# UC Capital Limited

## Annual report and financial statements

Registered number 03769924

31 December 2015

# Contents

# Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2015.

The company has taken the small company exemption from section 414 B of the Companies Act requirements to prepare a Strategic Report. Please see the Strategic Report of UC Group Limited for a review of the Group's business.

### Principal activity

The principal activity of the company is that of provision of corporate investment and structuring services to the UC Group.

### Directors

The directors who held office during the year were as follows:

Kobus Paulsen
Daniel Holden

### Political contributions

The company made no disclosable political donations or incurred any disclosable political expenditure during the year.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

J Paulsen
Director

Date: 13th June 2017

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

# Independent auditor's report to the members of UC Capital Limited

We have audited the financial statements of UC Capital Limited for the year ended 31 December 2015 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including FRS 101 Reduced Disclosure.

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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

**Opinion on financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- 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 Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

## Independent auditor's report to the members of UC Capital Limited *(continued)*

**Other matter -Prior period financial statements**

In forming our opinion on the financial statements, which is not modified, we note that the prior period financial statements were not audited. Consequently, International Standards on Auditing (UK and Ireland) require the auditor to state that the corresponding figures contained within these financial statements are unaudited.

**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, 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.

Stephen Muncey

**Stephen Muncey** **(Senior Statutory Auditor)**

For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

KPMG LLP
15 Canada Square
London
E14 5GL

15 June 2017

# Statement of Profit and Loss
*for the year ended 31 December 2015*

| | Note | 2015<br>£ | Unaudited<br>2014<br>£ |
|---|---|---|---|
| Administrative expenses | | **(219,208)** | (221,587) |
| **Operating loss** | 3 | **(219,208)** | (221,587) |
| **Loss before taxation** | | **(219,208)** | (221,587) |
| Tax on loss on ordinary activities | 5 | **-** | - |
| **Loss for the financial year after taxation** | | **(219,208)** | (221,587) |

There is no other comprehensive income.

The profit and loss account has been prepared on the basis that all activities are continuing operations.

The notes on pages 9 to 15 form part of these financial statements.

# Balance Sheet
*at 31 December 2015*

| | Note | 2015 £ | Unaudited 2014 £ |
|---|---|---|---|
| **Fixed assets** | | | |
| Investments | 6 | 7,600 | 7,600 |
| **Total assets** | | **7,600** | 7,600 |
| **Current liabilities** | 7 | **(440,805)** | (221,597) |
| **Total liabilities** | | **(440,805)** | (221,597) |
| **Net liabilities** | | **(433,205)** | (213,997) |
| **Capital and reserves** | | | |
| Called up share capital | 8 | **10,750** | 10,750 |
| Share premium account | | **189,850** | 189,850 |
| Retained earnings | | **(633,805)** | (414,597) |
| **Total equity** | | **(433,205)** | (213,997) |

The notes on pages 9 to 15 form part of these financial statements.

These financial statements were approved by the board of directors on 13th June 2017 and were signed on its behalf by:

**D Holden**
*Director*

Company registered number: 03769924

# Statement of changes in equity
*at 31 December 2015*

| | Share Capital | Share Premium | Retained Earnings | Unaudited Total |
|---|---|---|---|---|
| Balance at 1 January 2014 (unaudited) | 10,750 | 189,850 | (193,010) | 7,590 |
| Loss for the year (unaudited) | - | - | (221,587) | (221,587) |
| **Balance at 31 December 2014 (unaudited)** | **10,750** | **189,850** | **(414,597)** | **(213,997)** |

| | Share Capital | Share Premium | Retained Earnings | Total |
|---|---|---|---|---|
| Balance at 1 January 2015 (unaudited) | 10,750 | 189,850 | (414,597) | (213,997) |
| Loss for the year | - | - | (219,208) | (219,208) |
| **Balance at 31 December 2015** | **10,750** | **189,850** | **(633,805)** | **(433,205)** |

The notes on pages 9 to 15 form part of these financial statements.

