

17 Capital Services Limited

Directors' Report and Financial Statements

Year Ended

31 March 2018

Company Number SC344474

**COMPANIES HOUSE
EDINBURGH**

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17 Capital Services Limited

Company Information

| | |
|-----------------------------|------------------------------------------------------------|
| Directors | P A de Selancy A Duhamel |
| Company secretary | Burness Paull LLP |
| Registered number | SC344474 |
| Registered office | 50 Lothian Road Festival Square Edinburgh EH3 9WJ |
| Independent auditors | BDO LLP 55 Baker Street London W1U 7EU |

17 Capital Services Limited

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17 Capital Services Limited

Directors' report For the year ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Principal activity

The principal activity during the year was to act as a service company for 17Capital Fund 2 L.P, 17Capital Fund 3 LP, 17Capital Fund 4 L.P. and their general partners 17 Capital LLP, 17 Capital Luxembourg GP s.a.r.l. and 17Capital (Scots GP 4) LLP.

Results and dividends

The profit for the year, after taxation, amounted to £290,428 (2017 - £208,940).

During the year, dividends of £Nil were paid to the shareholder (2017 - £Nil).

Directors

The directors who served during the year were:

P A de Selancy
A Duhamel

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.

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

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A Duhamel
Director

Date: 18 July 2018

17 Capital Services Limited

Directors' responsibilities statement For the year ended 31 March 2018

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 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 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; 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 to 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

Independent auditors' report to the members of 17 Capital Services Limited

Opinion

We have audited the financial statements of 17 Capital Services Limited ("the Company") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, 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 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 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.

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.

17 Capital Services Limited

Independent auditors' report to the members of 17 Capital Services Limited (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual 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.

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.

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 Director's 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

17 Capital Services Limited

Independent auditors' report to the members of 17 Capital Services Limited (continued)

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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 UK

Vanessa-Jayne Bradley (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

18 July 2018

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

17 Capital Services Limited

Statement of Comprehensive Income For the year ended 31 March 2018

| | Note | 2018 £ | 2017 £ |
|-----------------------------------------------------------|------|------------------|------------------|
| Turnover | 3 | 8,579,013 | 6,379,238 |
| Gross profit | | 8,579,013 | 6,379,238 |
| Administrative expenses | | (8,170,404) | (6,119,721) |
| Other operating income | | - | 46,086 |
| Operating profit | 4 | 408,609 | 305,603 |
| Interest receivable and similar income | | - | 337 |
| Interest payable and expenses | | (86) | - |
| Profit before tax | | 408,523 | 305,940 |
| Tax on profit | 7 | (118,095) | (97,000) |
| Profit and total comprehensive income for the year | | 290,428 | 208,940 |

There was no other comprehensive income for 2018 (2017 - £Nil).

The notes on pages 9 to 19 form part of these financial statements.

17 Capital Services Limited

Registered number: SC344474

Statement of Financial Position As at 31 March 2018

| | Note | 2018 £ | 2017 £ |
|---------------------------------------------------------|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 8 | 415,234 | 193,748 |
| Investments | 9 | 38,159 | 38,159 |
| | | <u>453,393</u> | <u>231,907</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 10 | 2,749,519 | 2,495,375 |
| Cash at bank and in hand | | 453,554 | 1,041,329 |
| | | <u>3,203,073</u> | <u>3,536,704</u> |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 11 | (3,121,161) | (3,530,294) |
| Net current assets | | <u>81,912</u> | <u>6,410</u> |
| Total assets less current liabilities | | <u>535,305</u> | <u>238,317</u> |
| Creditors: amounts falling due after more than one year | 12 | - | (9,552) |
| Provisions for liabilities | | | |
| Deferred tax | 13 | (20,336) | (4,224) |
| Net assets | | <u>514,969</u> | <u>224,541</u> |
| Capital and reserves | | | |
| Called up share capital | 14 | 1 | 1 |
| Profit and loss account | | 514,968 | 224,540 |
| | | <u>514,969</u> | <u>224,541</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

18 July 2018

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A Duhamel
Director

The notes on pages 9 to 19 form part of these financial statements.

