE) LIMITED

### PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2018

	Notes	2018 £	2017 £
<b>TURNOVER</b>	4	-	42
Administrative expenses		-	(42)
<b>OPERATING RESULT</b>		-	-
<b>RESULT BEFORE TAXATION</b>		-	-
Tax on result		-	-
<b>RESULT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY</b>		-	-

The accompanying notes on page 9 & 10 are an integral part of these accounts.

The results of the company relate solely to discontinued operations.

There were no recognised gains and losses in the current period other than the loss shown above and therefore a statement of other comprehensive income has not been prepared.

## PRIMARY CAPITAL II (FINANCE) LIMITED

### BALANCE SHEET As at 31 December 2018

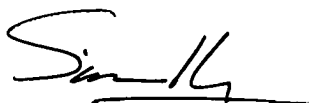
	Notes	2018 £	2017 £
<b>CURRENT ASSETS</b>			
Debtors	5	3	3
		<u>3</u>	<u>3</u>
<b>NET CURRENT ASSETS</b>		<u>3</u>	<u>3</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital not paid	6	3	3
		<u>3</u>	<u>3</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>3</u>	<u>3</u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accompanying notes on page 9 & 10 are an integral part of these accounts.

The financial statements of Primary Capital II (Finance) Limited (registered number: 04108794) were approved and authorised for issue by the Board of Directors on 15 August 2019.

Signed on behalf of the Board of Directors



Simon Lloyd

Director

## PRIMARY CAPITAL II (FINANCE) LIMITED

### NOTES TO THE ACCOUNTS

For the year ended 31 December 2018

#### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards and under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

As permitted by section 1A of FRS 102, the Company has elected not to prepare a statement of cash flows and statement of changes in equity.

##### Company Information

Primary Capital II (Finance) Limited is a limited company incorporated in the UK under the Companies Act 2006 and registered in England and Wales. The Company is a private company limited by shares. The registered office and number are noted on page 1 and the cover respectively.

##### Going concern

The Company provided short term funding facilities to Primary Capital II (Nominees) Limited. However the Primary Capital II fund is now in liquidation phase and will commence winding up following the sale of the remaining investments. The Primary Capital II fund's and Primary Capital II (Nominees) Limited's financial statements have been prepared on a basis other than going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

The Company will be wound up at the same time as Primary Capital II (Nominees) Limited and therefore these financial statements have also been prepared on a basis other than going concern as the Directors have concluded that the Company should no longer be considered as a going concern.

##### Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured at fair value, net of transaction costs.

#### 2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Due to the nature of the Company's business and having considered the key sources of income and expenditure, balance sheet items and the Company's accounting policies, the Directors do not believe there are any critical accounting judgements or key sources of estimation uncertainty.

#### 3. PROFIT AND LOSS ACCOUNT

The company did not employ any staff during the period (2017: none) and no director received remuneration in respect of services to the company (2017: £nil). Audit costs for the period of £1,500 (2017: £1,100) relating to the audit of the Company's annual accounts were borne by Primary Capital II.

#### 4. TURNOVER

Turnover represents the annual charge made to Primary Capital II for the net costs in relation to the provision of finance services to the Fund and is accounted for on an accruals basis. This was nil in 2018 (2017: £42).

#### 5. DEBTORS

	2018 £	2017 £
Amounts due from Primary Capital II	<u>3</u>	<u>3</u>

## PRIMARY CAPITAL II (FINANCE) LIMITED

### NOTES TO THE ACCOUNTS

For the year ended 31 December 2018

#### 6. SHARE CAPITAL

£

2018	2017
£	£

##### Authorised share capital

100 ordinary shares of £1 each

<u>100</u>	<u>100</u>
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##### Called up, allotted and paid

3 ordinary shares of £1 each

<u>3</u>	<u>3</u>
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#### 7. MOVEMENTS IN SHAREHOLDERS' FUNDS

At 1 January and 31 December 2018

<u>3</u>
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#### 8. IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

The company's immediate owners are three limited partnerships P.C.II A L.P., P.C.II B L.P., P.C.II C L.P. which together comprise Primary Capital II, whose controlling entity is Primary Capital Limited. The ultimate controlling party of Primary Capital Limited is Primary Capital Partners LLP whose registered office address is Augustine House, 6a Austin Friars, London, EC2N 2HA. There are no related party transactions other than those noted in note 3 and 5.

#### 9. SUBSEQUENT EVENTS

There are no subsequent events.