
KREOS CAPITAL II (UK) LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2015

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KREOS CAPITAL II (UK) LIMITED

COMPANY INFORMATION

DIRECTORS

Thadeshwar Fangoo
Sunil Masson (appointed 8 May 2015)
Mahen Surnam (resigned 8 May 2015)

REGISTERED NUMBER

05202732

REGISTERED OFFICE

35 Great St Helen's
London
EC3A 6AP

COMPANY SECRETARY

SFM Corporate Services Limited

KREOS CAPITAL II (UK) LIMITED

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KREOS CAPITAL II (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2015

The directors present their report and the unaudited financial statements of Kreos Capital II (UK) Limited (the 'Company') for the year ended 30 November 2015.

The Company qualifies as a small company in accordance with sections 381-382 of the Companies Act 2006 (the 'Act'). The directors' report has therefore been prepared taking into consideration the entitlement to small companies' exemptions provided in sections 414B (as incorporated to the Act by the Strategic Report and Director's Report Regulations 2013) of the Act.

The principal activity of the Company was leasing equipment under finance leases to third parties (the 'Sublease Rentals') from the proceeds of a head lease (the 'Head Lease') made to the Company by Kreos Capital II Limited (the 'Parent Company') pursuant to the terms of the Master Head Lease Framework Agreement dated 19 October 2004, a limited resource lease agreement (the 'Master Head Lease Framework Agreement'). Following the year end the Company ceased activities and the directors have made the decision to dissolve the Company in the near future.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to €30,330.

The directors do not recommend the payment of a dividend (2014 - €Nil)

DIRECTORS

The directors who served during the year and subsequently were:

Sunil Masson (appointed 8 May 2015)
Mahen Surnam (resigned 8 May 2015)
Thadeshwar Fangoo

COMPANY SECRETARY

SFM Corporate Services Limited acted as the company secretary during the year and subsequently.

ISSUED SHARE CAPITAL

The issued share capital consists of 2 fully paid shares of £1 each.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 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). 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:

KREOS CAPITAL II (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 2015

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- 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 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.

GOING CONCERN

Following the year end, the Company ceased activities and the directors have made the decision to dissolve the company in the near future. As a consequence, the financial statements have not been prepared on a going concern basis.


The Parent Company no longer carried out its intended activities and is in the process of being dissolved. Consequently, as the Company's activities, which have now ceased, were dependant on and reliant upon support from the Parent Company, it was decided that the Company be dissolved in the near future.

THIRD PARTY INDEMNITY

Qualifying third party indemnity provision for the benefit of the directors was in force during the year under review and remains in force as at the date of approval of the directors' report and financial statements.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

This report was approved by the board on 30 September 2016 and signed on its behalf by:



Sunil Masson
Director

KREOS CAPITAL II (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2015**

	Note	2015 €	2014 €
Administrative expenses		<u>(30,334)</u>	<u>(53,162)</u>
OPERATING LOSS	2	(30,334)	(53,162)
EXCEPTIONAL ITEMS			
Impairment reversal/(charge)		-	(5,555,296)
Creditor adjustment for impairment of sublease commitments		<u>-</u>	<u>5,532,592</u>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(30,334)	(75,866)
Interest receivable and similar income	4	<u>4</u>	<u>42</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(30,330)	(75,824)
Tax on loss on ordinary activities	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	10	<u>(30,330)</u>	<u>(75,824)</u>

The notes on pages 6 to 9 form part of these financial statements.

KREOS CAPITAL II (UK) LIMITED
REGISTERED NUMBER: 05202732

BALANCE SHEET
AS AT 30 NOVEMBER 2015

	Note	€	2015 €	2014 €
CURRENT ASSETS				
Debtors	6	1	3,001,539	
Cash at bank		2	13,934	
		3	3,015,473	
CREDITORS: amounts falling due within one year	7	(99,267)	(3,006,398)	
NET CURRENT (LIABILITIES)/ASSETS			(99,264)	9,075
TOTAL ASSETS LESS CURRENT LIABILITIES			(99,264)	9,075
CREDITORS: amounts falling due after more than one year	8	-	-	(78,009)
NET LIABILITIES			(99,264)	(68,934)
CAPITAL AND RESERVES				
Called up share capital	9		3	3
Profit and loss account	10		(99,267)	(68,937)
SHAREHOLDER (DEFICIT)/FUNDS	11		(99,264)	(68,934)

The directors consider that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and no members have required the Company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge responsibility for:

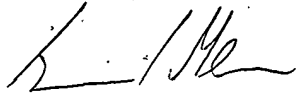
- i) ensuring the Company keeps accounting records which comply with Section 386 of the Act, and
- ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit and loss for the financial year in accordance with the requirements of Section 393 of the Act, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the Company.

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

KREOS CAPITAL II (UK) LIMITED

**BALANCE SHEET (continued)
AS AT 30 NOVEMBER 2015**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2016.



Sunil Masson
Director

The notes on pages 6 to 9 form part of these financial statements.

KREOS CAPITAL II (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015), and presented in Euro (€), unless otherwise stated.

1.2 Going concern

Following the year end, the company ceased activities and the directors made the decision to dissolve the company in the near future. As a consequence, the financial statements have not been prepared on a going concern basis.

