

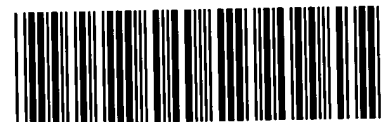
MXC Advisory Limited

Directors' Report and Financial Statements

**For the year ended
31 August 2018**

Registered number 09754010

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Company information

Directors	J Collighan C Stranner B O'Mahoney
Company number	09754010
Registered office	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

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Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 August 2018. 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 and other advisory services.

Business review

The company generated a profit after taxation for the year of £343,000 (2017: £580,000). The directors do not recommend the payment of a dividend (2017: £nil).

Future developments

The directors expect the company to continue with the same trading activities. The company is currently trading in line with the directors' expectations.

Directors

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

J Collighan

A C Weaver (resigned 12 September 2018)

M Young (resigned 14 March 2018)

C Stranner (appointed 12 September 2018)

B O'Mahoney (appointed 12 September 2018)

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.

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 Collighan
Director

27 November 2018

100 Fetter Lane
London
EC4A 1BN

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 the 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 these 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; 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of MXC Advisory Limited

Opinion

We have audited the financial statements of MXC Advisory Limited (the 'company') for the year ended 31 August 2018 which comprise the Statement of profit and loss, the Balance sheet, 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 101; Reduced Disclosure Framework (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 31 August 2018 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 MXC Advisory Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, 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 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.

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 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.
- 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Independent auditor's report to the members of MXC Advisory Limited (continued)

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.

Grant Thornton UK LLP

Jennifer Woods ACA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
27 November 2018

Statement of profit or loss
for the year ended 31 August 2018

	Note	2018 £000	2017 £000
Turnover	3	1,655	1,730
Cost of sales		(23)	(17)
Gross profit		1,632	1,713
Administrative expenses		(1,314)	(1,122)
Operating profit and profit on ordinary activities before taxation	4	318	591
Tax on profit on ordinary activities	6	25	(11)
Profit and total comprehensive income for the financial year		343	580

The notes on pages 12 to 19 form an integral part of these financial statements.

Balance sheet
as at 31 August 2018

	Note	2018 £000	2017 £000
Current assets			
Debtors due within one year	7	1,691	2,739
Cash at bank and in hand		123	47
		1,814	2,786
Creditors: amounts falling due within one year	8	(481)	(1,796)
Net assets		1,333	990
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	1,333	990
Shareholders' funds		1,333	990

The notes on pages 12 to 19 form an integral part of these financial statements.

These financial statements were approved by the Board on 27 November 2018 and signed on its behalf by



J Collighan
Director



C Stranner
Director

Registered number 09754010

Statement of changes in equity
as at 31 August 2018

	Share capital £000	Profit and loss account £000	Total £000
Balance at 31 August 2016	-	410	410
Profit for the period and total comprehensive income	-	580	580
Balance at 31 August 2017	-	990	990
Profit for the year and total comprehensive income	-	343	343
Balance at 31 August 2018	-	1,333	1,333

The notes on pages 12 to 19 form an integral part of these financial statements.

Notes to the financial statements

1 Company information

MXC Advisory Limited is a private company limited by shares 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 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.3 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 2018. 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)

2.4 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).

2.5 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.

2.6 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.

Notes to the financial statements

2 Accounting policies (continued)

2.7 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.

2.8 Intercompany balances

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

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits held on call with banks.

2.10 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.

2.11 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 and the provision of services to other group companies on an arms-length basis. 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 both retainers charged and services provided to other group companies, these are recognised on a monthly basis in accordance with the provision of services.

2.12 Operating expenses

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

Notes to the financial statements

2 Accounting policies (continued)

2.13 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.

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 statement of profit or loss 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.

2.14 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.

2.15 Significant judgements and estimates

There are no significant judgements and estimates made in the preparation of these financial statements.

Notes to the financial statements

3 Turnover

Turnover, analysed geographically between markets, was as follows:

	2018	2017
	£000	£000
United Kingdom	401	593
Rest of Europe	1,254	1,137
Total turnover	1,655	1,730

4 Profit on ordinary activities before taxation

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

	2018	2017
	£000	£000
Auditor's remuneration:		
Audit of the company	5	5
Non-audit services – corporate tax services	2	2
Management charges from group undertakings	1,219	1,000

5 Particulars of staff

Staff costs were paid by another group company and are included in the management charge expense detailed in note 4. The directors were also remunerated by another group company.

Notes to the financial statements

6 Tax on profit on ordinary activities

The tax charge represents:	2018 £000	2017 £000
UK Corporation tax:		
Current year charge at 19.0% (2017: 19.6%)	-	25
Adjustment in respect of prior period	(25)	(14)
	(25)	11
Tax reconciliation		
Profit on ordinary activities before taxation	318	591
Tax using the UK corporation tax rate of 19.0% (2017: 19.6%)	60	116
Expenses not deductible for tax purposes	-	-
Prior period adjustment	(25)	(14)
Group relief	(60)	(91)
Total tax (credit)/charge	(25)	11

7 Debtors

	2018 £000	2017 £000
Due within one year:		
Trade debtors	353	110
Amounts owed from group undertakings	1,239	2,629
Accrued income	99	-
	1,691	2,739

The directors do not consider any provision is needed in respect of trade debtors (2017: £nil).

Notes to the financial statements

8 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	12	7
Amounts owed to group undertakings	441	1,749
Corporation tax	-	25
Taxation and social security	20	6
Accruals and deferred income	8	9
	481	1,796

9 Share capital

	2018 £000	2017 £000
Authorised, allotted and fully paid:		
1 Ordinary share of £1 each	-	-

The Ordinary shares carry voting rights, dividend rights and rights to any distribution on a winding up. The shares are not redeemable.

10 Reserves

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

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

Notes to the financial statements

11 Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with related parties. Those transactions with directors are disclosed in note 5. The company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries. Transactions entered into, and trading balances outstanding at 31 August with other related parties, are as follows:

	Services provided to related party £000	Amounts owed by related party £000
Related party:		
Associates of group company		
2018	244	63
2017	592	109
Joint venture of group company		
2018	138	165
2017	-	-

Amounts owed by related parties are stated inclusive of VAT.

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made on an arm's length basis. Outstanding balances with entities other than group companies are unsecured, interest free and cash settlement is expected within agreed payment terms. Terms and conditions for transactions with group companies are the same, with the exception that balances are placed on intercompany accounts with no specified credit period. The company has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 31 August 2018, the company has not made any provision for doubtful debts relating to amounts owed by related parties (2017: nil).

12 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 2.3 or on the group's website www.mxccapital.com.

There is no ultimate controlling party.