

Company Registration No. 06575165 (England and Wales)

**UNITED CAPITAL LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2017**

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# **UNITED KAPITAL LIMITED**

## **DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director 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 the director must not approve the financial statements unless he is 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 director is 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 company will continue in business.

The director is 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. He is 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.

**UNITED KAPITAL LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Intangible assets	3	-		926	
Tangible assets	4	56,732		74,875	
		<u>56,732</u>		<u>75,801</u>	
<b>Current assets</b>					
Debtors	5	2,666,218		3,730,369	
Cash at bank and in hand		17,682		21,549	
		<u>2,683,900</u>		<u>3,751,918</u>	
<b>Creditors: amounts falling due within one year</b>	6	<u>(1,194,099)</u>		<u>(2,603,663)</u>	
<b>Net current assets</b>		<u>1,489,801</u>		<u>1,148,255</u>	
<b>Total assets less current liabilities</b>		<u>1,546,533</u>		<u>1,224,056</u>	
<b>Provisions for liabilities</b>	7	<u>(7,168)</u>		<u>(9,802)</u>	
<b>Net assets</b>		<u><u>1,539,365</u></u>		<u><u>1,214,254</u></u>	
<b>Capital and reserves</b>					
Called up share capital	8	2		2	
Profit and loss reserves		<u>1,539,363</u>		<u>1,214,252</u>	
<b>Total equity</b>		<u><u>1,539,365</u></u>		<u><u>1,214,254</u></u>	

The director of the company has elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and signed by the director and authorised for issue on 17/12/18

  
D Goldin  
Director

# UNITED KAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

#### Company information

United Kapital Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 7th Floor, Station House, Stamford New Road, Altrincham, Cheshire, WA14 1EP.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will be able to continue its operations for the foreseeable future and as a minimum for a period of at least one year from the date of approval of these financial statements. The validity of this assumption depends on the company continuing to meet its day to day working capital requirements through the use of intergroup debt and as a consequence the group of which the company is part continuing to meet its day to day working capital requirements through the use of financing which has been provided by the group's funders on the basis of security held over certain of the group's assets.

The existing group funding facility totalling £15.8m (2016: £12.4m) is expiring and the group's current senior lender is not extending any of their facilities as they are returning shareholder capital and closing down their fund. Based on discussions to date, the board expect that negotiations with a new senior and mezzanine lender will be finalised and funded by the end of December.

Additionally, the director is continually monitoring cash-flow, expenditure and profitability to ensure that day to day liabilities are met.

The company reported a profit of £325,111 (2016: £343,675) for the year ended 31 December 2017 and had total net assets of £1,539,365 (2016: £1,214,254) at that date which include net intergroup debt recoverable of £1,752,380 (2016: £1,363,048). As of the date of approval of these financial statements the net external financing debt of the Group was approximately £30.5m.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

Turnover in respect of services provided, is calculated as attributable costs plus 10% in accordance with an intercompany agreement between United Kapital Limited and United Kapital Limited LLC.

# UNITED KAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### **Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software	3 years straight line
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#### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	5 years straight line
Computer equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

#### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include other debtors, loans to fellow group companies, and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

# UNITED KAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, 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.

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

#### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

#### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# UNITED CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 Accounting policies (Continued)

#### Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 55 (2016 - 48).

### 3 Intangible fixed assets

	Other £
<b>Cost</b>	
At 1 January 2017 and 31 December 2017	4,298
<b>Amortisation and impairment</b>	
At 1 January 2017	3,372
Amortisation charged for the year	926
At 31 December 2017	4,298
<b>Carrying amount</b>	
At 31 December 2017	-
At 31 December 2016	926

# UNITED CAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 4 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 January 2017	222,034
Additions	13,124
At 31 December 2017	235,158
<b>Depreciation and impairment</b>	
At 1 January 2017	147,159
Depreciation charged in the year	31,267
At 31 December 2017	178,426
<b>Carrying amount</b>	
At 31 December 2017	56,732
At 31 December 2016	74,875

### 5 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Corporation tax recoverable	-	30,181
Amounts owed by group undertakings	2,492,232	3,561,376
Other debtors	173,986	138,812
	<u>2,666,218</u>	<u>3,730,369</u>

### 6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	119,097	143,177
Amounts due to group undertakings	739,852	2,198,328
Corporation tax	16,545	-
Other creditors	318,605	262,158
	<u>1,194,099</u>	<u>2,603,663</u>



# UNITED KAPITAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 7 Provisions for liabilities

	2017 £	2016 £
Deferred tax liabilities	7,168	9,802

### 8 Called up share capital

	2017 £	2016 £
<b>Ordinary share capital Issued and fully paid</b>		
2 Ordinary shares of £1 each	2	2
	2	2

### 9 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	136,283	136,283
Between one and five years	545,132	545,132
In over five years	136,283	272,566
	817,698	953,981

### 10 Parent company

The director considers MCAS Ventures LLC, registered office: 475 Park Avenue South, 10th Floor, New York, NY 10016, USA, to be the immediate parent company and the smallest group for which consolidated accounts are prepared that include this company. The financial statements can be requested from the registered office of MCAS Ventures LLC.

### 11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Perry Linton FCA.

The auditor was RSM UK Audit LLP.