

Financial Statements

McBains Cooper USA Limited

For the year ended 30 June 2016



Registered number: 07266280

Company Information

Directors	G Hird S Klein J Mintz M A Thirkettle
Company secretary	J Mintz
Registered number	07266280
Registered office	2nd Floor 120 Old Broad Street London EC2N 1AR
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Notes to the financial statements	8 - 14

Directors' report

For the year ended 30 June 2016

The directors present their report and the financial statements for the year ended 30 June 2016.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company financial statements 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; 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 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.

Principal activities

McBains Cooper USA Limited is the principal trading company of MBC Group Limited in the USA.

Directors

The directors who served during the year were:

G Hird
S Klein
J Mintz
M A Thirkettle

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' report

For the year ended 30 June 2016

Post balance sheet events


There have been no significant events affecting the Company since the year end.

Auditors

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 16 December 2016 and signed on its behalf.



J. Mintz
Director

Independent auditor's report to the members of McBains Cooper USA Limited

We have audited the financial statements of McBains Cooper USA Limited for the year ended 30 June 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditor

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. 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 Financial Reporting Council'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 website 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 30 June 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 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.



Independent auditor's report to the members of McBains Cooper USA Limited

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

A handwritten signature in black ink, appearing to read "Simon Bevan".

Simon Bevan (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

16 December 2016

Statement of comprehensive income

For the year ended 30 June 2016

	Note	2016 £	2015 £
Turnover		34,189	262,077
Cost of sales		(14,525)	(181,197)
Gross profit		19,664	80,880
Administrative expenses		(30,303)	4,026
Operating (loss)/profit	7	(10,639)	84,906
Interest payable and expenses	8	(2,583)	(1,994)
(Loss)/profit before tax		(13,222)	82,912
Tax on (loss)/profit	9	-	(6,302)
(Loss)/profit for the year		(13,222)	76,610
Other comprehensive income for the year			
Exchange gain on retranslation of foreign operations		(3,129)	2,353
Other comprehensive income for the year		(3,129)	2,353
Total comprehensive income for the year		(16,351)	78,963

All amounts relate to continuing operations.

There were no recognised gains and losses for 2016 or 2015 other than those included in the income statement.

The notes on pages 8 to 14 form part of these financial statements.

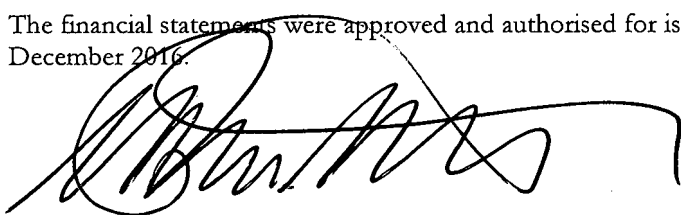
Statement of financial position

As at 30 June 2016

	Note	2016 £	2015 £
Current assets			
Debtors: amounts falling due within one year	10	2,286	91,644
Cash at bank and in hand	11	771	4,739
		<u>3,057</u>	<u>96,383</u>
Creditors: amounts falling due within one year	12	(27,780)	(104,755)
Net current liabilities		<u>(24,723)</u>	<u>(8,372)</u>
Total assets less current liabilities		<u>(24,723)</u>	<u>(8,372)</u>
Net assets		<u><u>(24,723)</u></u>	<u><u>(8,372)</u></u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	(24,823)	(8,472)
Shareholders' deficit		<u><u>(24,723)</u></u>	<u><u>(8,372)</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 December 2016.



M A Thirkettle
Director

The notes on pages 8 to 14 form part of these financial statements.

Statement of changes in equity

For the year ended 30 June 2016

	Share capital £	Retained earnings £	Total equity £
At 1 July 2015	100	(8,472)	(8,372)
Comprehensive income for the year			
Loss for the year	-	(13,222)	(13,222)
Foreign exchange movement	-	(3,129)	(3,129)
Total comprehensive income for the year	-	(16,351)	(16,351)
At 30 June 2016	100	(24,823)	(24,723)

Statement of changes in equity

For the year ended 30 June 2015

	Share capital £	Retained earnings £	Total equity £
At 1 July 2014	100	(87,435)	(87,335)
Comprehensive income for the year			
Profit for the year	-	76,610	76,610
Exchange gain on retranslation of foreign operations	-	2,353	2,353
Other comprehensive income for the year	-	2,353	2,353
Total comprehensive income for the year	-	78,963	78,963
Total transactions with owners	-	-	-
At 30 June 2015	100	(8,472)	(8,372)

The notes on pages 8 to 14 form part of these financial statements.

