Company Registration No. 00299128 (England and Wales)

THE LCH GROUP LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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THE LCH GROUP LIMITED

COMPANY INFORMATION

Directors	I W Hubbard	(Appointed 2 June 2017)
	J H Gibbon	(Appointed 2 June 2017)
	J J C Bucknall	(Appointed 2 June 2017)
Company number	00299128	
Registered office	c/o Winckworth Sherwood LLP 5 Montague Close London SE1 9BB	
Auditor	Arram Berlyn Gardner LLP 30 City Road London EC1Y 2AB	

THE LCH GROUP LIMITED

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THE LCH GROUP LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	6		-		43,266
Investments	7		1,000		13,206
			1,000		56,472
Current assets					
Debtors	8	3,104,909		3,032,484	
Cash at bank and in hand		213,267		238,647	
		3,318,176		3,271,131	
Creditors: amounts falling due within one year	9	(240,672)		(265,981)	
Net current assets			3,077,504		3,005,150
Total assets less current liabilities			3,078,504		3,061,622
Provisions for liabilities			(859)		(7,417)
Net assets			3,077,645		3,054,205
Capital and reserves					
Called up share capital	10		50,000		50,000
Share premium account			418,612		418,612
Profit and loss reserves			2,609,033		2,585,593
Total equity			3,077,645		3,054,205

The directors of the company have elected not to include a copy of the income statement within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 5th December 2017 and are signed on its behalf by:

J H Gibbon
Director

Company Registration No. 00299128

1 Accounting policies

Company information

The LCH Group Limited is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is c/o Winckworth Sherwood LLP, 5 Montague Close, London, SE1 9BB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The company was sold after the year end and the assets held in the company have since been transferred up to the new ultimate parent company. It is intended that the company will be liquidated, and on that basis the directors consider it inappropriate to prepare the financial statements on a going concern basis. The financial statements have therefore been prepared on a break up basis at the year end. In adopting the break up basis at the year end the following policies and procedures were implemented.
- at 31 March 2017 all tangible fixed assets are considered as realisable, hence reclassified as current assets
- all assets have been disclosed at values at which they are expected to be realised
- all liabilities reflect the full amount at which they are expected to materialise

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The directors have made the decision to liquidate the company in the very near future. As the company will be liquidated, the directors consider it inappropriate to prepare the financial statements on a going concern basis and therefore the directors have prepared these financial statements on a break up basis as set out above under the basis of preparation.

1.3 Turnover

Turnover represents management fees receivable net of VAT. Management fees receivable are measured at fair value and calculated as a percentage of head office costs. These are reported at year-end and are charged to group trading companies.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1 Accounting policies **(Continued)**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	33.33% on a reducing balance basis
Motor vehicles	33.33% on a reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

The assets residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period. The effect of any change is accounted for prospectively.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Fixed assets

Accounting for tangible assets involves the use of estimates and judgements for determining the useful lives over which these are to be depreciated and the existence and amount of any impairment.

Tangible assets are depreciated on a reducing balance or straight line basis over their estimated useful lives and taking into account their expected residual values. When the company estimates useful lives, various factors are considered including expected technological obsolescence and the expected usage of the asset.

The Directors regularly review these asset lives and change them as necessary to reflect the estimated current remaining lives in light of technological changes, future economic utilisation and physical condition of the assets concerned. A significant change in asset lives can have a significant change on depreciation and amortisation charges for the period.

Fixed asset investments

The Directors assess the investments in subsidiaries, associates and joint ventures for impairment at each reporting date to consider whether there is evidence that the investment has suffered a decrease in value. The Directors consider the income generated by the entities and the net assets under their control.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Taxation

The company evaluates the recoverability of deferred tax assets based on estimates of future earnings. The ability to recover these taxes depends ultimately on the company's ability to generate taxable earnings over the course of the period for which the deferred tax assets remain deductible. This analysis is based on the estimated reversal of deferred taxes as well as estimates of taxable earnings, which are sourced from internal projections and are updated to reflect the latest trends.

The appropriate classification of tax assets and liabilities depends on a number of factors, including estimates as to the timing and materialisation of deferred tax assets and the forecast tax payment schedule. Actual income tax receipts and payments could differ from the estimates made by company as a result of changes in tax legislation or unforeseen transactions that could affect tax balances.

2 Judgements and key sources of estimation uncertainty (Continued)

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 of the amount can be made. This obligation may be legal or constructive deriving from regulations, contracts, normal practices or public commitments that lead third parties to reasonably expect that the company will assume certain responsibilities. The amount of the provision is determined based on the best estimate of the outflow of resources required to settle the obligation, taking into account all available information.

No provision is recognised if the amount of liability cannot be estimated reliably. In this case, the relevant information is disclosed in the notes to the financial statements.

