

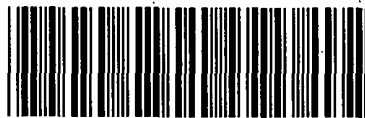
## **Scoggin Capital UK Limited**

### **Director's report and financial statements**

for the year ended 31 December 2015

Registered number: 07553790

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## Scoggin Capital UK Limited

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### Company Information

Director	C Efron
Registered number	07553790
Registered office	130 Wood Street London EC2V 6DL
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	Bank of America N.A 2 King Edward Street London EC1A 1HQ

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**Director's report**  
for the year ended 31 December 2015

The director presents his report together with the Strategic report and the financial statements of Scoggin Capital UK Limited ('the company') for the year ended 31 December 2015.

**Results and dividends**

The loss for the year, after taxation, amounted to £71,364 (2014 - profit £5,970).

The directors did not recommend a dividend during the year.

**Directors**

The directors who served during the year were:

K Marchoudi (resigned 1 October 2015)  
C Effron

**Statement on going concern**

The company is entering a voluntary liquidation process which is expected to be completed within 12 months of the date of approval of these financial statements. The accounts have therefore been prepared on a 'break up' basis.

**Director's responsibilities statement**

The director is responsible for preparing the Directors' report, the Strategic 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that he gives 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 for the company financial statements and then apply them consistently;
- make judgments 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 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 him 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.

**Director's report**  
for the year ended 31 December 2015

**Disclosure of information to auditor**

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the sole director and signed on 6 September 2016.

A handwritten signature in black ink, appearing to be 'C Effron', written in a cursive style.

C Effron  
Director

**Strategic report**  
for the year ended 31 December 2015

The director presents the Strategic report of the company for the year ended 31 December 2015.

**Principal activity**

The company's principal activity is the provision of the investment management services to its parent company Scoggin LLC, a company incorporated in the United States of America.

The company was authorised by the Financial Conduct Authority ('the FCA') to carry out its activities. The company applied to cancel its authorisation on 31 October 2015.

**Business review and future developments**

The directors are satisfied with the results for the year, however intend to close the company. The voluntary liquidation process is expected to be completed within 12 months of the date of approval of these financial statements.

**Principal risks and uncertainties**

*Foreign currency risk*

The company receives its revenue in US Dollars, however, the risk is mitigated by monitoring any foreign currency fluctuations closely. Expenses are payable in pounds sterling, and no significant assets or liabilities are held in foreign currencies.

*Credit risk*

The company is not exposed to any significant third party credit risk as revenue is received from its parent undertaking.

The company is not exposed to any significant liquidity or interest rate risks.

**Key performance indicators ('KPIs')**

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the sole director and signed on 6 September 2016.

C Effron  
Director



**Scoggin Capital UK Limited**

**Director's report and financial  
statements**

for the year ended 31 December 2015

Registered number: 07553790

**Independent auditor's report to the members of Scoggin Capital UK Limited**  
for the year ended 31 December 2015

We have audited the financial statements of Scoggin Capital UK Limited for the year ended 31 December 2015, set out on pages 6 to 16. 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'.

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 director and auditors**

As explained more fully in the Director's responsibilities statement, the director is 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 Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statement**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://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 December 2015 and of its loss 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 matter prescribed by the Companies Act 2006**

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



**Independent auditor's report to the members of Scoggin Capital UK Limited**  
for the year ended 31 December 2015

**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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Peter Chapman (Senior statutory auditor)  
for and on behalf of  
Buzzacott LLP  
Statutory auditor  
130 Wood Street  
London  
EC2V 6DL

6 September 2016

**Statement of income and retained earnings**  
for the year ended 31 December 2015

	Note	2015 £	2014 £
Turnover		413,537	865,960
Gross profit		413,537	865,960
Administrative expenses		(507,714)	(866,000)
Other operating income		10,430	7,500
Operating (loss)/profit		(83,747)	7,460
Interest receivable and similar income	8	12	3
(Loss)/profit on ordinary activities before taxation		(83,735)	7,463
Taxation on profit/(loss) on ordinary activities	9	12,371	(1,493)
(Loss)/profit on ordinary activities after taxation		(71,364)	5,970
Retained earnings at the beginning of the year		88,269	82,299
		88,269	82,299
(Loss)/profit for the year		(71,364)	5,970
Retained earnings at the end of the year		16,905	88,269

All amounts relate to discontinuing operations.

There was no other comprehensive income for 2015 or 2014.

The notes on pages 9 to 16 form part of these financial statements.