# Notes to the financial statements
*(forming part of the financial statements)*

## 1 Accounting policies

UC Capital Limited (the "Company") is a company incorporated and domiciled in the UK The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

### *1.1 Basis of preparation and compliance with accounting standards*

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied. The financial statements are prepared under the historical cost convention.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101.

Under FRS 101 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements. The results of UC Capital Limited are included in the consolidated financial statements of UC Group Limited which are available from 40 Bank Street, Canary Wharf, London, E14 5NR, United Kingdom.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. The Company transitioned from UK GAAP to FRS 101, applying IFRS 1 for all periods presented. There were no material amendments on the adoption.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets.
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of UC Group Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures.*

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements. The accounting policies set out below have been applied in preparing the financial statements for the year ended December 2015 and the comparative information presented in these financial statements for the year ended December 2014.

The comparatives have been restated following a material miscalculation error in administrative expenses in the year ended 31 December 2013, which impacts the balance sheet as at 31 December 2014. See note 2 for details.

# Notes to the financial statements *(continued)*

**Accounting polices** *(continued)*

### *1.2 Group accounts*

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirements to do so by section 400 of the Companies Act as it is a subsidiary undertaking of UC Group Limited, a company incorporated in England and is included in the consolidated accounts of the company.

### *1.3 Going concern*

As at 31 December 2015, the company had net current liabilities of £(440,805) and net liabilities of £(433,205). The directors have prepared forecasts for the company and its ultimate parent, UC Group Limited, for a period of at least 12 months from the date of authorisation of these financial statements that show that the company expects to have adequate resources to continue in operational existence for the foreseeable future.

### *1.4 Investments*

Investments in subsidiary undertakings, associates and joint ventures are stated at cost, less provision for impairment.

### *1.5 Financial assets*

*Initial recognition and derecognition*

The Company recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company commits to purchase or sell the asset. Accordingly, the Company uses trade date accounting when recording financial asset transactions.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership or the Company has not retained control of the asset.

*Classification*

The Company classifies its financial assets in the following categories: loans and receivables and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial instruments at initial recognition.

*Classification of financial instruments issued by the Company*

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

# Notes to the financial statements *(continued)*

**Accounting polices** *(continued)*

### *1.6 Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

*Trade and other receivables*

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

*Trade and other payables*

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method

Other investments in debt and equity securities held by the Company are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve), except for impairment losses and, in the case of monetary items such a debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

### *1.7 Impairment of financial assets carried at amortised cost*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

(a) significant financial difficulty of the obligor;

(b) a breach of contract, such as a default or delinquency in interest or principal payments;

(c) it becomes probable that the obligor will enter bankruptcy or other financial reorganisation.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in profit or loss.

# Notes to the financial statements *(continued)*

**Accounting polices** ***(continued)***

### *1.8 Trade and other receivables*

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

### *1.9 Trade and other payables*

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables include settlement processing obligations representing transactions that have been processed but not yet funded together with funds withheld from merchants that serve as collateral to minimise contingent liabilities associated with any losses that may occur under the merchant agreement ("merchant rolling reserve").

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### *1.10 Current and deferred tax*

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

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis. The deferred tax balance has not been discounted.

# Notes to the financial statements *(continued)*

## 2 Prior period adjustment

The accounts have been restated to incorporate the impact of a material error in administrative expenses for the year ended 31 December 2013. The administration expenses in the year ended 31 December 2013 have been reduced by £68,209. As a result of the change there is a reduction in current liabilities of 68,209 and an increase in retained earnings of £68,209 for the year ended 31 December 2014.