Given the uncertainties inherent in the estimates used to determine the amount of provision, actual outflows of resources may differ from the amounts recognised originally on the basis of the estimates.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 14 (2016 - 22).

4 Directors' remuneration

	2017	2016
	£	£
Remuneration paid to directors	786,517	590,590

5 Taxation

	2017	2016
	£	£
Deferred tax		
Origination and reversal of timing differences	(6,558)	7,417

The company has estimated taxable losses of £800,979 (2016 - £808,039) available for carry forward against future taxable profits.

The company has capital losses of £967,773 (2016 - £967,773) available for carry forward against future capital gains.

The company has surrendered taxable losses of £24,958 to its group company.

6 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2016	147,115
Additions	20,575
Disposals	(110,686)
Reclassify	(57,004)
At 31 March 2017	-
Depreciation and impairment	
At 1 April 2016	103,849
Depreciation charged in the year	4,641
Eliminated in respect of disposals	(60,851)
Reclassify	(47,639)
At 31 March 2017	-
Carrying amount	
At 31 March 2017	-
At 31 March 2016	43,266

7 Fixed asset investments

	2017	2016
	£	£
Investments	1,000	13,206

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 April 2016	13,206
Disposals	(12,206)
At 31 March 2017	1,000
Carrying amount	
At 31 March 2017	1,000
At 31 March 2016	13,206

8 Debtors

Amounts falling due within one year:	2017 £	2016 £
Amounts due from group undertakings	2,910,942	2,768,664
Other debtors	193,967	263,820
	3,104,909	3,032,484

Amounts due from subsidiary undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	39,745	28,071
Amounts due to group undertakings	-	134,239
Other taxation and social security	114,839	27,430
Other creditors	86,088	76,241
	240,672	265,981

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
25,000 Ordinary A shares of £1 each	25,000	25,000
25,000 Ordinary B shares of £1 each	25,000	25,000
	50,000	50,000

The A and B shares carry the same voting rights, right to dividends and priority to amounts receivable on winding up.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Paul Berlyn.
The auditor was Arram Berlyn Gardner LLP.

12 Financial commitments, guarantees and contingent liabilities

The company has provided an omnibus guarantee and letters of set-off to Lloyds Bank Plc covering the bank balances between the company, LCH Properties Limited (a wholly owned subsidiary) and Castlebrow Limited (a wholly owned subsidiary of LCH Properties Limited). As at 31 March 2017, Castlebrow Limited had no overdrawn balance and LCH Properties Limited had bank loan balance of £23,000,000.

13 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017	2016
	£	£
Within one year	24,938	31,500
Between two and five years	-	24,938
	24,938	56,438

14 *Events after the reporting date*

On 30th September 2017, the company's assets and liabilities were transferred to its ultimate parent company, Weybourne Group Limited in exchange for consideration of £2m. This consideration was in the form of an intragroup loan payable by Weybourne Group Limited.

On 18th October the company received a distribution from its subsidiary LCH Properties Limited, in respect of all but £1 of the remaining assets of that company, which comprised a loan payable from Weybourne Group Limited, and a loan payable from Weybourne Group Limited which had been assigned to LCH Properties Limited from its subsidiary Castlebrow Limited . LCH Properties Limited had transferred its assets and liabilities to Weybourne Group Limited on 30th September, in exchange for the loan outstanding. The company also impaired its investment in LCH Properties Limited to reduce its value to £1.

On 18th October the company effected a bonus share issue to its immediate parent company, Weybourne Group Limited, paid up from its profit and loss account. The company then reduced its share capital down to £1, including the entire share premium account (including the share premium created as a result of the bonus issue). The company then declared a dividend of all of its assets to Weybourne Group Limited. This dividend was satisfied by offset against of the amounts owed to the company under the loan to the company from Weybourne Group Limited, and the loans payable from Weybourne Group Limited which were assigned to the company by its subsidiaries Castlebrow Limited and LCH Properties Limited. The result of these transactions is that the company has share capital of £1, represented by £1 investment in its subsidiary LCH Properties Limited.

15 **Related party transactions**

Transactions with related parties
The company has taken advantage of the exemption available under section 1A C.35 of FRS 102 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

No guarantees have been given or received.

16 **Directors' transactions**

Transaction with directors during the year are outlined in the table below:

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
Loan to director	-	(22)	2,977	2,955
		(22)	2,977	2,955

The loan to the director was repaid after the year end.

17 **Parent company**

On 2nd June, the shares of the company were acquired by Weybourne Group Limited at which point it became the ultimate parent company. Weybourne Group Limited's registered office is c/o Winckworth Sherwood LLP, 5 Montague Close, London, SE1 9BB.