Notes to the financial statements

For the year ended 30 June 2016

1. General information

McBains Cooper USA Limited is a private company, limited by shares and is incorporated in England. The registered office is 2nd Floor, 120 Old Broad Street, London, EC2N 1AR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 19.

The financial statements are presented in sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

As a qualifying entity under FRS 102 the company, in preparing these financial statements the company, has adopted the following disclosure exemptions:

- The requirement to present a statement of cash flows and related notes;
- The requirement to disclose the categories of basic financial instruments; and
- The requirement to disclose key management personnel compensation in total.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared under the going concern concept on the basis that a letter of support has been provided by the parent company, such that McBains Cooper International Limited will not require the intercompany debt to be repaid until the company has sufficient cash balance to continue operating or alternative funding is in place.

2.3 Turnover and amounts recoverable on contracts

Contracts for services are accounted for as contract activity progresses and revenue is recognised to reflect the company's partial performance of its contractual obligations. The amount recognised reflects any uncertainty as to the amount that the client will pay. However, where the right to consideration relies upon the occurrence of a critical event, revenue is not recognised until that point in time.

The policy is in line with the requirements of UITF40 'Revenue recognition and service contracts'.

Notes to the financial statements

For the year ended 30 June 2016

2. Accounting policies (continued)

2.4 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2.5 Foreign currency

Foreign currency translations are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to the profit and loss account. In terms of presentation, the Profit and Loss account is translated at the average rate during the financial year, and the balance sheet is translated at the balance sheet date.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Income statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Taxation

Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Notes to the financial statements .

For the year ended 30 June 2016

2. Accounting policies (continued)

2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

There are no material judgments or estimates in preparation of these financial statements.

Notes to the financial statements

For the year ended 30 June 2016

4. Turnover

The company's turnover relates to sales made on normal trading terms to McBains Cooper Mexico, SA de C V. These sales were derived from their principal activities undertaken in Mexico.

Turnover represents the invoiced and accrued value of sales, fees and expenses recoverable, net of Value Added Tax, and represents goods and services delivered during the year in accordance with FRS 102.

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	12,244	168,317

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Operational staff	1	1

6. Directors' remuneration

	2016 £	2015 £
Remuneration	12,244	168,317

7. Operating (loss)/profit

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

	2016 £	2015 £
Exchange differences	16,782	(21,643)
Other operating lease rentals	3,100	1,372

8. Interest payable

	2016 £	2015 £
On bank loans and overdrafts	2,583	1,994

Notes to the financial statements

For the year ended 30 June 2016

9. Taxation

	2016 £	2015 £
Corporation tax		
UK corporation tax charge on profit/loss for the year	-	6,302

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.75%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	(13,222)	82,912
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.75%)	(2,644)	17,204
Effects of:		
Group relief surrendered	2,644	-
Non-deductible expenses	-	81
Unrelieved tax losses and other deductions in the period	-	(10,983)
Total tax charge for the year	-	6,302

10. Debtors

	2016 £	2015 £
Amounts owed by group undertakings	-	91,542
Other debtors	2,286	102
	2,286	91,644

11. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	771	4,739

Notes to the financial statements

For the year ended 30 June 2016

12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	26,647	79,527
Corporation tax	-	6,302
Accruals and deferred income	1,133	18,926
	<u>27,780</u>	<u>104,755</u>

13. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	771	4,739
Financial assets that are debt instruments measured at amortised cost	2,286	91,644
	<u>3,057</u>	<u>96,383</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(27,779)	(98,453)
	<u>(27,779)</u>	<u>(98,453)</u>

14. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

15. Reserves

Profit & loss account

Includes all current and prior period retained profit and losses.

Notes to the financial statements

For the year ended 30 June 2016

16. Operating lease commitments

At 30 June 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Within 1 year	-	1,965

17. Related party transactions

The company is wholly owned subsidiary of MBC Group Limited, the consolidated accounts for which are publicly available. Accordingly the company has taken advantage of the exemption under FRS 102 from disclosing transactions with wholly owned members of the group.

18. Ultimate parent company

The immediate and ultimate parent company is MBC Group Limited, a company incorporated in England and Wales. Copies of the consolidated financial statements of MBC Group Limited are publicly available from Companies House.

The largest and smallest group of undertakings for which group accounts are produced is that headed by MBC Group Limited.

19. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.