**Reconciliation of Profit and Loss & Balance Sheet**

| | **Unaudited as originally stated 31 December 2014** | **Adjustment due to change in administrative expenses** | **Unaudited as restated 31 December 2014** |
|---|---|---|---|
| **Profit and Loss** | | | |
| Administrative expenses | (221,587) | - | (221,587) |
| Operating loss | (221,587) | - | (221,587) |
| Loss before taxation | (221,587) | - | (221,587) |
| Taxation on loss on ordinary activities | - | - | - |
| Loss for the financial year after taxation | 221,587 | - | (221,587) |
| **Balance Sheet** | | | |
| Fixed assets | | | |
| Investments | 7,600 | - | 7,600 |
| Total assets | 7,600 | - | 7,600 |
| Current liabilities | (289,806) | 68,209 | (221,597) |
| Total liabilities | (289,806) | - | (289,806) |
| **Net liabilities** | **(282,206)** | **68,209** | **(213,997)** |
| Called up share capital | 10,750 | - | 10,750 |
| Share premium | 189,850 | - | 189,850 |
| Retained earnings | (482,806) | 68,209 | (414,597) |
| **Total equity** | **(282,206)** | **68,209** | **(213,997)** |

## 3 Operating loss

| | **2015** £ | Unaudited 2014 £ |
|---|---|---|
| **Operating Loss is stated after charging** | | |
| Global development and set up costs | **(219,208)** | (221,587) |

Auditor's remuneration of £5,000 (*2014: Nil*) in respect of these financial statements which is borne and not recharged by the parent.

There were no employees during the year (2014: NIL)

# Notes to the financial statements *(continued)*

## 4 Directors' Emoluments

| | 2015 £ | Unaudited 2014 £ |
|---|---|---|
| Directors' emoluments | - | - |

The directors are remunerated by the parent company and this expense was not recharged to UC Capital Limited.

## 5 Taxation

| | 2015 £ | Unaudited 2014 £ |
|---|---|---|
| **Corporation tax current year** | | |
| UK Corporation tax charge (credit) | - | - |
| Current tax credit | - | - |
| **Deferred tax** | | |
| Origination and reversal of timing differences | - | - |
| Adjustment in respect of prior years | - | - |
| Deferred tax charge | - | - |
| **Total tax charge** | - | - |

| | 2015 £ | Unaudited 2014 £ |
|---|---|---|
| **Factors affecting the tax charge for the year** | | |
| Loss on ordinary activities before taxation | **(219,208)** | (221,587) |
| Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.25% (2014: 21.493%) | **(44,390)** | (47,626) |
| Effects of: | | |
| Unrelieved tax losses and other deductions arising in the period | **44,390** | 47,626 |
| Total tax charge/(credit) | - | - |
| **Current tax charge** | - | - |

### *Factors that may affect future current and total tax charges*

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.

An additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

# Notes to the financial statements *(continued)*

## 6 Fixed asset investments

| | Shares in group undertakings £ |
|---|---|
| **Company** | |
| *Cost* | |
| At 1 January 2015 (unaudited) and 31 December 2015 | 7,600 |
| *Net book value* | |
| **At 31 December 2015** | **7,600** |
| At 31 December 2014 (unaudited) | 7,600 |

The company has a 100% investment in a dormant company UC Capital Holdings Limited which is registered in England & Wales. UC Capital Limited has an indirect 100% investment n UC Asia Limited, a company registered in Hong Kong. UC Asia Limited acts as a holding company for another company registered in Hong Kong which is not active.

The company owes 18% each of Globalis Limited and Lipton Consulting Limited, both registered in England & Wales. These investments are fully impaired.

## 7 Current liabilities

| | 2015 £ | Unaudited 2014 £ |
|---|---|---|
| Amounts owed to undertaking of parent group | 440,795 | 221,587 |
| Other creditors | 10 | 10 |
| | **440,805** | 221,597 |

## 8 Called up share capital

| | 2015 £ | Unaudited 2014 £ |
|---|---|---|
| *Allotted, called up and fully paid* | | |
| 10,750 Ordinary shares of £1 each | 10,750 | 10,750 |

## 9 Ultimate parent company and control

The immediate and ultimate parent company is UC Group Limited, a company registered in England and Wales.

The ultimate controlling party is J A Paulsen, a director of the company and the ultimate parent company.

UC Group Limited prepares group financial statements and copies can be obtained from 40 Bank Street, Canary Wharf, London, E14 5NR, United Kingdom.

## 10 Related party transactions

The company has taken advantage of the exemption available not to disclose transactions entered into between members of the UC Group Limited, as the company is a wholly owned subsidiary undertaking of that group.