

BC16 Limited

Report and Financial Statements

Period ended

31 March 2020

Company Number 09865766

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BC16 Limited

Report and financial statements for the period ended 31 March 2020

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Directors

B J Crellin
M F Crellin
I Quinlan
R A Scully

Registered office

R A Scully, Pennine Place, 2a Charing Cross Road, London, WC2H 0HF

Company number

09865766

Auditor

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

BC16 Limited

Strategic report for the period ended 31 March 2020

The directors present their strategic report together with the audited financial statements for the period ended 31 March 2020.

The financial reporting date has been changed from 30 November to 31 March to align with that of the new parent company. Accordingly, the results presented in these financial statements are for the sixteen months to 31 March 2020.

BC16 Limited (the "company") is an intermediate investment holding company of The Clearway Group Limited ("the Group"). This report covers the activities, strategy, performance and operations of the company.

At the period end, the company owned 80% of Debt Squared Group Limited.

Principal activities

The principal activity of the company is that of an intermediate investment holding company.

Covid-19

The global coronavirus pandemic with the spread of Covid-19 has led to increased health and safety, operational and financial impacts. The safety of our employees and those in our care has been our first priority and is at the forefront of our response to the pandemic.

As the Company is a holding company it has not seen an impact from Covid-19.

Strategy

The company's strategy is to support the strategy and activities of the Group by serving as an intermediate investment holding company.

Principal risks and uncertainties

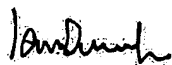
A detailed review of the risks and uncertainties relating to the company's operating activities can be found within the strategic report of The Clearway Group Limited.

Company review and KPIs

The Board considers that the use of KPIs will not add to the understanding or appreciation of the company's performance or position. The KPIs of the Group are disclosed in The Clearway Group Limited's strategic review.

Approval

This strategic report was approved on behalf of the Board on 30 September 2020



I. Quinlan
Director

BC16 Limited

Directors' report for the period ended 31 March 2020

The directors present their report and the financial statements for the period ended 31 March 2020.

Results and dividends

The profit for the period, after taxation, amounted to £37,135 (2018 - £240,520).

The company paid a dividend of £113,400 during the period (2018 - £144,000). No final dividend is proposed.

Going concern

The directors have reviewed the financial position of the Company and consider the Company to be a going concern.

Directors

The directors who served during the period were:

B J Crellin

M F Crellin

D M Gratton (appointed 13 September 2019, resigned 21 January 2020)

I Quinlan (appointed 13 September 2019)

R A Scully (appointed 9 October 2019)

Future developments

The company continues to act as an intermediate investment holding company.

Auditors

BDO LLP were appointed as first auditors by the directors during the period.

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 and the group'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 and the auditor is aware of that information.

Annual general meeting

In accordance with s303 of the Companies Act 2006, the members have not required the directors to call an annual general meeting of the company.

This report was approved on behalf of the Board on 30 September 2020



I Quinlan
Director

BC16 Limited

Directors' responsibilities statement for the period ended 31 March 2020

The directors are responsible for preparing the Strategic Report, 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). 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 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 the group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BC16 Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF BC16 LIMITED

Opinion

We have audited the financial statements of BC16 Limited ("the Company") for the 16 month period ended 31 March 2020 which comprise Statement of comprehensive income, Balance sheet and Statement of changes in equity, and the 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 31 March 2020 and of its profit for the period 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.

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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report, Directors' report, 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.

BC16 Limited

Independent auditor's report (continued)

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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 and Directors' report.

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.

Responsibilities of Directors

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, 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:
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BC16 Limited

Independent auditor's report (*continued*)

Use of our report

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.

BDO LLP

Anna Draper (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK
6 October 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

BC16 Limited

Statement of comprehensive income for the period ended 31 March 2020

	Note	16 month Period to 2020 £	Year to 2018 £
Turnover		58,815	78,420
Cost of sales		-	-
Gross profit		58,815	78,420
Administrative expenses		(12,837)	(19,624)
Other operating income	3	-	189,059
Operating profit		45,978	247,855
Interest receivable	7	-	4,734
Profit before tax		45,978	252,589
Taxation on profit on ordinary activities	9	(8,843)	(12,069)
Profit for the financial period and total comprehensive profit for the period		37,135	240,520

There were no recognised gains and losses for 2020 or 2018, other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2018 - £Nil).


The notes on pages 10 to 17 form part of these financial statements.