17 Capital Services Limited

Statement of Changes in Equity For the year ended 31 March 2018

| | Called up share capital | Profit and loss account | Total equity |
|------------------------------------------------|----------------------------|----------------------------|----------------|
| | £ | £ | £ |
| At 1 April 2017 | 1 | 224,540 | 224,541 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 290,428 | 290,428 |
| Total comprehensive income for the year | - | 290,428 | 290,428 |
| Total transactions with owners | - | - | - |
| At 31 March 2018 | 1 | 514,968 | 514,969 |

Statement of Changes in Equity For the year ended 31 March 2017

| | Called up share capital | Profit and loss account | Total equity |
|------------------------------------------------|----------------------------|----------------------------|----------------|
| | £ | £ | £ |
| At 1 April 2016 | 1 | 15,600 | 15,601 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 208,940 | 208,940 |
| Total comprehensive income for the year | - | 208,940 | 208,940 |
| Total transactions with owners | - | - | - |
| At 31 March 2017 | 1 | 224,540 | 224,541 |

The notes on pages 9 to 19 form part of these financial statements.

17 Capital Services Limited

Notes to the financial statements For the year ended 31 March 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

17 Capital Services Limited is a company incorporated in Scotland under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations are set out in the directors' report.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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, 11.48(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.

This information is included in the consolidated financial statements of its immediate parent company, 17 Capital LLP and its ultimate parent company, 17Capital Newco Limited, as at 31 March 2018 and these financial statements may be obtained from their registered office or Companies House, Crown Way, Cardiff, CF14 3UZ.

1.3 Consolidated financial statements

The financial statements contain information about 17 Capital Services Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

1.4 Turnover

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

17 Capital Services Limited

Notes to the financial statements For the year ended 31 March 2018

1. Accounting policies (continued)

1.5 Tangible fixed assets

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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

The estimated useful lives range as follows:

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

The nature of the company's works of art are such that their residual value is considered by the directors to equate to cost and therefore no depreciation arises on these assets in the year.

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.7 Financial assets

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

1.8 Financial liabilities and equity

The financial statements are presented in 'sterling', which is the company's functional and presentation currency.

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 are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

1.9 Foreign currency translation

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 statement of financial position date. Any differences are taken to the income statement.

17 Capital Services Limited

Notes to the financial statements For the year ended 31 March 2018

1. Accounting policies (continued)

1.10 Leased assets

All leases are treated as operating leases and not classified as finance leases. Their annual rentals are charged to the income statement on a straight-line basis over the term of the lease.

1.11 Pensions

Contributions to the company's defined contribution pension scheme are charged to the income statement in the year in which they become payable.

1.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

1.13 Current and deferred taxation

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 reporting date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

17 Capital Services Limited

Notes to the financial statements For the year ended 31 March 2018

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

In preparing these financial statements, the directors have made the following judgements:

- Determine the revenue recognition of the company with regard to priority profit share. Priority profit share is recognised once allocated or where there is virtual certainty that profit share earned in the period will subsequently be allocated. Management therefore need to consider the certainty that the profit share earned will be allocated and in order to do this they review the fund income forecasts.
- Determine the profile for matching costs of the placement agents to future revenue received. In order to determine this profile, management have considered the contracts of the placement agent fees along with the expected future timing of the revenue related to the work done by the placement agents within forecasts prepared.
- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

3. Turnover

All turnover arose within the United Kingdom.

The whole of the turnover is attributable to the company's principal activity.

