

KAICAN LLP
FILLETED FINANCIAL STATEMENTS
31 DECEMBER 2015



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COMPANIES HOUSE

KAICAN LLP

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KAICAN LLP

INFORMATION

Designated members

R T Langstaff
V Bond

LLP registered number

OC372909

Registered office

17 Cavendish Square, London, W1G 0PH

Independent auditors

Ernst & Young LLP, 25 Churchill Place, London, E14 5EY

Bankers

Barclays Bank Plc, One Churchill Place, London, E14 5HP

Solicitors

Allen & Overy LLP, One Bishops Square, London, E1 6AD

Accountants

Blick Rothenberg LLP, 16 Great Queen Street, London, WC2B 5AH

KAICAN LLP

REGISTERED NUMBER:OC372909

**BALANCE SHEET
AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
Fixed assets			
Tangible assets	3	3	3,492
Investments	4	865,344	864,006
		<u>865,347</u>	<u>867,498</u>
Current assets			
Debtors: amounts falling due within one year	5	1,415,116	3,840,342
Cash at bank and in hand		254,125	278,208
		<u>1,669,241</u>	<u>4,118,550</u>
Creditors: amounts falling due within one year	6	(103,729)	(63,824)
Net current assets		<u>1,565,512</u>	<u>4,054,726</u>
Total assets less current liabilities		<u>2,430,859</u>	<u>4,922,224</u>
Net assets attributable to members		<u><u>2,430,859</u></u>	<u><u>4,922,224</u></u>

KAICAN LLP

REGISTERED NUMBER:OC372909

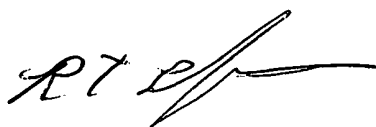
**BALANCE SHEET (continued)
AS AT 31 DECEMBER 2015**

	Note	2015 £	2014 £
Represented by:			
Loans and other debts due to members within one year			
Members' other interests			
Members' capital classified as equity		560,980	560,980
Other reserves classified as equity		1,869,879	4,361,244
		<u>2,430,859</u>	<u>4,922,224</u>
		<u>2,430,859</u>	<u>4,922,224</u>
Total members' interests			
Amounts due to members (included in debtors)		(1,209,605)	(3,491,104)
Members' other interests		2,430,859	4,922,224
		<u>1,221,254</u>	<u>1,431,120</u>

The LLP's financial statements have been prepared in accordance with the provisions applicable to small LLPs within Part 15 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) Regulation 2008 and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (effective September 2015) Section 1A (Small Entities).

The auditor's report on the LLP's full accounts was unqualified. Those accounts were audited by Ernst & Young LLP and the auditor's report thereon was signed by Sarah Williams (senior statutory auditor).

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



R T Langstaff
Designated member

Date: 29 September 2016

The notes on pages 5 to 11 form part of these financial statements.

KAICAN LLP

RECONCILIATION OF MEMBERS' INTERESTS AS AT 31 DECEMBER 2015

	Members' capital (classified as equity) £	Other reserves £	Total members' other interests £	Loans and debts due to members less any amounts due from members in debtors £	Total equity £
Members' interests: balance at 1 January 2014	560,980	1,230,708	1,791,688	429,250	2,220,938
Profit for the year available for discretionary division among members	-	4,361,244	4,361,244	-	4,361,244
Members' interests after profit for the year	560,980	5,591,952	6,152,932	429,250	6,582,182
Allocated profit for the year	-	(1,230,708)	(1,230,708)	1,230,708	-
Amounts withdrawn by members	-	-	-	(5,151,062)	(5,151,062)
Members' interests: balance at 31 December 2014	560,980	4,361,244	4,922,224	(3,491,104)	1,431,120
Profit for the year available for discretionary division among members	-	1,869,879	1,869,879	-	1,869,879
Members' interests after profit for the year	560,980	6,231,123	6,792,103	(3,491,104)	3,300,999
Allocated profit for the year	-	(4,361,244)	(4,361,244)	4,361,244	-
Amounts withdrawn by members	-	-	-	(2,079,745)	(2,079,745)
Members' interests: balance at 31 December 2015	560,980	1,869,879	2,430,859	(1,209,605)	1,221,254

KAICAN LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies

1.1 Basis of preparation of financial statements

The principal activity of Kaican LLP ("the LLP") is to act as a holding entity and hold minority stakes in personal consumer debt portfolios and servicing and collections entities involved in collecting consumer debt portfolio.