BC16 Limited

Balance sheet as at 31 March 2020

Company number 09865766	Note	31 March 2020 £	31 March 2020 £	30 November 2018 £	30 November 2018 £
Fixed assets					
Tangible assets	10		-		-
Investments	11		60,150		60,150
Current assets					
Debtors: amounts falling due after more than one year	12	45,304		-	
Debtors: amounts falling due within one year	13	-		172,376	
Cash at bank and in hand		-		14,569	
		45,304		186,945	
Creditors: amounts falling due within one year	14	(8,736)		(74,112)	
Net current assets			36,568		112,833
Total assets less current liabilities			96,718		172,983
Creditors: amounts falling due after more than one year			-		-
Net assets			96,718		172,983
Capital and reserves					
Called up share capital	15		200		200
Share premium			60,050		60,050
Profit and loss account			36,468		112,733
			96,718		172,983

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2020


I Quinlan
Director

The notes on pages 10 to 17 form part of these financial statements.

BC16 Limited

Company statement of changes in equity for the period ended 31 March 2020

	Share Capital £	Share Premium £	Profit and loss account £	Total equity £
At 1 December 2018	200	60,050	112,733	172,983
Comprehensive income for the period				
Profit for the period	-	-	37,135	37,135
Total comprehensive income for the period	-	-	37,135	37,135
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(113,400)	(113,400)
At 31 March 2020	200	60,050	36,468	96,718

Company statement of changes in equity for the year ended 30 November 2018

	Share Capital £	Share Capital £	Profit and loss account £	Total equity £
At 1 December 2017	200	60,050	16,213	76,463
Comprehensive Income for the year				
Profit for the year	-	-	240,520	240,520
Total comprehensive income for the year	-	-	240,520	240,520
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(144,000)	(144,000)
At 30 November 2018	200	60,050	112,733	172,983

The notes on pages 10 to 17 form part of these financial statements.

BC16 Limited

Notes forming part of the financial statements for the period ended 31 March 2020

1 Accounting policies

Basis of preparation of financial statements

BC16 Limited is a limited company incorporated in the United Kingdom. The address of the registered office is given in the company information page of these 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 UK and the Republic of Ireland and the Companies Act 2006.

The presentational currency is Pounds Sterling.

The financial statements have been prepared on a going concern basis. The directors have reviewed the financial position of the Company and consider the Company to be a going concern. As the Company is a holding company it has not seen an impact from Covid-19.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 - statement of cash flows
- the requirements of Section 3 - financial statement presentation paragraph 3.17(d)
- the requirements of Section 11 - financial instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.49 (a) (iii), 11.48 (a) (iv), 11.48(b) and 11.48(c)
- the requirements of Section 12 - other financial instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A
- the requirements of Section 33 - related party disclosures paragraph 33.7

The information requirements above are included in the consolidated financial statements of The Clearway Group Limited (incorporated in the United Kingdom) as at 31 March 2020 and these financial statements may be obtained from Companies House.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue 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 revenue 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 revenue 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 year can be measured reliably;
- the costs incurred and the costs to complete the contract can be measured reliably.

As such, Turnover for property maintenance is recognised when the work is carried out and revenue from security services is recognised on a straight-line basis over the hire period.

BC16 Limited

Notes forming part of the financial statements for the period ended 31 March 2020 (*continued*)

1 Accounting policies (*continued*)

Investments

Subsidiary undertakings

Investments in subsidiaries are valued at cost less provision for impairment.

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.

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.

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 debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Creditors

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

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income using the effective interest method.

BC16 Limited

Notes forming part of the financial statements for the period ended 31 March 2020 (continued)

1 Accounting policies (continued)

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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 balance sheet date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Intercompany balances

Balances between Group companies which reflect trading and funding activity are charged interest rates between 3.25% and 4.5% on the balance.

Related party transactions

The company has taken advantage of the exemption conferred by section 33.1A of FRS102 not to disclose transactions with other wholly owned subsidiaries within the Group as consolidated accounts, including subsidiary undertakings, are publicly available.

Reserves

Called up share capital reserve represents the nominal value of the shares issued. Share premium reserve represents the excess amounts paid or payable over the nominal value of the shares issued.

BC16 Limited
Notes forming part of the financial statements
for the period ended 31 March 2020 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

a) Critical judgements in applying the company's accounting policies

The Company has assessed the level and collectability of overdue receivables with reference to historic collection rates. Following this assessment, the Company has determined an appropriate provision to cover the expected level of doubtful debts.

