MSP Capital Three Limited

Registered number: 09866821

Directors' report and financial statements

For the period ended 31 March 2017

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MSP Capital Three Limited

Company Information

Directors	Mr D Capra (appointed 11 November 2015) Mr M Higgins (appointed 25 February 2016) Mr P Miracca (appointed 29 April 2016)
Company secretary	Mr D Capra
Registered number	09866821
Registered office	Capital House 202 Sandbanks Road Poole Dorset BH14 8HA
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor 5th Floor Merck House Seldown Lane Poole Dorset BH15 1TW

MSP Capital Three Limited

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Directors' Report
For the Period Ended 31 March 2017

The directors present their report and the financial statements for the period ended 31 March 2017.

Directors' responsibilities statement

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 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.

Directors

The directors who served during the period were:

Mr D Capra (appointed 11 November 2015)
Mr M Higgins (appointed 25 February 2016)
Mr P Miracca (appointed 29 April 2016)

Disclosure of information to auditors

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

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

Directors' Report (continued)
For the Period Ended 31 March 2017

Auditors

The auditors, Mazars 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 on 8.8.2017 and signed on its behalf.

Mr D Capra
Director

Independent Auditors' Report to the Shareholders ofMSP Capital Three Limited

We have audited the financial statements of MSP Capital Three Limited for the period ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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. 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 Auditors' 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.

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 the 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 March 2017 and of its profit for the period 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 the other matter 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 have been prepared in accordance with applicable legal requirements.

Independent Auditors' Report to the Shareholders ofMSP Capital Three Limited

Matters on which we are required to report by exception

In 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 Strategic Report or the Directors' Report.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Mazars LLP

Stephen Mills (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
5th Floor
Merck House
Seldown Lane
Poole
Dorset
BH15 1TW

Date: 10/8/17

Statement of Comprehensive Income
For the Period Ended 31 March 2017

	Note	Period ended 31 March 2017 £
Turnover	4	4,668,109
Cost of sales		(2,252,311)
Gross profit		2,415,798
Administrative expenses		(1,497,594)
Operating profit	5	918,204
Tax on profit	7	(183,640)
Profit for the period		734,564

MSP Capital Three Limited
Registered number: 09866821

Statement of Financial Position
As at 31 March 2017

	Note		2017 £
Current assets			
Debtors: amounts falling due after more than one year	8	2,798,835	
Debtors: amounts falling due within one year	8	39,161,093	
Cash at bank and in hand	9	829	
		41,960,757	
Creditors: amounts falling due within one year	10	(41,226,192)	
Net current assets			734,565
Total assets less current liabilities			734,565
Net assets			734,565
Capital and reserves			
Called up share capital	12		1
Profit and loss account	13		734,564
			734,565

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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

8.8.2017

Mr D Capra
Director

The notes on pages 8 to 15 form part of these financial statements.

Statement of Changes in Equity
For the Period Ended 31 March 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Comprehensive income for the period			
Profit for the period	-	734,564	734,564
Shares issued during the period	1	-	1
At 31 March 2017	1	734,564	734,565

Notes to the Financial Statements
For the Period Ended 31 March 2017

1. General information

MSP Capital Three Limited is a private company limited by shares incorporated in England. The address of its registered office is Capital House, 202 Sandbanks Road, Poole, Dorset, BH14 8HA.

The company's principal activity is the granting of credit.

2. Accounting policies

2.1 Basis of preparation of financial statements

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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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 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 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of MSP Capital Limited as at 31 March 2017 and these financial statements may be obtained from Companies House.

2.3 Going concern

The directors have made an assessment in preparing the financial statements as to whether the Company is a going concern. After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore adopts the going concern basis in preparing its financial statements.

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Interest income is recognised in the Income Statement for all interest-bearing financial instruments, using the effective interest method, except for those classified at fair value through profit or loss. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income over the expected life of the financial instrument. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

The effective interest rate is calculated on initial recognition of the financial asset or liability by estimating the future cash flows after considering all the contractual terms of the instrument but not future credit losses. The calculation includes all amounts expected to be paid or received by the Company including expected early redemption fees and related penalties and premiums and discounts that are an integral part of the overall return. Direct incremental transaction costs related to the acquisition, issue or disposal of a financial instrument are also taken into account in the calculation. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

In accordance with section 11 of FRS102, loans issued which are receivable within one year are accounted for on a straight line basis.