4. Operating profit

The operating profit is stated after charging/(crediting):

| | 2018 £ | 2017 £ |
|------------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets | 65,149 | 66,496 |
| Fees payable to the company's auditors and its associates for the audit of the company's annual accounts; | | |
| - Audit fees | 23,315 | 21,000 |
| - Taxation services | 20,300 | 19,350 |
| - Other services | 17,000 | 16,250 |
| Exchange differences | 23,560 | (39,638) |
| Hire of other assets - operating leases | 197,930 | 149,874 |

17 Capital Services Limited

Notes to the financial statements For the year ended 31 March 2018

5. Employees

Staff costs were as follows:

| | 2018 £ | 2017 £ |
|-------------------------------------|------------------|------------------|
| Wages and salaries | 2,573,478 | 2,397,025 |
| Social security costs | 330,002 | 351,805 |
| Cost of defined contribution scheme | 211,942 | 178,029 |
| | <u>3,115,422</u> | <u>2,926,859</u> |

The average number of employees (including directors) during the year was 20 (2017 - 16).

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 £211,942 (2017 - £178,029). There were no outstanding or prepaid pension contributions at either the beginning or the end of the financial year.

6. Directors' remuneration

| | 2018 £ | 2017 £ |
|-----------------------|---------------|---------------|
| Directors' emoluments | <u>62,053</u> | <u>53,794</u> |

17 Capital Services Limited

Notes to the financial statements For the year ended 31 March 2018

7. Taxation

| | 2018 £ | 2017 £ |
|--------------------------------------------------|----------------|---------------|
| Corporation tax | | |
| Current tax on profits for the year | 98,863 | 96,175 |
| Adjustments in respect of previous periods | 3,120 | - |
| Total current tax | 101,983 | 96,175 |
| Deferred tax | | |
| Origination and reversal of timing differences | 16,112 | 825 |
| Taxation on profit on ordinary activities | 118,095 | 97,000 |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

| | 2018 £ | 2017 £ |
|------------------------------------------------------------------------------------------------------------|----------------|---------------|
| Profit on ordinary activities before tax | 408,523 | 305,940 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%) | 77,619 | 61,188 |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than impairment | 37,836 | 34,371 |
| Fixed asset depreciation not eligible for capital allowances | 1,415 | 1,808 |
| Adjust opening and closing deferred tax to average rate of 20.00% | (1,895) | (367) |
| Adjustments to tax charge in respect of prior periods | 3,120 | - |
| Total tax charge for the year | 118,095 | 97,000 |

17 Capital Services Limited

Notes to the financial statements
For the year ended 31 March 2018

8. Tangible fixed assets

| | Long-term leasehold improvements £ | Motor vehicles £ | Fixtures and fittings £ | Office equipment £ | Works of art £ | Total £ |
|-----------------------|---------------------------------------------|------------------------|-------------------------------|--------------------------|-------------------|------------|
| Cost | | | | | | |
| At 1 April 2017 | 55,809 | 95,445 | 66,970 | 88,952 | 70,765 | 377,941 |
| Additions | 169,854 | 110,735 | - | 20,406 | - | 300,995 |
| Disposals | - | (45,495) | - | - | - | (45,495) |
| At 31 March 2018 | 225,663 | 160,685 | 66,970 | 109,358 | 70,765 | 633,441 |
| Depreciation | | | | | | |
| At 1 April 2017 | 52,553 | 28,562 | 46,544 | 56,534 | - | 184,193 |
| Charge for the year | 5,791 | 29,229 | 12,676 | 17,453 | - | 65,149 |
| Disposals | - | (31,135) | - | - | - | (31,135) |
| At 31 March 2018 | 58,344 | 26,656 | 59,220 | 73,987 | - | 218,207 |
| Net book value | | | | | | |
| At 31 March 2018 | 167,319 | 134,029 | 7,750 | 35,371 | 70,765 | 415,234 |
| At 31 March 2017 | 3,256 | 66,883 | 20,426 | 32,418 | 70,765 | 193,748 |

