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Mathian Limited

Directors' Report and
Financial Statements
For the year ended
31 August 2016

Registered number 08969110

Company information

Directors	A C Weaver M Young (appointed 12 July 2016) J Collighan (appointed 12 July 2016)
Company number	08969110
Registered office	c/o DAC Beachcroft 100 Fetter Lane London EC4A 1BN
Business address	25 Victoria Street London SW1H 0EX
Bankers	HSBC Bank plc 69 Pall Mall London SW1Y 5EY
Auditor	Grant Thornton UK LLP Statutory Auditor Chartered Accountants 4 Hardman Square Spinningfields Manchester M3 3EB

Contents

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 August 2016. This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006, and as such, no Strategic Report has been prepared.

Principal activities

The company's principal activity was the provision of consultancy services. On 1 July 2016 the entire trade of the company was transferred to another group undertaking, MXC Advisory Limited.

Business review

After accounting for a share-based payments charge of £575,000 (2015: £nil) and impairment charges of £500,000 (2015: £nil), the company generated a loss after taxation for the year of £973,000 (2015: £135,000). The directors do not recommend the payment of a dividend (2015: £nil).

Future developments

The company is not expected to trade in the coming period.

Directors

The directors who served during the year are listed below. All directors served throughout the year unless otherwise indicated.

AC Weaver
M Young (appointed 12 July 2016)
J Collighan (appointed 12 July 2016)

The company has agreed to indemnify the directors against third party claims which may be brought against them and has put in place a directors' and officers' insurance policy.

Financial risk management

The company's financial instruments comprise cash, equity investments and various non-derivative financial investments such as trade debtors and trade creditors.

The company uses financial instruments to manage financial and commercial risk whenever it is appropriate to do so.

Currency risk

The vast majority of the company's revenues and costs are in sterling and involve no currency risk. At the end of the year the company had no material currency exposure.

Directors' report (continued)

Credit risk

The company has no significant concentrations of credit risk. The company's standard policies require appropriate credit checks on potential customers before sales commence. Surplus funds held by the company are invested, in line with board-approved policy, in high quality, short term liquid investments, usually money market funds or bank deposits.

Credit risk is managed by placing cash deposits with banks which carry a minimum credit rating of AA-, after also considering asset funding, capital and leverage ratios of the banks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Liquidity risk

Prudent liquidity risk management requires the company to maintain sufficient cash, short-term liquid investments and available facilities to be able to settle its short-term payables as they fall due. The company monitors rolling forecasts of its cash and cash equivalent short term investments on the basis of expected cash flow.

Auditor

Grant Thornton UK LLP offers itself for reappointment as auditor in accordance with Section 485(4) 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.

On behalf of the board

J Colligham

Jill Collighan
Director

c/o DAC Beachcroft
100 Fetter Lane
London
EC4A 1BN

Statement of directors' responsibilities

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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws), 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 and profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

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

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the independent auditor to the members of Mathian Limited

We have audited the financial statements of Mathian Limited for the year ended 31 August 2016 which comprise the Statement of profit or loss, the Balance sheet, the Statement of changes in equity and the related notes. 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 Framework'.

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 Statement of directors' responsibilities, set out on page 6, 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 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 31 August 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 matters prescribed by the Companies Act 2006
In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Report of the independent auditor to the members of Mathian Limited (continued)

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 prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report and in preparing the Directors' Report.

Grant Thornton UK LLP

Stuart Muskett
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
31 January 2017

Statement of profit or loss
for the year ended 31 August 2016

	Note	**2016** **£000**	1 May 2014 to 31 August 2015 £000
Turnover – discontinued operations	3	**459**	1,254
Cost of sales		**(14)**	(6)
Gross profit		**445**	1,248
Administrative expenses before share-based payments and impairment charges		**(343)**	(1,374)
Share-based payments charge	5	**(575)**	-
Impairment charges	8	**(500)**	-
Total administrative expenses		**(1,418)**	(1,374)
Operating loss	4	**(973)**	(126)
Interest payable and similar charges	6	**-**	(9)
Loss on ordinary activities before taxation	4	**(973)**	(135)
Tax on loss on ordinary activities	7	**-**	-
Loss and total comprehensive income for the financial year		**(973)**	(135)

The notes on pages 12 to 23 form an integral part of these financial statements.

