

Financial Statements

McBains Cooper USA Limited

For the Year Ended 30 June 2017



Registered number: 07266280

Company Information

Directors	G Hird S Klein (resigned 27 September 2017) J Mintz M A Thirkettle M A Leeson (appointed 27 September 2017) C E Docwra (appointed 27 September 2017)
Company secretary	J Mintz
Registered number	07266280
Registered office	5th Floor 26 Finsbury Square, London, EC2A 1DS
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House 30 Finsbury Square London EC2P 2YU

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Directors' Report

For the Year Ended 30 June 2017

The directors present their report and the financial statements for the year ended 30 June 2017.

Principal activities

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

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's 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;
- 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.

Directors

The directors who served during the year were:

G Hird
S Klein (resigned 27 September 2017)
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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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.

McBains Cooper USA Limited

Directors' Report (continued)

For the Year Ended 30 June 2017

Auditor

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

Small companies note

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

30/11/18

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 (the 'company') for the year ended 30 June 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's Report to the Members of McBains Cooper USA Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 1 to 2, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.



Independent Auditor's Report to the Members of McBains Cooper USA Limited (continued)

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

A handwritten signature in black ink, appearing to read "Grant Thornton UK LLP" with a flourish at the end.

Simon Bevan BA FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date:

30.1.18

Statement of Comprehensive Income

For the Year Ended 30 June 2017

	Note	2017 £	2016 £
Turnover		-	34,189
Cost of sales		1,145	(14,525)
Gross profit		1,145	19,664
Administrative expenses		26,746	(30,303)
Operating profit/(loss)		27,891	(10,639)
Interest payable and expenses		(3,110)	(2,583)
Profit/(loss) before tax		24,781	(13,222)
Tax on profit/(loss)	6	-	-
Profit/(loss) for the financial year		24,781	(13,222)
Other comprehensive income for the year			
Exchange gain movement on retranslation of foreign operations		(1,631)	(3,129)
Other comprehensive income for the year		(1,631)	(3,129)
Total comprehensive income for the year		23,150	(16,351)

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

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

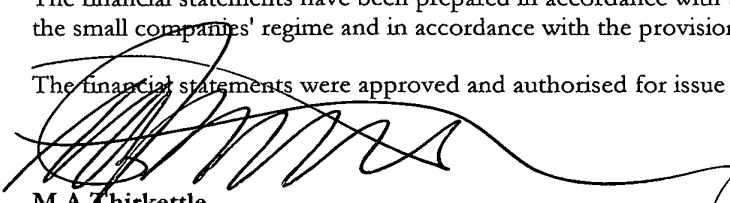
Statement of Financial Position

As at 30 June 2017

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due within one year	7	124	2,286
Cash at bank and in hand	8	185	771
		<u>309</u>	<u>3,057</u>
Creditors: amounts falling due within one year	9	(1,882)	(27,780)
Net current liabilities		<u>(1,573)</u>	<u>(24,723)</u>
Total assets less current liabilities		<u>(1,573)</u>	<u>(24,723)</u>
Net liabilities		<u>(1,573)</u>	<u>(24,723)</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	(1,673)	(24,823)
		<u>(1,573)</u>	<u>(24,723)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


M A Thirkettle
 Director

Date: **30.01.2018**

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

Notes to the Financial Statements

For the Year Ended 30 June 2017

1. General information

McBains Cooper USA Limited is a private company limited by shares and registered in England and Wales. Registered number 07266280. Its registered head office is located at 5th Floor, 26 Finsbury Square, London, EC2A 1DS.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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).

The Financial statements are presented in Sterling (£)

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 managements 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.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 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 Statement of Financial Position 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 Statement of Financial Position is translated at the Statement of Financial Position date.

2.5 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.

2.6 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.

2.7 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.

Notes to the Financial Statements

For the Year Ended 30 June 2017

2. Accounting policies (continued)

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.9 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge 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 2017

2. Accounting policies (continued)

2.10 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 Statement of Comprehensive Income.

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.

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

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

4. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>951</u>	<u>8,617</u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

5. Employees

The average monthly number of employees, excluding directors, during the year was 0 (2016 - 1).

6. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016: higher than) the standard rate of corporation tax in the UK of 19.75% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	27,354	(13,222)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016: 20%)	5,403	(2,644)
Effects of:		
Group relief surrendered	594	2,644
Non-taxable income for tax purposes	(5,997)	-
Total tax charge for the year	-	-

7. Debtors

	2017 £	2016 £
Other debtors	124	2,286

8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	185	771

Notes to the Financial Statements

For the Year Ended 30 June 2017

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	1,882	26,647
Accruals and deferred income	-	1,133
	<u>1,882</u>	<u>27,780</u>

10. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	308	771
Financial assets that are debt instruments measured at amortised cost	-	2,286
	<u>308</u>	<u>3,057</u>

Financial liabilities

Financial liabilities measured at amortised cost	<u>(29,673)</u>	<u>27,779</u>
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11. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Notes to the Financial Statements

For the Year Ended 30 June 2017

12. Reserves

Profit & loss account

Includes all current and prior period retained profit and losses.

13. 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.

14. 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.

15. Post balance sheet events

On 27 September 2017 the Company's ultimate controlling party ceased to be MBC Group Limited and became RAG - Stiftung Beteiligungsgesellschaft GmbH, a company registered in Germany.