17 Capital Services Limited

Notes to the financial statements For the year ended 31 March 2018

9. Fixed asset investments

| | Investments in subsidiary companies £ |
|-----------------------|---------------------------------------------------|
| Cost | |
| At 1 April 2017 | 38,159 |
| At 31 March 2018 | <u>38,159</u> |
| Net book value | |
| At 31 March 2018 | <u>38,159</u> |
| At 31 March 2017 | <u>38,159</u> |

Subsidiary undertakings

The following were subsidiary undertakings of the company:

| Name | Registered office | Proportion of voting rights and common stock held | Principal activity |
|-------------------------|-----------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------|
| 17Capital Americas Inc. | 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, New Castle County, USA | 100 % | Service company |

The aggregate of the share capital and reserves as at 31 March 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| | Aggregate of share capital and reserves £ | Profit/(loss) £ |
|-------------------------|-------------------------------------------------------|--------------------|
| 17Capital Americas Inc. | <u>294,422</u> | <u>195,597</u> |

17 Capital Services Limited

Notes to the financial statements For the year ended 31 March 2018

10. Debtors

| | 2018 £ | 2017 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 19,000 | 5,589 |
| Amounts owed by group undertakings | 655,859 | 8,101 |
| Other debtors | 188,957 | 1,460,579 |
| Prepayments and accrued income | 570,887 | 775,131 |
| Fund debtors | 1,314,816 | 245,975 |
| | <u>2,749,519</u> | <u>2,495,375</u> |

Included within other debtors due within one year is a loan to a director amounting to £Nil (2017 - £1,155,019) see note 17.

11. Creditors: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 139,020 | 126,776 |
| Amounts owed to group undertakings | 1,761,308 | 79,116 |
| Corporation tax | 98,863 | 96,175 |
| Other taxation and social security | 16,113 | 21,901 |
| Fund creditors | 58,909 | 2,176,331 |
| Other creditors | 356,624 | 504,606 |
| Accruals and deferred income | 690,324 | 525,389 |
| | <u>3,121,161</u> | <u>3,530,294</u> |

12. Creditors: Amounts falling due after more than one year

| | 2018 £ | 2017 £ |
|-----------------|-----------|--------------|
| Other creditors | - | 9,552 |
| | <u>-</u> | <u>9,552</u> |

17 Capital Services Limited

Notes to the financial statements For the year ended 31 March 2018

13. Deferred taxation

| | 2018 £ |
|---------------------------|-----------------|
| At beginning of year | (4,224) |
| Charged to profit or loss | (16,112) |
| At end of year | (20,336) |

The provision for deferred taxation is made up as follows:

| | 2018 £ | 2017 £ |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | (20,336) | (4,224) |

14. Share capital

| | 2018 £ | 2017 £ |
|-------------------------------------------|-----------|-----------|
| Allotted, called up and fully paid | | |
| 1 Ordinary share of £1 | 1 | 1 |

15. Reserves

Profit and loss account

Profit and loss account represents cumulative profits and losses, net of dividends paid and other adjustments.

17 Capital Services Limited

Notes to the financial statements For the year ended 31 March 2018

16. Commitments under operating leases

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

| | 2018 £ | 2017 £ |
|----------------------------------------------|------------------|----------------|
| Not later than 1 year | 44,999 | 158,448 |
| Later than 1 year and not later than 5 years | 1,824,970 | 22,864 |
| Later than 5 years | 114,061 | - |
| | <u>1,984,030</u> | <u>181,312</u> |

17. Related party transactions

At the Statement of Financial Position date, one of the directors owed the company £Nil (2017 - £1,155,019). This balance was included within other debtors, was interest free and repaid in full in the current year.

18. 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 immediate parent entity. On 1 May 2017 the ultimate parent company changed to 17Capital Newco Limited when it purchased 17 Capital LLP.

The smallest group in which the results of the company are consolidated is that headed by 17 Capital LLP. The company's results are also consolidated into 17Capital Newco Limited, incorporated in the United Kingdom. The consolidated accounts of both entities are available to the public and may be obtained from the Companies House. No other group accounts include the results of the company.