Balance sheet
as at 31 August 2016

	Note	**2016 £000**	2015 £000
Fixed assets			
Goodwill	8	**-**	500
Tangible assets	9	**2**	1
		2	501
Current assets			
Debtors due within one year	10	**29**	169
Cash at bank and in hand		**518**	233
		547	402
Creditors: amounts falling due within one year	11	**(582)**	(538)
Net current assets		**(35)**	(136)
Net assets		**(33)**	365
Capital and reserves			
Called up share capital	12	**500**	500
Share-based payments reserve	14	**575**	-
Profit and loss account		**(1,108)**	(135)
Shareholders' funds		**(33)**	365

The notes on pages 12 to 23 form an integral part of these financial statements.

These financial statements were approved by the Board on 31 January 2017 and signed on its behalf by

M Young
Director

J Colligan

J Collighan
Director

Registered number 8969110

Statement of changes in equity
as at 31 August 2016

	Share capital £000	Share-based payments £000	Profit and loss account £000	Total £000
Balance at 1 May 2014	-	-	-	-
Loss for the period and total comprehensive income	-	-	(135)	(135)
Transactions with owners				
Issue of share capital	500	-	-	500
Balance at 31 August 2015	500	-	(135)	365
Loss for the year and total comprehensive income	-	-	(973)	(973)
Transactions with owners				
Share-based payments	-	575	-	575
Balance at 31 August 2016	**500**	**575**	**(1,108)**	**(33)**

Notes to the financial statements

1 Company information

Mathian Limited is a private company incorporated and domiciled in England and Wales. The registered office is 100 Fetter Lane, London, EC4A 1BN and the principal place of business is the United Kingdom.

2 Accounting policies

2.1 Statement of compliance

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' (FRS 101). The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments.

The financial statements are presented in Sterling (£) and have been presented in round thousands (£000).

2.2 Changes in accounting policies

This is the first year in which the financial statements have been prepared in accordance with FRS 101. The date of transition to FRS 101 is 1 May 2014. An explanation of the transition is included in note 17 to the financial statements. In applying FRS 101 for the first time the company has applied early the amendment to FRS 101 which permits a first time adopter not to present an opening statements of financial position at the beginning of the earliest comparative period presented.

2.3 Going concern

The company's principal activity was the provision of consultancy services.. On 1 July 2016 the entire trade of the company was transferred to another group undertaking, MXC Advisory Limited The ability of the company to continue as a going concern is dependent on the continued support of its parent company, MXC Holdings Limited. The directors of MXC Holdings Limited have indicated that this support will continue for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Parent company

The company is a wholly owned subsidiary of MXC Capital Limited, its ultimate parent company, which prepares publicly available consolidated financial statements in accordance with IFRS. This company is included in the consolidated financial statements of MXC Capital Limited for the year ended 31 August 2016. These accounts are available from Elizabeth House, Les Ruettes Brayes, St Peter Port, Guernsey, GY1 1EW.

Notes to the financial statements

2 Accounting policies (continued)

2.5 Disclosure exemptions adopted

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- a statement of cash flows and related notes;
- the requirement to produce a balance sheet at the beginning of the earliest comparative period;
- the requirements of IAS 24 related party disclosures to disclose related party transactions entered in to between two or more members of the group as they are wholly owned within the group;
- presentation of comparative reconciliations for property, plant and equipment and investments;
- disclosure of key management personnel compensation;
- capital management disclosures;
- presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period;
- the effect of future accounting standards not adopted;
- certain share based payment disclosures;
- disclosures in respect of financial instruments (other than disclosures required as a result of recording financial instruments at fair value); and
- fair value measurement disclosures (other than disclosures required as a result of recording financial instruments at fair value).