The Company has reviewed its investments in subsidiaries to determine whether there were any indicators of impairment. This review did not identify any indicators of impairment.

The Company has determined the accounts should be prepared on a Going Concern basis. Details of the assessment made are described in Note 1.

No other significant judgements have had to be made by the company in preparing these financial statements.

b) Key accounting estimates and assumptions

The Company has made key assumptions regarding the useful economic life of tangible fixed assets and this is further described in Note 1 of the accounting policies. The company has made key assumptions regarding the collectability of debtors.

3 Other operating income

	2020 £	2018 £
Dividends received	-	189,059
	<u> </u>	<u> </u>

4 Auditors' remuneration

	2020 £	2018 £
Fees payable to the group's auditor for the audit of the company's annual financial statements	-	-
Fees payable to the group's auditors for other services	-	-
	<u> </u>	<u> </u>

The costs for the audit are borne by another group company.

5 Employees

	2020 £	2018 £
Staff costs (including directors) consist of:		
Wages and salaries	12,774	16,672
	<u> </u>	<u> </u>

The average number of employees (including directors) during the period was as follows:

	2020 Number	2018 Number
Directors and senior management	2	2
	<u> </u>	<u> </u>

BC16 Limited
Notes forming part of the financial statements
for the period ended 31 March 2020 (continued)

6 Directors' remuneration

	2020 £	2018 £
Directors' emoluments	12,744	16,672

7 Interest receivable

	2020 £	2018 £
Interest on balances with group undertakings	-	4,734

8 Dividends

	2020 £	2018 £
Dividends paid	113,400	144,000

9 Taxation on profit on ordinary activities

	2020 £	2018 £
<i>UK corporation tax</i>		
Current tax on profits of the period	8,736	12,164
Adjustment to prior year	107	-
Total current tax	8,843	12,164
<i>Deferred tax</i>		
Origination and reversal of timing differences in the period	-	(95)
Total current tax	-	(95)
Taxation on profit on ordinary activities	8,843	12,069

BC16 Limited

Notes forming part of the financial statements for the period ended 31 March 2020 (continued)

9 Taxation on profit on ordinary activities (continued)

Factors affecting tax charge for the period

The tax assessed for the period is different than the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2020 £	2018 £
Profit on ordinary activities before tax	45,978	252,589
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018 - 19%)	8,736	47,992
Effects of:		
Income not taxable for tax purposes	-	(35,921)
Adjustments in respect of prior periods	107	-
Other movements	-	(2)
Total tax charge for period	8,843	12,069

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10 Tangible fixed assets

	Fixtures, fittings and equipment
Company	£
Cost	
At 1 December 2018	780
At 31 March 2020	780
Depreciation	
At 1 December 2018	780
At 31 March 2020	780
Net book value	
At 31 March 2020	-
At 30 November 2018	-

BC16 Limited

Notes forming part of the financial statements
for the period ended 31 March 2020 (*continued*)

11 Fixed asset investments

Company	Unlisted investments £
<i>Cost or valuation</i> At 1 December 2018	60,150
At 31 March 2020	60,150
<i>Net book value</i> At 31 March 2020	60,150
At 30 November 2018	60,150

12 Debtors: amounts falling due after more than one year

	2020 £	2018 £
Amounts owed by group undertakings	45,304	-

13 Debtors: amounts falling due within one year

	2020 £	2018 £
Other debtors	-	172,376

14 Creditors: amounts falling due within one year

	2020 £	2018 £
Amounts owed to associates	-	61,948
Corporation Tax	8,736	12,164
	8,736	74,112

BC16 Limited

Notes forming part of the financial statements
for the period ended 31 March 2020 (*continued*)

15 Share capital

	2020 £	2018 £
<i>Shares classified as equity</i>		
<i>Allotted, called up and fully paid</i>		
200 ordinary shares of £1 each	200	200

16 Contingent liabilities, charges and guarantees

On 13 September 2019, a charge was placed on the company's fixed and floating assets by Santander UK plc. Subsequent to the balance sheet date, on 29 June 2020 the charge on the company's assets by Santander UK was released.

17 Controlling party

The ultimate controlling party is The Clearway Group Limited.

18 Subsequent events

On 28 July 2020, the Company sold its shares in Debt Squared Group Limited to its immediate parent Clearway Group Holdings Limited for a consideration of £60,150. On the same date, following a special resolution of the board, the share premium was cancelled and extinguished by £60,050 and share capital was reduced by £199 leaving the company with a share capital of £1 (being 1 ordinary share of £1 which is fully paid).