17 Capital Services Limited

Detailed profit and loss account For the year ended 31 March 2018

| | Note | 2018 £ | 2017 £ |
|--------------------------------------|------|----------------|----------------|
| Turnover | | 8,579,013 | 6,379,238 |
| Other operating income | | - | 46,086 |
| Administration expenses | | (8,170,404) | (6,119,721) |
| Operating profit | | 408,609 | 305,603 |
| Interest receivable | | - | 337 |
| Interest payable | | (86) | - |
| Tax on profit on ordinary activities | | (118,095) | (97,000) |
| Profit for the year | | 290,428 | 208,940 |

17 Capital Services Limited

Detailed profit and loss account For the year ended 31 March 2018

| | 2018 £ | 2017 £ |
|-------------------------------|------------------|------------------|
| Turnover | | |
| Sales | <u>8,579,013</u> | <u>6,379,238</u> |
| | 2018 £ | 2017 £ |
| Other operating income | | |
| Net rents receivable | <u>-</u> | <u>46,086</u> |

17 Capital Services Limited

Detailed profit and loss account For the year ended 31 March 2018

| | 2018 £ | 2017 £ |
|----------------------------------------------------|------------------|------------------|
| Administration expenses | | |
| Staff salaries | 2,573,478 | 2,397,025 |
| Staff private health insurance | 26,797 | 32,574 |
| Staff national insurance | 330,002 | 351,805 |
| Staff pension costs - defined contribution schemes | 211,942 | 178,029 |
| Staff training | 267,980 | 155,036 |
| Commissions payable | 225,898 | 132,657 |
| Entertainment | 150,298 | 89,421 |
| Hotels, travel and subsistence | 327,523 | 184,187 |
| Printing and stationery | 40,244 | 38,583 |
| Telephone and fax | 38,704 | 34,881 |
| Computer costs | 91,915 | 59,311 |
| Advertising and promotion | 45,246 | 28,136 |
| Trade subscriptions | 92,328 | 68,435 |
| Charity donations | 29,815 | 27,819 |
| Legal and professional | 119,554 | 158,426 |
| Audit, Accountancy and Tax Fees | 103,799 | 97,915 |
| Bank charges | 5,474 | 4,347 |
| Difference on foreign exchange | 23,560 | (39,638) |
| Sundry expenses | 16,923 | 44,698 |
| Rent | 197,930 | 149,874 |
| Rates | 86,432 | 63,272 |
| Service charges | 110,196 | 97,683 |
| Insurances | 3,843 | 4,735 |
| Repairs and maintenance | 3,337 | 1,456 |
| Depreciation - motor vehicles | 29,229 | 15,841 |
| Depreciation - office equipment | 17,453 | 17,199 |
| Depreciation - other fixed assets | 5,791 | 16,307 |
| Depreciation - fixtures and fittings | 12,676 | 17,149 |
| Profit/loss on disposal of tangible assets | (11,640) | (4,044) |
| Recruitment expenses | 111,580 | 57,010 |
| US subsidiary expenses | 2,542,197 | 1,412,645 |
| VAT expense | 288,199 | 202,710 |
| Directors health insurance | 24,828 | 17,901 |
| Employee cash plan | 3,243 | 2,830 |
| Life insurance | 3,630 | 3,506 |
| Dilapidation | 20,000 | - |
| | 8,170,404 | 6,119,721 |

17 Capital Services Limited

Detailed profit and loss account For the year ended 31 March 2018

| | 2018 £ | 2017 £ |
|----------------------------------------------|-------------------|-------------------|
| Interest receivable | | |
| Other interest receivable and similar income | - | 337 |
| | <u> </u> | <u> </u> |
| | 2018 £ | 2017 £ |
| Interest payable | | |
| Bank overdraft interest payable | (86) | - |
| | <u> </u> | <u> </u> |