2.6 Goodwill

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss.

The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure from the requirements of the Companies Act 2006, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

Notes to the financial statements

2 Accounting policies (continued)

2.7 Impairment of assets
For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell, and value in use based on an internal discounted cash flow valuation. Any impairment loss is charged pro rata to the assets in the cash-generating unit.

2.8 Tangible assets and depreciation
Property, plant and equipment is measured at cost less accumulated depreciation and any provision for impairment. Depreciation is provided on a straight line basis to write down the cost to the residual value over the assets' estimated useful economic lives as follows:

Computer equipment	3 years

2.9 Financial instruments
Financial assets are recognised when the company becomes a party to the contractual provisions of the contract. They are assigned to the categories described below by management on initial recognition, depending on the purpose for which they were acquired. The designations of financial assets are re-evaluated at every reporting date at which a choice of classification or accounting treatment is available, and are as follows:

Trade and other receivables
Trade and other receivables are recognised and carried at the lower of their original value and recoverable amounts. Provision is made where there is evidence that the balances will not be recovered in full. 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 trade 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.

2.10 Financial liabilities
Financial liabilities are obligations to pay cash or other financial assets and are recognised when the company becomes a party to the contractual provisions of the contract. The company's financial liabilities include trade payables which are measured initially at fair value and subsequently at amortised cost using the effective interest rate method, based on management's expectations of performance.

2.11 Derecognition of financial assets and liabilities
A financial asset or liability is generally derecognised only when the contract that gives rise to it is settled, sold, cancelled or expires.

Notes to the financial statements

2 Accounting policies (continued)

2.12 Intercompany balances
Group loans are due on demand and are carried at the amount due/payable on an amortised cost basis.

2.13 Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.14 Equity
Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The company's ordinary shares are classified as equity.

2.15 Revenue
Revenue comprises the fair value of the consideration received or receivable for services provided in the ordinary course of the company's activities. Revenue is shown net of Value Added Tax where applicable.

Rendering of services
The company's primary sources of revenue are retainer fees charged to third parties. The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when the goods or services have been provided. The amount is not considered to be reliably measurable until all contingencies relating to the service have been resolved. In the case of retainers charged, these are recognised on a monthly basis in accordance with the provision of services.

2.16 Operating expenses
Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

2.17 Taxation
The company's current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the balance sheet date.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or of any other asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future. Tax losses which are available to be carried forward and other income tax credits to the company are assessed for recognition as deferred tax assets.

Notes to the financial statements

2 Accounting policies (continued)

2.17 Taxation (continued)
Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying temporary differences will be able to be offset against future taxable income.

Current and deferred tax assets and liabilities are measured at tax rates that are expected to apply in the period of realisation based on tax rates and laws that have been enacted or substantively enacted at the reporting date.

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statement except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

2.18 Share-based payments
The parent company, MXC Capital Limited, has issued equity-settled share options and awards under LTIPs to certain employees of the company. The fair value of these options and awards is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the group's estimate of shares or options that will eventually vest. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made where a change occurs to the expectation of a market based vesting condition. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting.

The fair value of the options and awards is measured by the Black-Scholes pricing method. All equity-settled share-based payments are ultimately recognised as an expense in the consolidated statement of profit or loss with a corresponding credit to the share-based payments reserve in equity.

Where vested share options have lapsed, the value previously credited to the share option reserve in relation to those options is transferred to retained profits. Where share options are modified the fair value of those options is reassessed and any revised value is expensed over the vesting period of the modified option. See note 14 for further details.

2.19 Profit from operations
Profit from operations comprises the results of the company before interest receivable and similar income, interest payable and similar charges, corporation tax and deferred tax.