As a result, the directors have adjusted their assessment of the recoverable amount of assets to reflect their net realisable value. There were no additional costs associated with the winding up of the business to recognise as at the balance sheet date.

The directors are satisfied therefore that the financial statements are presented truly and fairly and all assets and liabilities are valued appropriately.

1.3 Cash flow

The financial statements do not include a Cash Flow Statement because the Company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.4 Interest income

The Company accounts for interest receivable on an accruals basis.

1.5 Interest payable

Interest payable is accounted for on an accruals basis.

1.6 Foreign currencies

Transactions in foreign currencies are recorded in Euro (€) at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gains or losses arising from a change in exchange rates subsequent to the date of the transaction are included as exchange gain or loss in the profit and loss account.

2. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2015 €	2014 €
(Loss)/gain on foreign exchange translation	<u>(1,454)</u>	<u>(232)</u>

KREOS CAPITAL II (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2015

3. DIRECTORS AND EMPLOYEES

The Company had no employees during the year 2015 (2014 - none). Structured Finance Management Limited received €16,322 (2014 - €15,736) remuneration from the Company in respect of corporate servicer fees for qualifying services rendered during the year.

4. INTEREST RECEIVABLE

	2015 €	2014 €
Bank interest received	<u>4</u>	<u>42</u>

5. TAXATION

Deferred tax

The Company has substantial accumulated tax losses which may be available for off-set against future taxable profits. A deferred tax asset has not been provided as its recovery is uncertain at this time.

The unrecognised deferred tax asset at year end amounted to €118,491 (2014 - €125,591).

6. DEBTORS

	2015 €	2014 €
Accrued income	-	9,602,631
Adjustment for impairment of sublease rentals	-	(6,602,629)
Prepayments	1	1,537
	<u>1</u>	<u>3,001,539</u>

Accrued income relates to rental income that is contractually scheduled to be received in line with the sub lease rental agreements entered into with the lessees and adjusted for in respect of provisions for default of contract. Correspondingly there is also an accrued expense for leasing costs due to the Parent Company under the terms of the Master Head Lease Framework Agreement as disclosed in note 8 of these financial statements.

An impairment was calculated at the net present value of the leases as at 30 November 2014. This was calculated based on the annualised cost of capital of the Parent Company and an estimated recovery date. In accordance with the Company's Master Head Lease Framework Agreement the Company is required to pass on 99.5% of its receipts to the Parent Company. Accordingly an adjustment has been made to the accrued expenses in note 8 as a result of this impairment.

KREOS CAPITAL II (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2015

7. CREDITORS:

Amounts falling due within one year

	2015 €	2014 €
Loan from Kreos Capital II Limited	94,681	-
Accrued expenses	3,000	9,581,150
Adjustment for impairment of sublease commitments	-	(6,574,789)
VAT payable	1,549	-
Other creditors	37	37
	<u>99,267</u>	<u>3,006,398</u>

During the year the Company additionally borrowed €16,672 (2014 - borrowed €66,488) on a non interest bearing loan from Kreos Capital II Limited, a company incorporated in Jersey and the ultimate controlling party of the Company. The amount does not have any specific repayment date but it has been re-classified as due within one year due to expected winding-up of the company in the next 12 months. Accrued expenses in the prior year related to amounts payable pursuant to the terms of the Master Head Lease Framework Agreement.

8. CREDITORS:

Amounts falling due after more than one year

	2015 €	2014 €
Loan from Kreos Capital II Limited	-	78,009

The amount in the prior year relates to a non interest bearing loan from Kreos Capital II Limited, a company incorporated in Jersey and the ultimate controlling party of the Company. The amount does not have any specific repayment date but it has been re-classified as due within one year due to expected winding-up of the company in the next 12 months.

9. SHARE CAPITAL

	2015 €	2014 €
Issued, called up and fully paid		
2 Ordinary shares of £1 each (Converted at historical rate of GBP: EUR 1.499)	<u>3</u>	<u>3</u>

10. RESERVES

	Profit and loss account €
At 1 December 2014	(68,937)
Loss for the financial year	(30,330)
At 30 November 2015	<u>(99,267)</u>

KREOS CAPITAL II (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2015

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2015 €	2014 €
Opening shareholders' (deficit)/funds	(68,934)	6,890
Loss for the financial year	<u>(30,330)</u>	<u>(75,824)</u>
Closing shareholders' deficit	<u>(99,264)</u>	<u>(68,934)</u>

12. RELATED PARTY TRANSACTIONS

The Company is wholly owned by and consolidated within the consolidated financial statements of Kreos Capital II Limited. Accordingly, the Company has taken advantage of the exemption permitted by FRSSE (January 2015) not to disclose transactions with other undertakings within its qualifying group on the basis that consolidated group accounts containing the results of the Company are publicly available.

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

At the year-end, the entire issued share capital of the Company is held by Kreos Capital II Limited.

The largest and smallest group in which the results of the Company are consolidated is that headed by the Company's immediate and ultimate parent undertaking and controlling party, Kreos Capital II Limited, a Company incorporated in Jersey. Copies of the financial statements of Kreos Capital II Limited may be obtained from St Pauls Gate, New Street, St Helier, Jersey JE4 8ZB, Channel Islands.