

CAPVEST LIMITED
Directors' Report and Financial Statements
Year Ended 31 December 2020

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CAPVEST LIMITED

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CAPVEST LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Neil Radia
Kevin Clowe
Stuart Mills

SECRETARY

Neil Radia

REGISTERED OFFICE

CapVest Limited
100 Pall Mall
London
SW1Y 5NQ

CAPVEST LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the unaudited financial statements of CapVest Limited (the "Company") Registration Number 3779692, for the year ended 31 December 2020.

PRINCIPAL ACTIVITY & BUSINESS REVIEW

CapVest Limited decided to invest £3,582,550 into a new Limited Liability Partnership, CapVest Associates LLP on 21 September 2012. The principle activities of the Company and employees were transferred to CapVest Associates LLP to carry out investment advisory activities. The Company no longer carries out investment advice nor does it receive a profit share from its investment in CapVest Associates LLP. As of 31 December 2020, the carrying value of the investment was reduced to £nil, further details of which are given in note 5.

RESULTS AND DIVIDENDS

The Company's turnover decreased from £73,399 to (£72,508) and the loss for the year amounted to £1,944,300 (2019: loss of £609,445). There was no equity dividend declared during the year (2019: £350,000).

DIRECTORS AND THEIR INTERESTS

The appointed Directors for the year were as follows:

Neil Radia
Kevin Clowe
Stuart Mills

SUBSIDIARIES

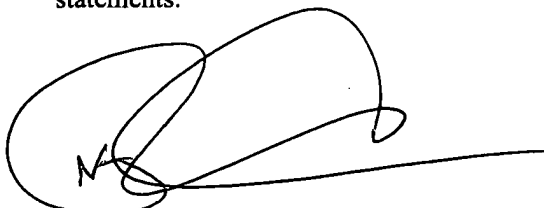
CapVest Fund Services Ireland Limited is wholly owned by the Company. The Directors who served CapVest Fund Services Ireland Limited throughout the year were as follows:

Seamus FitzPatrick
Neil Radia

A decision to liquidate CapVest Fund Services Ireland Limited was made in 2012, and its results for the year and gross and net assets at the year-end are deemed to be immaterial to the Company, both on a consolidated and non-consolidated basis. As such, the directors have not deemed it necessary to prepare consolidated financial statements for 2020.

GOING CONCERN

The Directors do not have a reasonable expectation that the Company will continue in operational existence for the foreseeable future and have therefore used the break-up basis in preparing the financial statements.



NEIL RADIA

Date: 29/09/2021

CAPVEST LIMITED

STATEMENT OF 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Neil Radia
Director

Date 29/09/2021

CAPVEST LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 December 2020

	Note	2020 £	2019 £
TURNOVER	1	<u>(72,508)</u>	<u>73,399</u>
Administrative expenses		(1,871,792)	(116,299)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(1,944,300)</u>	<u>(42,900)</u>
Tax charge on profit on ordinary activities	4	–	(216,545)
(LOSS) ON ORDINARY ACTIVITIES AFTER TAX		<u>(1,944,300)</u>	<u>(259,445)</u>
Dividends Paid		–	(350,000)
(LOSS) AFTER TAX AND DIVIDENDS PAID		<u>(1,944,300)</u>	<u>(609,445)</u>

All of the above results for both years derive from continuing activities.

The Company does not have any recognised gains or losses for either year other than the results as shown above. Consequently, no statement of total recognised gains and losses is presented.

The notes on pages 6 to 11 form part of these financial statements.

CAPVEST LIMITED

BALANCE SHEET

As at 31 December 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	6	–	–
Investments	5	–	1,796,968
		–	1,796,968
CURRENT ASSETS			
Debtors	7	650,942	879,612
Cash at bank and in hand		28,417	59,094
		679,359	938,706
CREDITORS: amounts falling due within one year	8	(67,500)	(179,515)
NET CURRENT ASSETS		611,859	759,191
TOTAL NET ASSETS		611,859	2,556,159
CAPITAL AND RESERVES			
Called up share capital	9	245,890	245,890
Capital redemption reserve	10	9,763	9,763
Profit and loss account	10	356,206	2,300,506
SHAREHOLDERS' FUNDS		611,859	2,556,159

For the year ending 31 December 2020 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The Directors have not required the company to obtain an audit of its accounts in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Signed on behalf of the Board of Directors



Neil Radia
Director
Company Registration Number: 3779692

The notes on pages 6 to 11 form part of these financial statements.

CAPVEST LIMITED

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

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

Investments

Investments are stated at cost less amounts written off.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The assets and liabilities and profit and loss accounts of overseas subsidiary undertakings and associated undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

Taxation

"The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19."

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. The finance cost on the financial liability component is correspondingly higher over the life of the instrument.

CAPVEST LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Turnover

The Company is no longer in receipt of advisory fee income or profit share from its investment in CapVest Associates LLP.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2. The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2 FINANCIAL RISK MANAGEMENT

The Company's primary financial risks are:

a) Market Risk

Management take appropriate steps to minimise the impact of risks faced by market conditions through their day-to-day management of the Company. As at 31 December 2020, the Company's investment in CapVest Associates LLP is as follows:

	Cost	Fair value	% total assets
	£	£	
Investments held as at 31 December 2020	–	–	0.00%

b) Credit Risk

The primary credit risk for the Company is default by the Company's investment in CapVest Associates LLP. There were no such defaults as at 31 December 2019. The Company manages this risk by monitoring its investment in CapVest Associates LLP.

c) Currency Risk

The Company has assets and liabilities denominated in currencies other than sterling, the functional currency. The Company is therefore exposed to currency risk as the value of the assets denominated in currencies other than the functional currency will fluctuate due to changes in exchange rates. The Company policy is not to enter into any currency hedging transactions.