2.20 Significant judgements and estimates
Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Goodwill impairment
Management have used their judgement to assess the appropriateness of the carrying value of the company's goodwill to assess whether there are any signs of impairment. In the opinion of the directors it is appropriate to fully impair the company's goodwill at 31 August 2016.

Notes to the financial statements

2 Accounting policies (continued)

2.20 Significant judgements and estimates (continued)

Share-based payments
The fair value of share-based payments issued to certain employees of the company requires use of significant judgements and estimates. The company employs a third-party valuations expert to perform the fair value calculations on its behalf. Refer to note 14 for further details.

3 Turnover

Turnover, analysed geographically between markets, was as follows:

	2016	2015
	£000	£000
United Kingdom	**459**	1,090
Rest of Europe	**-**	164
Total turnover	**459**	1,254

4 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging:

	2016	2015
	£000	£000
Auditor's remuneration	**5**	9
Depreciation of owned assets	**1**	2
Impairment of goodwill	**500**	-
Staff costs (excluding share-based payments)	**228**	1,070
Share-based payments charge	**575**	-

Notes to the financial statements

5 Particulars of staff

The average number of persons employed, including directors, during the period was:

	2016	2015
	No	No
Administration	2	2

The aggregate payroll costs of these persons was:

	2016	2015
	£000	£000
Wages and salaries	175	946
Social security costs	53	124
Total payroll costs	228	1,070
Share-based payments charge	575	-
Total employment costs	803	1,070

Remuneration was paid to one director during the current and prior periods. The remuneration in respect of this director, who was also the highest paid director was as follows:

	2016	2015
	£000	£000
Emoluments	88	425
Share-based payments charge	287	-
	375	425

During the year no (2015: nil) directors participated in defined contribution pension schemes.

6 Interest payable and similar charges

	2016	2015
	£000	£000
Recharge from group company	-	9

Notes to the financial statements

7 *Tax on loss on ordinary activities*

The tax charge represents:	**2016**	2015
	£000	£000
UK Corporation tax at 20.0% (2015: 20.00%)	-	-
Deferred tax	-	-
Tax on loss on ordinary activities	-	-

Tax reconciliation

Loss on ordinary activities before taxation	**(973)**	(135)
Tax using the UK corporation tax rate of 20.0% (2015: 20.58%)	**(195)**	(27)
Expenses not deductible for tax purposes	**142**	3
Permanent timing differences	-	(25)
Group relief surrendered	**53**	49
Current tax charge	-	-

8 *Goodwill*

	Goodwill
	£000
Cost	
At 1 September 2015 and 31 August 2016	500
Accumulated impairment	
At 1 September 2015	-
Impairment	500
At 31 August 2016	**500**
Carrying amount	
At 31 August 2016	**-**
At 31 August 2015	500

In the opinion of the directors no future economic benefit will be derived by the company from the its goodwill as a result of the company ceasing to trade. The goodwill balance has therefore been impaired in the year.

Notes to the financial statements

9 Tangible assets

	Computer equipment £000
Cost	
At 1 September 2015	3
Additions	2
At 31 August 2016	**5**
Depreciation	
At 1 September 2015	2
Charge for the year	1
At 31 August 2016	**3**
Net book value	
At 31 August 2016	**2**
At 31 August 2015	1

10 Debtors

	2016 £000	2015 £000
Due within one year:		
Trade debtors	**5**	132
Amounts owed from group undertakings	**24**	37
	29	169

11 Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	**-**	10
Amounts owed to group undertakings	**572**	241
Taxation and social security	**-**	34
Accruals and deferred income	**10**	-
Other creditors	**-**	253
	582	538

Notes to the financial statements

12 Share capital

	2016 £000	2015 £000
Authorised, allotted and fully paid:		
500,000 Ordinary shares of £1 each	**500**	500

13 Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Share-based payments reserve – represents the charge to equity of share-based payments.

Profit and loss account – includes all current and prior period retained profits and losses.