The LLP is incorporated and domiciled in England. Its registered office and principal place of business is 17 Cavendish Square, London, W1G 0PH.

The financial statements are presented in sterling (£).

The LLP and its subsidiary undertakings qualify as a small group and accordingly the LLP is exempt from the requirement to prepare consolidated financial statements. These financial statements therefore present information about the LLP as an individual undertaking and not about its group.

The LLP has taken advantage of the exemption from the preparation of a statement of cash flows, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (effective September 2015) Section 1A (Small Entities), ("FRS102") the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (July 2014).

Information on the impact of first-time adoption of FRS 102 is given in note 10.

The following principal accounting policies have been applied:

1.2 Going concern

After making enquiries, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

KAICAN LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

1.4 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Computer equipment	- 3 years straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

1.5 Taxation

Tax is borne by the individual members on their attributable profit shares. Consequently, no taxation charge is included in the financial statements.

1.6 Investments

The LLP holds investments in operating subsidiaries and minority stakes in pools of consumer loans. Subsidiaries are held at cost less impairment. Investments in loan pools are held at fair value where a market value can be reasonably determined or at cost where not. All investments in loan pools are currently held at cost.

1.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.8 Foreign currency translation

Functional and presentation currency

The LLP's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'interest payable'.

KAICAN LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

1.9 Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with FRS 102. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the profit and loss account in the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities in the balance sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the profit and loss account and are equity appropriations in the balance sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the balance sheet within 'Loans and other debts due to members' and are charged to the profit and loss account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the balance sheet within 'Members' other interests'.

1.10 Financial instruments

The LLP has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the LLP becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the LLP after deducting all of its liabilities.

The LLP's policies for its major classes of financial assets and financial liabilities are set out below.

KAICAN LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. Accounting policies (continued)

1.10 Financial instruments (continued)

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, amounts owed to group undertakings and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the LLP would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

KAICAN LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. Operating profit

The operating profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets	3,489	3,490
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	10,000	10,000
Exchange differences	(8,842)	(4,025)
	<u><u> </u></u>	<u><u> </u></u>

3. Tangible fixed assets

	Other fixed assets £
Cost or valuation	
At 1 January 2015	10,470
At 31 December 2015	<u>10,470</u>
Depreciation	
At 1 January 2015	6,978
Charge owned for the period	3,489
At 31 December 2015	<u>10,467</u>
Net book value	
At 31 December 2015	<u><u>3</u></u>
At 31 December 2014	<u><u>3,492</u></u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

4. Investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost or valuation			
At 1 January 2015	429,930	434,076	864,006
Additions	1,338	-	1,338
At 31 December 2015	<u>431,268</u>	<u>434,076</u>	<u>865,344</u>
Net book value			
At 31 December 2015	<u>431,268</u>	<u>434,076</u>	<u>865,344</u>
At 31 December 2014	<u>429,930</u>	<u>434,076</u>	<u>864,006</u>

KAICAN LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

5. Debtors

	2015 £	2014 £
Other debtors	136	3,342
Prepayments and accrued income	205,375	345,896
Amounts due from members	1,209,605	3,491,104
	<u>1,415,116</u>	<u>3,840,342</u>

6. Creditors: Amounts falling due within one year

	2015 £	2014 £
Trade creditors	1,602	8,482
Amounts owed to group undertakings	72,572	21,182
Accruals and deferred income	29,555	34,160
	<u>103,729</u>	<u>63,824</u>

7. Related party transactions

The LLP has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

Transactions with other related parties are as follows:

Name (relationship)	Transaction	Amount due to related parties			
		2015 £	2014 £	2015 £	2014 £
Kaican Services Ltd (Group undertaking)	Management fee	(103,696)	50,000	(70,606)	(19,216)
Wallcan LP (Subsidiary undertaking)	Loan	-	-	(1,966)	(1,966)

Amounts owed to related parties are unsecured, interest free and due for repayment within one year.