

## **Better Capital LLP**

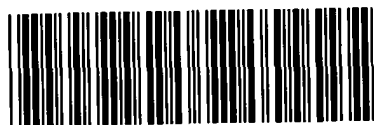
Unaudited Financial Statements

Year Ended

31 March 2018

Company Number OC349225

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COMPANIES HOUSE

**Members**

Occasional Votes Limited

Rob Asplin

Bonnie Kraus

Simon Pilling

Nick Sanders (resigned 12 June 2017)

Richard Leighton (resigned 31 May 2017)

**LLP registered number**

OC349225

**Registered office**

10 Buckingham Street, London, WC2N 6DF

**Bankers**

Coutts & Co., 440 Strand, London, WC2R 0QS

**Lawyers**

DLA Piper, 3 Noble Street, London, EC2V 7EE

# Better Capital LLP

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# **Better Capital LLP**

## **Members' Report For the Year Ended 31 March 2018**

The members present their annual report together with the financial statements of Better Capital LLP (the "LLP") for the year ended 31 March 2018.

### **Principal activities**

The principal activity of Better Capital LLP is the provision of Consultancy Services to BECAP GP Limited and BECAP12 GP Limited, who are Guernsey based General Partners of BECAP GP LP and BECAP12 GP LP, who are in turn General Partners of BECAP Fund LP and BECAP12 Fund LP, established to acquire portfolios of distressed businesses with a primary focus on investing in companies which have significant activities in the United Kingdom or Ireland.

The Consultancy Services to BECAP GP Limited and BECAP12 GP Limited terminated on 30 March 2018 and 27 March 2018 respectively. New limited scope consultancy agreements have been entered into for the period 1 April 2018 to 31 December 2018.

### **Designated Members**

The designated members during the year were:

Rob Asplin  
Bonnie Kraus  
Simon Pilling

### **Allocation of profits**

Any profits are shared among the members as governed by the Limited Liability Partnership Deed dated 11 December 2009, as amended and restated by a deed dated 4 March 2010 and as further amended and restated by a deed dated 28 January 2016.

Members are remunerated solely out of the profits of the partnership and final allocation of profits to members is made in accordance with the Partnership Agreement.

### **Capital**

The members may only contribute to the partnership's capital in accordance with the Limited Liability Partnership Deed.

No member is entitled to interest on their capital.

### **Policy for drawings, subscriptions and repayment of members' capital**

The Limited Liability Partnership Deed governs policies for members' drawings, subscriptions and repayment of members' capital.

No drawings or other payments can be made to or on behalf of any members, other than by distribution of profits, without the consent of the managing members. The firm may reserve, out of profits before distribution, sufficient additional funds to provide for the working capital requirements of the business.

# Better Capital LLP

## Members' Report (continued) For the Year Ended 31 March 2018

### Insurance

The partnership has arranged qualifying third party indemnity for all of its members who act as directors of portfolio companies.

### Small LLP provisions

This report has been prepared in accordance with the provisions applicable to LLPs entitled to small LLPs exemption.

### Members' responsibilities statement

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members 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 LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable him to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). He is also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the members on 24.12.2018 and signed on their behalf by:



**Simon Pilling**  
Designated member

**Better Capital LLP**  
Registered number: OC349225

**Statement of Financial Position**  
**As at 31 March 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Tangible assets	6	4,641	12,764
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	122,468	1,939,217
Cash at bank and in hand		84,512	324,375
		<u>206,980</u>	<u>2,263,592</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	8	(53,809)	(196,358)
		<u>153,171</u>	<u>2,067,234</u>
<b>Net current assets</b>			
		<u>157,812</u>	<u>2,079,998</u>
<b>Net assets</b>			

**Better Capital LLP**  
Registered number: OC349225

**Statement of Financial Position (continued)**  
**As at 31 March 2018**

Note	2018 £	2017 £
<b>Represented by:</b>		
<b>Loans and other debts due to members within one year</b>		
Members capital classified as a liability	147,014	23,000
	<u>147,014</u>	<u>23,000</u>
<b>Members' other interests</b>		
Other reserves classified as equity	10,798	2,056,998
	<u>10,798</u>	<u>2,056,998</u>
	<u><u>157,812</u></u>	<u><u>2,079,998</u></u>
<b>Total members' interests</b>		
Amounts due from members (included in debtors)	-	(1,598,759)
Loans and other debts due to members	147,014	23,000
Members' other interests	10,798	2,056,998
	<u>157,812</u>	<u>481,239</u>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small LLPs regime and with Section 1A of Financial Reporting Standard 102.

The entity was entitled to exemption from audit under section 477 of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with Section 476. The members acknowledge their responsibilities for complying with the requirements of the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, with respect to accounting records and the preparation of financial statements.

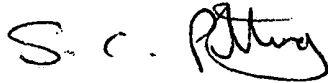
The financial statements have been delivered in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

**Better Capital LLP**  
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**Statement of Financial Position (continued)**  
**As at 31 March 2018**

The entity has opted not to file the statement of comprehensive income in accordance with the provisions applicable to entities subject to the small LLPs regime.

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 24.12.2018

A handwritten signature in black ink, appearing to read 'S. C. Pilling', written over the printed name.

**Simon Pilling**  
Designated member

The notes on pages 6 to 10 form part of these financial statements.



# Better Capital LLP

## Notes to the Financial Statements For the Year Ended 31 March 2018

### 1. General information

Better Capital LLP is a limited liability partnership incorporated in England and Wales. The address of the registered office is given on the information page and the nature of the LLP's operations are set out in the members' report.