Arrangement fees are recognised in full at the commencement of the loan, in line with the costs associated with the initial loan setup.

Fees and commissions which are not an integral part of the effective interest rate are generally recognised when the service has been provided.

2.5 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.

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans

2. Accounting policies (continued)

2.7 Financial instruments (continued)

and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, 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 Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.8 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.

2.9 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

2. Accounting policies (continued)

2.10 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The Company's significant accounting policies are stated in note 2 Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment and estimation involved in their application and their impact on these financial statements.

Judgments and estimates are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

i) Provision for doubtful debts - note 2.5 & 8. All loans issued are based on independent valuations therefore the directors form the assessment for the provision for doubtful debts taking into account security over the loans.

4. Turnover

All turnover arose within the United Kingdom.

5. Operating profit

During the period, the directors were remunerated via the parent company, MSP Capital Limited.

6. Auditors' remuneration

Fees for the company's statutory audit and other fees payable to the company's auditor are incurred by MSP Capital Limited, the ultimate parent company. Full details of auditors' remuneration is included in the consolidated accounts of MSP Capital Limited.

7. Taxation

	period ended 31 March 2017 £
Corporation tax	
Current tax on profits for the year	183,640
Total current tax	183,640

Factors affecting tax charge for the period

The tax assessed for the period is the same as the standard rate of corporation tax in the UK of 20% as set out below:

	period ended 31 March 2017 £
Profit on ordinary activities before tax	918,204
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	183,640
Effects of:	
Total tax charge for the period	183,640

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

Notes to the Financial Statements
For the Period Ended 31 March 2017

8. Debtors

	2017 £
Due after more than one year	
Trade debtors	2,798,835
	2,798,835

	2017 £
Due within one year	
Trade debtors	39,136,022
Prepayments and accrued income	25,071
	39,161,093

9. Cash and cash equivalents

	2017 £
Cash at bank and in hand	829
	829

10. Creditors: Amounts falling due within one year

	2017 £
Other loans	31,392,920
Amounts owed to group undertakings	9,516,619
Corporation tax	183,640
Other creditors	49,963
Accruals and deferred income	83,050
	41,226,192

11. Loans

Analysis of the maturity of loans is given below:

	2017 £
Amounts falling due within one year	
Other loans	31,392,920
	31,392,920

12. Share capital

	2017 £
Shares classified as equity	
Allotted, called up and fully paid	
1 Ordinary share of £1	1

The Company has allotted and issued 1 ordinary share during the period. The value of these shares is the consideration paid, which amounted to £1.

13. Reserves

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

14. Related party transactions

As at 31 March 2017 J Drinkwater, a director of another group company, lent £7,500,000 and received £278,389 in interest before deduction of tax.

As at 31 March 2017, the company was lent £699,781 from Callpro Limited paying interest of £77,689 in relation to this balance. Callpro Limited is a connected business by virtue of common directors.

As at the 31 March 2017 the company owed the following: L Drinkwater £3,000,000, interest of £94,521 was charged in relation to this loan balance. L Drinkwater is a related to the Group by virtue of being a close family member of a director.

A company called Southern Property Developments Limited is related to the company because both have common directors and shareholders. As at 31 March 2017 Southern Property Development LImited owed the company £2,798,835 and was charged interest of £57,687.

As a wholly owned subsidiary of MSP Capital Limited, the Company has taken advantage of the exemption under FRS 102 Section 33 from disclosing transactions with members of the group.

15. Controlling party

The Company is a wholly owned subsidiary undertaking of MSP Capital Limited. The Largest and smallest group of undertakings for which consolidated accounts are drawn up is headed by the ultimate parent undertaking, MSP Capital Limited. The financial statements of that company are available from the Registrar, Companies House.

MSP Capital Limited is the Controlling party. No one party had control over the MSP Capital Limited.