The table below summarises the Company's exposure to currency risks at year end.

Current Assets	Originating	£
Current euro cash balance	9,663	8,658
Current US dollar cash balance	5,895	4,318

CAPVEST LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

The Euro exchange rate at 31 December 2020 was EUR 1.00 to GBP 0.8960. The United States Dollar exchange rate as at 31 December 2020 was USD 1.00 to GBP 0.73244.

The Company's sensitivity to a 25% increase/decrease in sterling against these currencies would be £3,244 / (£3,244) to the profit after tax for the year and Company's equity. Notwithstanding the currency movements in 2020, 25% is management's assessment of the potential further exposure to foreign exchange rate fluctuation. The sensitivity analysis includes only outstanding foreign currency, current financial assets and liabilities and adjusts their translation at the year-end for a 25% change in foreign currency rate thus indicating the potential movement in net assets attributable to the shareholders.

d) Liquidity Risk

Although the Company no longer receives profit share from its investment in CapVest Associates LLP, it also no longer incurs any fixed overhead expenses and few, low one-off costs throughout the year. As a result, the Company believes there is a minimal liquidity risk to the business.

e) Interest Rate Risk

The Company's primary exposure to interest rate risk is on income from cash balances and deposits which will fluctuate with market interest rates all of which are due within one year. The Company believes there is a minimal interest rate risk to the business.

f) Capital Risk

At 31 December 2020, the capital of the Company comprised £245,890 of ordinary shares. In addition to this, the Company had £9,763 in a capital redemption reserve and £356,206 in the Profit and Loss account as at that date.

3 OPERATING PROFIT

Operating profit is stated after charging:

	2020	2019
	£	£
Depreciation and amounts written off tangible fixed assets	—	—
Rent	—	—

4 TAX CHARGE ON ORDINARY ACTIVITIES

	2020	2019
	£	£
UK corporation tax current	—	—
UK corporation tax prior	—	—
	<u>—</u>	<u>—</u>

CAPVEST LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

4 TAX CHARGE ON ORDINARY ACTIVITIES (CONTINUED)

	2020	2019
	£	£
(Loss) on ordinary activities before tax	(1,944,301)	(42,900)
Profit on ordinary activities multiplied by the blended rate of corporation tax in the UK of 19% (2018: 19%)	—	—
Effects of:	—	—
Expenses not deductible for tax purposes	—	—
Depreciation in excess of capital allowances	—	—
Movement in short term timing differences	—	—
Prior Year adjustments	—	(216,545)
Foreign taxes	—	—
Movement differences in recognition of partnership income	—	—
Current tax (credit)/charge for year	(1,944,301)	(259,445)

5 INVESTMENTS

	2020	2019
	£	£
Balance brought forward	1,796,968	2,199,527
Additions / (reductions)	(1,796,968)	(402,559)
Balance carried forward	—	1,796,968

Investments consist of:

	Country of Incorporation
<u>Directly held:</u>	
CapVest Associates LLP	United Kingdom

During 2012 the Company made an investment in CapVest Associates LLP of £3,582,550 in return for which the Company became a Corporate Member and will receive a profit share. During 2013, a reduction of £833,023 was made. Further reductions of £500,000 and £402,559 were made in 2018 and 2019 respectively. The investment value was reduced to nil during the year ending 31 December 2020. The loss has been recognised in the Profit & Loss Account.

CAPVEST LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

6 FIXED ASSETS

	2020 £	2019 £
Cost		
At 1 January 2020	1,015,912	1,015,912
Additions	–	–
At 31 December 2020	<u>1,015,912</u>	<u>1,015,912</u>
Depreciation		
At 1 January 2020	1,015,912	1,015,912
Charge for the year	–	–
At 31 December 2020	<u>1,015,912</u>	<u>1,015,912</u>
Net book value		
At 31 December 2020	<u>–</u>	<u>–</u>

7 DEBTORS

	2020 £	2019 £
Trade debtors	644,832	873,681
Prepayments	6,110	5,931
	<u>-650,942</u>	<u>-879,612</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	37,500	125,211
Accruals and deferred income	30,000	54,304
	<u>67,500</u>	<u>179,515</u>

9 CALLED UP SHARE CAPITAL

	2020 £	2019 £
Authorised		
40,000 A ordinary shares of \$10 each	245,884	245,884
1,000 B ordinary shares of £1 each	1,000	1,000
	<u>246,884</u>	<u>246,884</u>
Allotted, called up, and fully paid		
40,000 A ordinary shares of \$10 each	245,884	245,884
6 B ordinary shares of £1 each	6	6
	<u>245,890</u>	<u>245,890</u>

Each ordinary share carries an equal right to vote and an equal interest in the profits of the Company.

CAPVEST LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

10 RESERVES

	Capital redemption reserve	Profit and loss account
	£	£
At 31 December 2019	9,763	2,300,506
(Loss) for the year	–	(1,944,300)
Dividends declared	–	–
At 31 December 2020	9,763	356,206

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUND

	2020	2019
	£	£
(Loss)/Profit for the year	(1,944,300)	(259,445)
Dividends declared	–	(350,000)
Net (reduction)/addition to shareholders' funds	(1,944,300)	(609,445)
 Opening shareholders' funds	 2,556,159	 3,165,604
 Closing shareholders' fund	 611,859	 2,556,159

12 POST BALANCE SHEET EVENTS

COVID-19 is a developing situation and as of the date of approval of these Financial Statements, the assessment of this situation will need continued attention and will evolve over time. The Directors consider COVID-19 to be a non-adjusting subsequent event and as a result, no adjustment is made in these Financial Statements.