### 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 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The following principal accounting policies have been applied:

#### 2.2 Turnover

Turnover represents the invoiced value of services provided net of value added tax. Consultancy income is recognised when invoiced in accordance with the relevant consultancy services agreement. Turnover is recognised at the fair value of services provided.

#### 2.3 Tangible fixed assets

Depreciation is provided on all tangible fixed assets to write off the cost or valuation, less estimated residual values, evenly over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold improvements	- 20%	Straight line
Fixtures and fittings	- 20%	Straight line
Computer equipment	- 33%	Straight line

#### 2.4 Financial instruments

Financial assets including cash at bank and trade and other debtors are measured initially at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities including trade and other creditors as well as bank overdrafts are measured initially at transaction price (including transactions costs) and subsequently held at amortised cost.

Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of cash or other consideration expected to be paid or received.

#### 2.5 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.

# **Better Capital LLP**

## **Notes to the Financial Statements For the Year Ended 31 March 2018**

### **2. Accounting policies (continued)**

#### **2.6 Operating leases: the LLP as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

#### **2.7 Taxation**

No taxation is assessed in the financial statements of the Limited Liability Partnership, as tax payable on the partnership profits is solely the liability of the members. Retention from profits earned up to the balance sheet date is made to fund payment of taxation on members' behalf. The movement in this balance is reflected in members' interest under 'other movements'.

#### **2.8 Drawings**

Drawings represent payments on account of profits which may be allocated to members. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the partnership and may be reclaimed from members until profits have been allocated to them. Unallocated profits are included within members' other interests, classified as equity, advanced drawings in excess of allocated profits are included within 'Amounts due from members' in debtors and allocated profits in excess of drawings are included within 'Amounts due to members' as a liability.

#### **2.9 Going concern**

It is the intention of the members to wind the LLP up once its affairs have been settled. As a result, these financial statements have not been prepared on the going concern basis. No adjustments have been made to the accounts from the adoption of the break-up basis of preparation for the year ended 31 March 2018.

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

There are no estimates and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the financial year.

### **4. Turnover**

Consultancy Services turnover is wholly attributable to the principal activity of the partnership and arises solely from the provision of services to BECAP GP Limited and BECAP12 GP Limited in Guernsey, the General Partners of BECAP GP LP and BECAP12 GP LP, the General Partners of BECAP Fund LP and BECAP12 Fund LP (the "Funds").

Portfolio monitoring fees are invoiced for the provision of individuals to serve on the boards of companies within the Funds' portfolio of investments.

### **5. Employees**

The average monthly number of employees during the year was 3 (2017 - 4).

**Better Capital LLP**  
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**Statement of Financial Position (continued)**  
**As at 31 March 2018**

**6. Tangible fixed assets**

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2017	100,012	51,930	75,056	226,998
Additions	-	1,567	3,500	5,067
Disposals	-	(48,688)	(54,400)	(103,088)
At 31 March 2018	<u>100,012</u>	<u>4,809</u>	<u>24,156</u>	<u>128,977</u>
<b>Depreciation</b>				
At 1 April 2017	100,012	48,648	65,574	214,234
Charge for the year	-	1,842	7,607	9,449
Disposals	-	(46,378)	(52,969)	(99,347)
At 31 March 2018	<u>100,012</u>	<u>4,112</u>	<u>20,212</u>	<u>124,336</u>
<b>Net book value</b>				
At 31 March 2018	<u>-</u>	<u>697</u>	<u>3,944</u>	<u>4,641</u>
At 31 March 2017	<u>-</u>	<u>3,282</u>	<u>9,482</u>	<u>12,764</u>

**Better Capital LLP**  
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**Statement of Financial Position (continued)**  
**As at 31 March 2018**

**7. Debtors**

	2018 £	2017 £
Trade debtors	4,759	170,984
Other debtors	94,244	96,392
Prepayments and accrued income	23,465	73,082
Amounts due from members	-	1,598,759
	<u>122,468</u>	<u>1,939,217</u>

In the current year all amounts are due within one year.

Included in other debtors is £91,600 (2017 - £91,600) for a rent deposit in relation to the premises on 3rd floor, 39 - 41 Charing Cross Road, London that is due 1 March 2019, therefore in the prior year this amount was due after more than one year.

**8. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	6,436	54,745
Other taxation and social security	34,940	65,713
Other creditors	60	-
Accruals and deferred income	12,373	75,900
	<u>53,809</u>	<u>196,358</u>

**9. Contingent liabilities**

At the date of signing these financial statements there is an outstanding legal case against the LLP. At present the expected outcome, timings and amounts involved are uncertain, however the members are confident that any outflow of resources as a result of this legal matter will not be significant. The legal fees are covered by an insurance policy, the £25,000 excess is fully reimbursable under the Better Capital funds' limited partnership agreement.

# Better Capital LLP

## Notes to the Financial Statements For the Year Ended 31 March 2018

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### 10. Commitments under operating leases

At 31 March 2018 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	-	146,000
Later than 1 year and not later than 5 years	-	133,833
	<u>-</u>	<u>279,833</u>

### 11. Total members' interests

Members' interests rank after unsecured creditors in the event of winding up.

### 13. Controlling party

At 31 March 2018 the LLP's immediate parent is Occasional Votes Limited, whose registered office is at 10 Buckingham Street, London WC2N 6DF.