14 Share based payments

Employees of the company are entitled to participate in the group's recently established Long Term Incentive Plan ('LTIP').

The beneficiaries of the LTIP are be entitled to receive a share in a pool of shareholder value created, subject to share price performance criteria, and need to have been employed by the group for a minimum period of three years. Shareholder value is defined as the growth in the market capitalisation of the parent company from the base value of at least three years from August 2014, taking into account dividends and capital returns, if any. The base value is defined as the aggregate value of all the ordinary shares in the capital of the parent company in issue in August 2014 as adjusted for the issue or cancellation of new ordinary shares after that date.

Initially the LTIP is implemented by way of an unapproved share option scheme. However, should certain share price targets be achieved then the unapproved share option scheme will be replaced in part or in whole by an employee shareholder share scheme. The overall entitlement of the beneficiaries and therefore potential dilution to shareholders will remain the same regardless of how the LTIP is implemented.

The LTIP scheme has the following broad principles:

Participants at 31 August 2016 are entitled to share in a pool of shareholder value created in excess of the base value of the parent company as at August 2014, subject to the share price performance of MXC Capital Limited. Share price performance will initially be at August 2017 or August 2018 (depending when employment commenced), with an extension to August 2019 if the performance condition is not by those dates. The share price performance criterion for the unapproved share option scheme is a share price of 3 pence over ten consecutive trading days. For the scheme to be replaced by the employee shareholder share scheme the share price must reach 4.5 pence over ten consecutive trading days. The LTIP expiry date is August 2020.

Notes to the financial statements

15 Related party transactions

As permitted by FRS 101, related party transactions with wholly owned members of the MXC Capital Limited group have not been disclosed.

A C Weaver, a director of the company and A I Smith are shareholders in MXC Capital Limited, the ultimate parent company. During the year A C Weaver and A I Smith were directors of companies that were provided with services by Mathian Limited as follows:

Castleton Technology plc – services provided of £167,000 (2015: £255,000). At 31 August 2016 the company was owed £nil (2015: £4,000).

Redcentric plc – services provided of £44,000 (2015: £255,000). At 31 August 2016 the company was owed £nil (2015: £122,000).

16 Ultimate parent company and control

The company is controlled by its immediate parent company, MXC Holdings Limited, a company incorporated in England and Wales. The ultimate parent undertaking is MXC Capital Limited, a company incorporated and domiciled in Guernsey.

The largest and smallest group in which the results of the company are consolidated is that headed by the ultimate parent company, MXC Capital Limited. The consolidated accounts of MXC Capital Limited are available from the address stated in note 2.4 or on the group's website www.mxccapital.com.

There is no ultimate controlling party.

Notes to the financial statements

17 Transition to FRS 101

The company has adopted FRS 101 for the first time having previously applied UK GAAP that was effective before periods commencing on or after 1 January 2015. The date of transition to FRS 101 was 1 May 2014. The company has restated its comparatives for the period ended 31 August 2015. There is no impact on the position as at 1 May 2014 as a result of the transition to FRS 101, therefore these figures are not restated below.

On applying FRS 101 for the first time the following transitional reliefs were adopted:

- the company has elected to not to restate business combinations that were entered into before the date of transition to FRS 101.

Transition to FRS 101 – reconciliations

A summary of the effect of the transition is shown below:

Effect on Statement of profit or loss:	**Period to 31 August 2015 £000**
Loss for the period as previously reported	(260)
Removal of goodwill amortisation	125
Loss for the period as restated	(135)

Effect on Balance sheet:	**As at 31 August 2015 £000**
Shareholders' funds as previously reported	240
Removal of goodwill amortisation	125
Restated shareholders' funds	365

Under previous UK GAAP goodwill was amortised to profit or loss over its expected useful life of 5 years.

Under FRS 101 goodwill is not amortised but is instead subject to an annual impairment review. This accounting treatment represents a departure from the Companies Act 2006 (see note 2.6 and note 8).