**Statement of financial position**  
as at 31 December 2015

	Note	2015 £	2014 £
<b>Current assets</b>			
Debtors: Amounts falling due within one year	10	300,596	402,398
Cash at bank and in hand	11	224,693	464,860
		<u>525,289</u>	<u>867,258</u>
Creditors: Amounts falling due within one year	12	(19,840)	(308,987)
<b>Net current assets</b>		<u>505,449</u>	<u>558,271</u>
<b>Total assets less current liabilities</b>		<u>505,449</u>	<u>558,271</u>
<b>Provisions for liabilities</b>			
Other provisions	14	(18,542)	-
		<u>(18,542)</u>	<u>-</u>
<b>Net assets</b>		<u>486,907</u>	<u>558,271</u>
<b>Capital and reserves</b>			
Called up share capital	16	470,002	470,002
Profit and loss account	15	16,905	88,269
		<u>486,907</u>	<u>558,271</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 September 2016.

  
C Effron  
Director

The notes on pages 9 to 16 form part of these financial statements.

**Statement of cash flows**  
for the year ended 31 December 2015

	2015 £	2014 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(71,364)	5,970
Adjustments for:		
Interest received	(12)	(3)
Tax (credit)/expense	(12,371)	1,493
Decrease/(increase) in debtors	114,173	(21,258)
Decrease in creditors	(266,999)	(70,228)
Corporation tax paid	(3,606)	-
<b>Net cash generated from operating activities</b>	<b>(240,179)</b>	<b>(84,026)</b>
<b>Cash flows from investing activities</b>		
Interest received	12	3
<b>Net cash from Investing activities</b>	<b>12</b>	<b>3</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	200,000
<b>Net cash from financing activities</b>	<b>-</b>	<b>200,000</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(240,167)</b>	<b>115,977</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>464,860</b>	<b>348,883</b>
<b>Cash at bank and in hand</b>	<b>224,693</b>	<b>464,860</b>

The notes on pages 9 to 16 form part of these financial statements.

**Notes to the financial statements**  
for the year ended 31 December 2015

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 20.

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 Going concern**

As described in the Director's report, the company is entering a voluntary liquidation process which is expected to be completed within 12 months of approval of these financial statements. The accounts have therefore been prepared on a 'break up' basis. Accordingly, full provision has been made in these accounts for all known liabilities and anticipated losses on realisation of assets.

**1.3 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company 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. The following criteria must also be met before turnover is recognised:

*Rendering of services*

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

**1.4 Operating leases**

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

**1.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**1.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

**Notes to the financial statements**  
for the year ended 31 December 2015

**1. Accounting policies (continued)**

**1.7 Financial instruments**

The company only transactions that result in the recognition of basic financial instruments like trade and other accounts debtors and creditors and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are 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 Statement of income and retained earnings.

**1.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**1.9 Foreign currency translation**

*Functional and presentation currency*

The company'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 Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

**1.10 Interest receivable**

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

**Notes to the financial statements**  
for the year ended 31 December 2015

**1. Accounting policies (continued)**

**1.11 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 income and retained earnings in the year that the company becomes aware of the obligation, and are measured at the best estimate at the reporting 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.

**1.12 Taxation**

Tax is recognised in the Statement of income and retained earnings, 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.

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

The directors do not consider that there were any significant areas of estimation uncertainty or critical judgements in respect of the year.

**3. Analysis of turnover**

	2015 £	2014 £
Investment management fees	413,537	865,960
	<u>413,537</u>	<u>865,960</u>

All turnover arose from the company's principal activity performed within the United Kingdom.

**4. Other operating income**

	2015 £	2014 £
Other operating income	10,430	7,500
	<u>10,430</u>	<u>7,500</u>

**Notes to the financial statements**  
for the year ended 31 December 2015

**5. Operating (loss)/profit**

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

	2015 £	2014 £
Other operating lease rentals	51,082	51,250

**6. Auditor's remuneration**

	2015 £	2014 £
Fees payable to the company's auditor for the audit of the company's annual accounts	9,500	9,000
	9,500	9,000
Fees payable to the company's auditor and its associates in respect of:		
Audit related assurance services	-	1,000
Taxation compliance services	2,000	2,000
All other services	12,175	13,214
	14,175	16,214

**7. Staff costs and average number of employees**

Staff costs, including directors' remuneration, during the year were as follows:

	2015 £	2014 £
Wages and salaries	278,793	561,662
Social security costs	34,904	74,352
	313,697	636,014

The average monthly number of employees, including the director on an employment contract, during the year was as follows:

	2015 Number	2014 Number
Investment professionals	2	2

**8. Interest receivable**

	2015 £	2014 £
Other interest receivable	12	3
	12	3



**Notes to the financial statements**  
for the year ended 31 December 2015

**9. Taxation**

	2015 £	2014 £
<b>Corporation tax</b>		
Current tax on profits for the year	(12,371)	1,493
	<u>(12,371)</u>	<u>1,493</u>
<b>Total current tax</b>	<u>(12,371)</u>	<u>1,493</u>
<b>Deferred tax</b>		
Total deferred tax	-	-
	<u>-</u>	<u>-</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(12,371)</u>	<u>1,493</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%). The differences are explained below:

	2015 £	2014 £
(Loss)/Profit on ordinary activities before tax	(83,735)	7,463
	<u>(83,735)</u>	<u>7,463</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.49%)	-	1,604
<b>Effects of:</b>		
Terminal loss relief	(12,371)	-
Marginal relief	-	(111)
	<u>(12,371)</u>	<u>(111)</u>
<b>Total tax charge for the year</b>	<u>(12,371)</u>	<u>1,493</u>

**10. Debtors**

	2015 £	2014 £
<b>Due within one year</b>		
Amounts owed by group undertakings	263,819	394,457
Other debtors	36,777	7,941
	<u>300,596</u>	<u>402,398</u>

**Notes to the financial statements**  
for the year ended 31 December 2015

**11. Cash and cash equivalents**

	2015 £	2014 £
Cash at bank and in hand	224,693	464,860
	<u>224,693</u>	<u>464,860</u>

**12. Creditors: Amounts falling due within one year**

	2015 £	2014 £
Corporation tax	-	3,606
Other creditors	-	3,047
Accruals and deferred income	19,840	302,334
	<u>19,840</u>	<u>308,987</u>

**13. Financial instruments**

	2015 £	2014 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	224,692	464,860
Financial assets that are debt instruments measured at amortised cost	263,819	394,457
	<u>488,511</u>	<u>859,317</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(19,840)	(20,882)
	<u>(19,840)</u>	<u>(20,882)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise other creditors and accruals for contractual obligations.

**Notes to the financial statements**  
for the year ended 31 December 2015

**14. Provisions**

	Onerous lease provision £
Charged to the profit or loss	18,542
At 31 December 2015	<u>18,542</u>

As at 31 December 2015, the director considers the company's operating lease to be an onerous contract. Therefore provision has been made for all expected future lease payments.

**15. Reserves**

*Profit and loss account* - includes all current and prior periods retained profits and losses.

**16. Share capital**

	2015 £	2014 £
Allotted, called up and fully paid 470,002 Ordinary shares of £1 each	<u>470,002</u>	<u>470,002</u>

**17. Commitments under operating leases**

At 31 December 2015, the company had future minimum lease payments under non-cancellable operating leases as follows:

	2015 £	2014 £
Not later than 1 year	18,542	47,000
Later than 1 year and not later than 5 years	-	18,542
<b>Total</b>	<u>18,542</u>	<u>65,542</u>

**18. Related party transactions**

During the year, the company earned advisory and management fees amounting to £413,537 (2014 - £865,960) from Scoggin LLC.

At 31 December 2015, the company was owed £160,486 (2014 - £256,624) by Scoggin LLC in respect of advisory and management fees and £103,333 (2014 - £103,333) in respect of an intercompany loan.

Scoggin LLC is a related party by virtue of being the ultimate parent undertaking of the company during the year until 24 December 2015.

**Notes to the financial statements**  
for the year ended 31 December 2015

**19. Controlling party**

During the year, the immediate and ultimate parent undertaking and controlling party of Scoggin Capital UK Limited was Scoggin LLC, a company registered in the United States of America, due to its 100% shareholding in Scoggin Capital UK Limited. On 24 December 2015, Scoggin LLC merged with Scoggin Management LP, an entity registered in the United States of America, and therefore Scoggin Management LP became the immediate and ultimate parent undertaking of Scoggin Capital UK Limited.

The largest and smallest group of undertakings of which Scoggin Capital UK Limited is a member, for which consolidated accounts are prepared is that headed by Scoggin Management LP.

**20. First time adoption of FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

**21. Company information**

The company is a private company limited by shares and incorporated under the Companies Act 2006 as a limited liability company and registered in England and Wales with registered number 07553790.

The address of the companies registered office is 130 Wood Street, London, EC2V 6DL.

**22. Events after the end of the reporting period**

The company is entering a voluntary liquidation process, which is expected to be completed within 12 months of the date of approval of these financial statements.