

REGISTRAR OF COMPANIES

Scoggin Capital UK Limited

**Annual report and audited financial
statements**

for the year ended 31 December 2014

Registered number: 07553790

FRIDAY



A4G82HB6

A10

18/09/2015

#341

COMPANIES HOUSE

Scoggin Capital UK Limited

Company Information

| | |
|---------------------|---|
| Directors | K Marchoudi C Efron |
| Registered number | 07553790 |
| Registered office | 130 Wood Street London EC2V 6DL |
| Independent auditor | Buzzacott LLP 130 Wood Street London EC2V 6DL |
| Bankers | JP Morgan Chase Bank 25 Bank Street London E14 5JP |

Contents

| | Page |
|--|---------------|
| Directors' report | 1 - 2 |
| Strategic report | 3 |
| Independent auditor's report | 4 - 5 |
| Profit and loss account | 6 |
| Balance sheet | 7 |
| Cash flow statement | 8 |
| Notes to the financial statements | 9 - 14 |

Directors' report

for the year ended 31 December 2014

The directors present their report together with the Strategic report and the financial statements of Scoggin Capital UK Limited ('the company') for the year ended 31 December 2014.

Results and dividends

The profit for the year, after taxation, amounted to £5,970 (2013 - £6,605). The directors did not recommend any dividends during the year (2013 - £nil).

Directors

The directors who served during the year were:

K Marchoudi
C Effron

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report, the Strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director 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.

Directors' report

for the year ended 31 December 2014

Pillar 3 disclosures

Copies of the company's Pillar 3 disclosure will be made publicly available with the financial statements filed at Companies House.

This report was approved by the board on 27 April 2015 and signed on its behalf.

C Effron
Director

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a series of loops and a final horizontal stroke.

Strategic report

for the year ended 31 December 2014

The directors present the Strategic report of the company for the year ended 31 December 2014.

Principal activities

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

The company is authorised by the Financial Conduct Authority ('the FCA') to carry out its activities.

Business review

The directors are satisfied with the results for the year and are confident of growth for the future.

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 board on 27 April 2015 and signed on its behalf.



C Effron
Director

Independent auditor's report to the members of Scoggin Capital UK Limited
for the year ended 31 December 2014

We have audited the financial statements of Scoggin Capital UK Limited for the year ended 31 December 2014, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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. 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 statements

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.

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 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other 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 2014

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

27 April 2015

Profit and loss account
for the year ended 31 December 2014

| | Note | 2014 £ | 2013 £ |
|--|------|--------------|--------------|
| Turnover | 1,2 | 865,960 | 920,625 |
| Administrative expenses | | (858,500) | (911,920) |
| Operating profit | 3 | 7,460 | 8,705 |
| Interest receivable and similar income | | 3 | 13 |
| Profit on ordinary activities before taxation | | 7,463 | 8,718 |
| Tax on profit on ordinary activities | 7 | (1,493) | (2,113) |
| Profit for the financial year/period | 11 | 5,970 | 6,605 |

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 9 to 14 form part of these financial statements.

Balance sheet

as at 31 December 2014

| | Note | £ | 2014 £ | £ | 2013 £ |
|--|------|----------------|----------------|----------------|----------------|
| Current assets | | | | | |
| Debtors | 8 | 402,398 | | 381,141 | |
| Cash at bank and in hand | | 464,860 | | 348,883 | |
| | | <u>867,258</u> | | <u>730,024</u> | |
| Creditors: amounts falling due within one year | 9 | (308,987) | | (377,723) | |
| Net current assets | | | <u>558,271</u> | | <u>352,301</u> |
| Net assets | | | <u>558,271</u> | | <u>352,301</u> |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 470,002 | | 270,002 |
| Profit and loss account | 11 | | 88,269 | | 82,299 |
| | | | <u>558,271</u> | | <u>352,301</u> |
| Shareholders' funds | 12 | | <u>558,271</u> | | <u>352,301</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 April 2015.

C Effron
Director



The notes on pages 9 to 14 form part of these financial statements.

Cash flow statement

for the year ended 31 December 2014

| | Note | 2014 £ | 2013 £ |
|---|------|-----------------|---------------|
| Net cash flow from operating activities | 13 | (84,026) | 107,408 |
| Returns on investments and servicing of finance | 14 | 3 | 13 |
| Taxation | | - | (21,643) |
| Cash (outflow)/inflow before financing | | (84,023) | 85,778 |
| Financing | 14 | 200,000 | - |
| Increase in cash in the year | | 115,977 | 85,778 |

Reconciliation of net cash flow to movement in net funds

for the year ended 31 December 2014

| | 2014 £ | 2013 £ |
|--|----------------|----------------|
| Increase in cash in the year | 115,977 | 85,778 |
| Movement in net funds in the year | 115,977 | 85,778 |
| Net funds at 1 January 2014 | 348,883 | 263,105 |
| Net funds at 31 December 2014 | 464,860 | 348,883 |

The notes on pages 9 to 14 form part of these financial statements.

Notes to the financial statements
for the year ended 31 December 2014

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 applicable United Kingdom accounting standards.

1.2 Turnover

Turnover represents income derived from the company's principal activity of providing investment management services to Scoggin LLC, exclusive of Value Added Tax. Management fees are included in the financial statements on an accruals basis. Performance fees are recognised when they crystallise.

