

17 Capital Services Limited

Report and Financial Statements

Year Ended

31 March 2014

Company Number SC344474

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17 Capital Services Limited

Report and financial statements for the year ended 31 March 2014

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Directors

P A de Selancy
A Duhamel

Secretary and registered office

Burness Paull LLP, 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ

Company number

SC344474

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

17 Capital Services Limited

Report of the directors for the year ended 31 March 2014

The directors present their report together with the audited financial statements for the year ended 31 March 2014.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

Principal activities

The principal activity is to act as a service company for 17 Capital Fund LP, 17Capital Fund 2 L.P. and their general partner 17 Capital LLP.

Directors

The directors of the company during the year were:

P A de Selancy
A Duhamel

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 the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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;
- 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.

17 Capital Services Limited

Report of the directors for the year ended 31 March 2014 *(continued)*

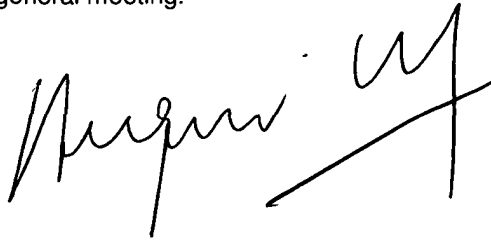
Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board

A Duhamel
Director

A handwritten signature in black ink, appearing to be 'A Duhamel', with a large, stylized flourish extending from the end of the signature.

15 July 2014

17 Capital Services Limited

Independent auditor's report

To the members of 17 Capital Services Limited

We have audited the financial statements of 17 Capital Services Limited for the year ended 31 March 2014 which comprise the profit and loss account, the balance sheet 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).

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, 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 Financial Reporting Council's (FRC'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 FRC'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 March 2014 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

17 Capital Services Limited

Independent auditor's report (*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 and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

*George Brooks (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

15 July 2014

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

17 Capital Services Limited

Profit and loss account for the year ended 31 March 2014

	Note	2014 £	2013 £
Turnover	2	2,027,280	1,744,373
Administrative expenses		<u>(1,931,508)</u>	<u>(1,660,907)</u>
Operating profit	3	95,772	83,466
Other interest receivable and similar income		499	6
Interest payable and similar charges	6	<u>(645)</u>	<u>(1,305)</u>
Profit on ordinary activities before taxation		95,626	82,167
Taxation on profit on ordinary activities	7	<u>(33,031)</u>	<u>(30,678)</u>
Profit on ordinary activities after taxation		62,595	51,489

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current or prior year apart from the profit for the year.

The notes on pages 7 to 14 form part of these financial statements.

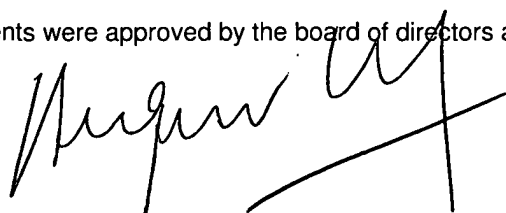
17 Capital Services Limited

Balance sheet at 31 March 2014

Company number SC344474	Note	2014 £	2014 £	2013 £	2013 £
Fixed assets					
Tangible assets	8		81,967		33,840
Current assets					
Debtors	9	877,591		456,267	
Cash at bank and in hand		92,256		54,864	
		<u>969,847</u>		<u>511,131</u>	
Creditors: amounts falling due within one year	10	<u>(862,554)</u>		<u>(417,641)</u>	
Net current assets			<u>107,293</u>		<u>93,490</u>
Total assets less current liabilities			<u>189,260</u>		<u>127,330</u>
Creditors: amounts falling due after more than one year	11		<u>(32,594)</u>		<u>(33,259)</u>
Net assets			<u><u>156,666</u></u>		<u><u>94,071</u></u>
Capital and reserves					
Called up share capital	13		1		1
Profit and loss account			<u>156,665</u>		<u>94,070</u>
Shareholders' funds			<u><u>156,666</u></u>		<u><u>94,071</u></u>

The financial statements were approved by the board of directors and authorised for issue on 15 July 2014.

A Duhamel
Director



The notes on pages 7 to 14 form part of these financial statements.

17 Capital Services Limited

Notes forming part of the financial statements for the year ended 31 March 2014

1 Accounting policies

The financial statements have been prepared under the historical cost convention, and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by 17 Capital LLP and the company is included in consolidated financial statements.

Turnover

Turnover represents transaction and service fees and is recognised in the period in which the transaction occurs or service is provided.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets except works of art evenly over their expected useful lives. It is calculated at the following rates:

Leasehold improvements	- Shorter of estimated useful life and the lease term
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- Straight line over 3 years
Office equipment	- Straight line over 3 years

The directors feel that no depreciation should be charged on the company's works of art due to their appreciation in value. However the increase in value is not recognised to maintain prudence within the financial statements.

Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Deferred taxation

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 the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

17 Capital Services Limited

Notes forming part of the financial statements for the year ended 31 March 2014 (continued)

1 Accounting policies (continued)

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

	2014 £	2013 £
This is arrived at after charging/(crediting):		
Depreciation of tangible fixed assets	24,130	21,622
Hire of other assets - operating leases	72,498	47,538
Exchange differences	3,740	(7,397)
Loss on disposal of tangible fixed assets	294	-
Auditors' remuneration: - Audit services	7,352	9,000
- Non audit services - taxation services	7,260	2,500
- Non audit services - other services	32,074	15,500

17 Capital Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2014 (*continued*)

4 Employees

Staff costs consist of:

	2014 £	2013 £
Wages and salaries	988,177	834,680
Social security costs	140,263	125,701
Other pension costs	122,880	44,346
	<u>1,251,320</u>	<u>1,004,727</u>

The average number of employees (including directors) during the year was 10 (2013 - 9).

5 Directors' remuneration

	2014 £	2013 £
Directors' emoluments	49,646	46,130
	<u>49,646</u>	<u>46,130</u>

6 Interest payable and similar charges

	2014 £	2013 £
Bank loans and overdrafts	-	10
Finance leases and hire purchase contracts	645	1,295
	<u>645</u>	<u>1,305</u>

17 Capital Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2014 (*continued*)

7 Taxation on profit on ordinary activities

	2014 £	2013 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	31,795	31,000
Adjustment in respect of previous periods	1,236	(322)
	<u>33,031</u>	<u>30,678</u>
Total current tax	<u>33,031</u>	<u>30,678</u>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	95,626	82,167
Profit on ordinary activities at the standard rate of corporation tax in the UK of 23% (2013 - 20%)	21,994	16,433
Effect of:		
Expenses not deductible for tax purposes	22,777	12,844
Depreciation for period in excess of capital allowances	-	1,723
Adjustment to tax charge in respect of previous periods	1,236	(322)
Marginal relief	(4,443)	-
Capital allowances in excess of depreciation	(8,533)	-
	<u>33,031</u>	<u>30,678</u>
Current tax charge for the year	<u>33,031</u>	<u>30,678</u>

17 Capital Services Limited

Note forming part of the financial statements
for the year ended 31 March 2014 (*continued*)

8 Tangible fixed assets						
	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Works of art £	Total £
Cost						
At 1 April 2013	20,950	48,995	4,324	21,294	-	95,563
Additions	45,521	-	5,720	11,613	9,822	72,676
Disposals	(20,950)	-	(156)	(3,956)	-	(25,062)
At 31 March 2014	45,521	48,995	9,888	28,951	9,822	143,177
Depreciation						
At 1 April 2013	18,928	25,168	3,283	14,344	-	61,723
Charged for the year	9,656	5,957	1,287	7,230	-	24,130
Disposals	(20,531)	-	(156)	(3,956)	-	(24,643)
At 31 March 2014	8,053	31,125	4,414	17,618	-	61,210
Net book value						
At 31 March 2014	37,468	17,870	5,474	11,333	9,822	81,967
At 31 March 2013	2,022	23,827	1,041	6,950	-	33,840

17 Capital Services Limited

Notes forming part of the financial statements for the year ended 31 March 2014 (continued)

8 Tangible fixed assets (continued)

The net book value of tangible fixed assets includes an amount of £Nil (2013 - £23,827) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £Nil (2013 - £7,943).

9 Debtors

	2014 £	2013 £
Amounts receivable within one year		
Amounts owed by group undertakings	197	127,840
Other debtors	111,578	46,512
Prepayments and accrued income	733,222	234,692
Rent deposit	-	13,964
	<hr/>	<hr/>
	844,997	423,008
Amounts receivable after more than one year		
Other debtors	32,594	33,259
	<hr/>	<hr/>
Total debtors	877,591	456,267
	<hr/>	<hr/>

10 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	81,390	32,090
Amounts owed to group undertakings	586,893	-
Corporation tax	31,795	31,000
Other taxation and social security	-	42,807
Obligations under finance lease and hire purchase contracts	-	7,349
Other creditors	99,718	161,977
Accruals and deferred income	62,758	142,418
	<hr/>	<hr/>
	862,554	417,641
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17 Capital Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2014 (*continued*)

11 Creditors: amounts falling due after more than one year

	2014 £	2013 £
Other creditors	32,594	33,259

12 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £122,880 (2013 - £44,346). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

13 Share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
1 Ordinary share of £1 each	1	1

14 Contingent liabilities

The bank loan included within 17 Capital LLP is secured upon the assets of 17 Capital Services Limited by a floating charge.

17 Capital Services Limited

Notes forming part of the financial statements
for the year ended 31 March 2014 (*continued*)

15 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2014 £	Other 2014 £	Land and buildings 2013 £	Other 2013 £
Operating leases which expire:				
Within one year	18,750	-	23,769	-
In two to five years	73,550	6,920	-	6,920
	<u>92,300</u>	<u>6,920</u>	<u>23,769</u>	<u>6,920</u>

16 Related party disclosures

The company is a wholly owned subsidiary of 17 Capital LLP and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with 17 Capital LLP or other wholly owned subsidiaries within the group.

17 Ultimate parent company and parent undertaking of larger group

The directors regard 17 Capital LLP, a Limited Liability Partnership established in the United Kingdom, as the parent entity. There is no ultimate controlling party.

The largest and smallest group in which the results of the company are consolidated is that headed by 17 Capital LLP, incorporated in the United Kingdom. The consolidated accounts of this Limited Liability Partnership are available to the public and may be obtained from the registered office. No other group accounts include the results of the company.