1.3 Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Any rent free period will be amortised over the non-cancellable term of the operating lease.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.4 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in years different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. Turnover

Turnover is wholly attributable to the company's principal activity.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging:

| | 2014 £ | 2013 £ |
|--------------------------|-----------|-----------|
| Operating lease rentals: | | |
| - other operating leases | 51,250 | 39,838 |

Notes to the financial statements
for the year ended 31 December 2014

4. Auditor's remuneration

| | 2014 £ | 2013 £ |
|---|---------------|---------------|
| Fees payable to the company's auditor for the audit of the company's annual accounts and non audit services | 9,000 | 9,000 |
| Fees payable to the company's auditor and its associates in respect of: | | |
| Audit-related assurance services | 1,000 | 1,000 |
| Taxation compliance services | 1,100 | 2,000 |
| All other non-audit services not included above | 10,174 | 3,000 |
| | <u>20,274</u> | <u>14,000</u> |

5. Staff costs and average number of employees

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

| | 2014 £ | 2013 £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 561,662 | 603,342 |
| Social security costs | 74,352 | 81,781 |
| | <u>636,014</u> | <u>685,123</u> |

The average monthly number of employees, including directors with employment contracts, during the year was as follows:

| | 2014 Number | 2013 Number |
|--------------------------|----------------|----------------|
| Investment professionals | <u>2</u> | <u>2</u> |

6. Directors' remuneration

| | 2014 £ | 2013 £ |
|--------------|----------------|----------------|
| Remuneration | <u>507,000</u> | <u>562,717</u> |

During the year the highest paid director received remuneration of £507,000 (2013 - £562,717).

Notes to the financial statements
for the year ended 31 December 2014

7. Taxation

| | 2014 £ | 2013 £ |
|--|-----------|-----------|
| UK corporation tax charge on profit for the year | 1,493 | 2,113 |

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2013 - lower than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

| | 2014 £ | 2013 £ |
|---|--------------|--------------|
| Profit on ordinary activities before tax | 7,463 | 8,718 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25) | 1,604 | 2,027 |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | 369 |
| Small profits and marginal relief | (111) | (283) |
| Current tax charge for the year (see note above) | 1,493 | 2,113 |

8. Debtors

| | 2014 £ | 2013 £ |
|------------------------------------|----------------|----------------|
| Amounts owed by group undertakings | 394,457 | 378,497 |
| Other debtors | 7,941 | 2,644 |
| | 402,398 | 381,141 |

9. Creditors:
Amounts falling due within one year

| | 2014 £ | 2013 £ |
|------------------------------|----------------|----------------|
| Corporation tax | 3,606 | 2,113 |
| Other creditors | 3,047 | 3,047 |
| Accruals and deferred income | 302,334 | 372,563 |
| | 308,987 | 377,723 |

Notes to the financial statements
for the year ended 31 December 2014

10. Share capital

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid | | |
| 470,002 (2013 - 270,002) Ordinary shares of £1 each | 470,002 | 270,002 |

During the year, 200,000 Ordinary shares of £1 each were issued at par.

11. Reserves

| | Profit and loss account £ |
|-------------------------------|---------------------------------|
| At 1 January 2014 | 82,299 |
| Profit for the financial year | 5,970 |
| At 31 December 2014 | 88,269 |

12. Reconciliation of movement in shareholder's funds

| | 2014 £ | 2013 £ |
|-------------------------------|-----------|-----------|
| Opening shareholder's funds | 352,301 | 345,696 |
| Profit for the financial year | 5,970 | 6,605 |
| Shares issued during the year | 200,000 | - |
| Closing shareholder's funds | 558,271 | 352,301 |

13. Net cash flow from operating activities

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| Operating profit | 7,460 | 8,705 |
| Increase in debtors | (21,258) | (266,449) |
| (Decrease)/increase in creditors | (70,228) | 365,152 |
| Net cash (outflow)/inflow from operating activities | (84,026) | 107,408 |

Notes to the financial statements
for the year ended 31 December 2014

14. Analysis of cash flows for headings netted in cash flow statement

| | 2014 £ | 2013 £ |
|--|----------------|-----------|
| Returns on investments and servicing of finance | | |
| Interest received | 3 | 13 |
| | <u>3</u> | <u>13</u> |
| | 2014 £ | 2013 £ |
| Financing | | |
| Issue of ordinary shares | 200,000 | - |
| | <u>200,000</u> | <u>-</u> |

15. Analysis of changes in net funds

| | 1 January 2014 £ | Cash flow £ | 31 December 2014 £ |
|--------------------------|------------------------|----------------|--------------------------|
| Cash at bank and in hand | 348,883 | 115,977 | 464,860 |
| Net funds | <u>348,883</u> | <u>115,977</u> | <u>464,860</u> |

16. Contingent liabilities

There were no contingent liabilities at 31 December 2014 or 31 December 2013.

17. Capital commitments

The company had no capital commitments at 31 December 2014 or 31 December 2013.

18. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings 2014 £ | 2013 £ |
|---------------------|---------------------------------|---------------|
| Expiry date: | | |
| Within 1 year | 23,500 | 23,500 |
| | <u>23,500</u> | <u>23,500</u> |

Notes to the financial statements
for the year ended 31 December 2014

19. Related party transactions

During the year, the company earned advisory and management fees amounting to £865,960 (2013 - £920,625) from Scoggin LLC.

At 31 December 2014, the company was owed £256,624 (2013: £275,164) by Scoggin LLC in respect of advisory and management fees and £103,333 (2013 - £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.

20. Ultimate parent undertaking and 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.

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