

Octogone Europe Ltd

Annual report and audited financial statements

For the year ended 31 December 2016

Company Registration No. 08885810 (England and Wales)



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Company information

Directors

Tania Lehmkuhl Ador
Jean-Marc Tornare

Banker

Pictet & Cie SA
Route des Acacias 60
1227 Carouge
Switzerland

Registered office

1 Vine Street
London
W1J 0AH

Auditor

MHA MacIntyre Hudson
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Strategic report

The Directors present their Strategic Report for Octogone Europe Ltd ("the Company") for the year ended 31 December 2016.

Principal activity, review of business and future developments

The principal activity of the Company in the year ended 31 December 2016 was the provision of investment management services. By 1 December 2016 the funds managed by the Company had been transferred to an alternative company and as from 2 February 2017 the Company is no longer authorised by the FCA.

Also the activities conducted by the Company's branch in Athens, Greece were terminated during the year ended 31 December 2016 as the objectives set for the Greek branch's principal business activity of managing of private clients' portfolios in Greece were not met. The Greek office was closed by 31 December 2016.

The Directors are currently evaluating the Company's use and future role within the wider Octogone group.

Results and dividends

The Company's loss, after taxation, for the year ended 31 December 2016 was £21,594 (2015: profit of £68,131). No dividends have been paid or proposed for the year ended 31 December 2016 (2015: £nil).

The Company's financial position, as shown on page 11, shows the Company had net assets of £270,095 as at 31 December 2016 (2015: £291,689).

Key performance indicators (KPIs)

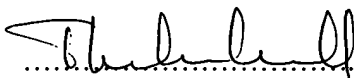
The key performance indicators relate to the growth of assets under management and the performance of the assets managed.

Principal risks and uncertainties

The principal risks and uncertainties affecting the Company relate to the performance of the underlying funds under management and the impact that poor performance has on the ability to attract and retain investors.

The Company has no significant exposure to market (price or interest risk), credit, liquidity, legal or operational risks. The Company is exposed to certain foreign exchange risks as income is received and expenses are incurred in currencies other than Pound Sterling. The risk of significant exchange loss is minimal as the Directors seek prompt payment of amounts receivable and promptly convert amounts received in USD into GBP.

This report was approved by the Board on 26 April 2017 and signed on its behalf by:



Tania Lehmkuhl Ador
Director

Directors' report

The Directors present their annual report with the financial statements of Octogone Europe Ltd ("the Company") for the year ended 31 December 2016.

Going concern

As from 2 February 2017 the Company is no longer authorised by the FCA to engage in its principal activity.

At the date of this report there is no intention to close the Company and the Company's shareholder has committed to providing continuing financial support to the Company to enable it to meet its liabilities as they fall due for a period of at least twelve months from approval of these financial statements. Accordingly, the going concern basis has been adopted in preparing the financial statements.

Directors and their interests

The Directors during the year ended 31 December 2016 and up to the date of approval of this report were as follows:

Tania Lehmkuhl Ador

Jean-Marc Tornare

Carlo Michienzi (resigned 11 February 2017)

During the year ended 31 December 2016 none of the Directors had an interest in the share of the Company (2015: none)

Pillar 3

The Company is required by its regulator, the Financial Conduct Authority ("FCA"), to make disclosure of risk management, regulatory capital and remuneration in accordance with Pillar 3 of the Capital Requirement Directive. During the year ending 31 December 2016 and up to the 2 February 2017, the date when the Company ceased being authorized by the FCA, disclosure was made on: www.octogone.co.uk.

Disclosure of information to the auditor

Each of the persons who are Directors at the time when this report is approved has confirmed that so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware and each 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.

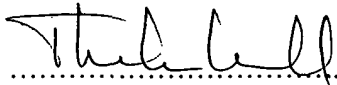
Directors' report

Independent Auditor

As a result of the acquisition of the business of the KP Audit LLP by MHA MacIntyre Hudson towards the end of 2016, the Directors have accepted the resignation of KP Audit LLP and appointed MHA MacIntyre Hudson as auditor. MHA MacIntyre Hudson has indicated a willingness to continue in office. A resolution concerning its reappointment will be put to the Directors at the meeting approving these financial statements.

The auditor, MHA MacIntyre Hudson, will be reappointed in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board on 26 April 2017 and signed on its behalf by:



Tania Lehmkuhl Ador

Director

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts 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.

Independent Auditor's Report to the Members of Octogone Europe Ltd

We have audited the financial statements of Octogone Europe Ltd for the year ended 31 December 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 shareholders 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 statement of Directors' responsibilities set out on page 7, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and Strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.



Independent Auditor's Report to the Members of Octogone Europe Ltd (continued)

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2016 and of the Company's 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 and 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.



David King (Senior statutory auditor)
For and on behalf of MHA MacIntyre Hudson, Statutory Auditor
New Bridge Street House
30 -34 New Bridge Street
London
EC4V 6BJ

26 April 2017



Statement of Comprehensive Income

For the year ended 31 December 2016

		2016	2015
	Notes	£	£
Turnover	4	1,307,194	661,842
Cost of sales		(443,045)	(220,537)
		864,149	441,305
Gross profit			
Administrative expenses	5	(888,143)	(367,014)
		(23,994)	74,291
Operating (loss)/profit			
Interest receivable and similar income		-	965
Interest payable and similar charges		(2,972)	(1,539)
(Loss)/profit on ordinary activities before taxation		(26,966)	73,717
Taxation credit/(charge)	8	5,372	(5,586)
Retained (loss)/profit on ordinary activities		(21,594)	68,131

All amounts are in respect of continuing activities.

Statement of Other Comprehensive Income

There were no other items of comprehensive income in the current year or prior year other than the loss for the current year or profit for the prior year shown above.

The notes on pages 14 to 24 form part of these financial statements.

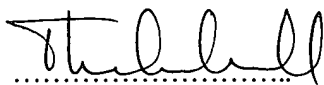
Statement of Financial Position

For the year ended 31 December 2016

Registered number: 08885810

		2016	2015
	Notes	£	£
Fixed assets			
Tangible assets	9	<u>1,265</u>	<u>8,714</u>
Current assets			
Debtors	10	219,890	381,152
Cash at bank and in hand		<u>251,689</u>	<u>189,605</u>
		471,579	570,757
Creditors: amounts falling due within one year	11	(202,534)	(286,040)
Net current assets		<u>269,045</u>	<u>284,717</u>
Total assets less current liabilities		270,310	293,431
Provision for liabilities and charges	8 (c)	(215)	(1,742)
Net assets		<u>270,095</u>	<u>291,689</u>
Capital and reserves			
Called up share capital	12	300,000	300,000
Retained earnings		(29,905)	(8,311)
Equity shareholders' funds		<u>270,095</u>	<u>291,689</u>

These financial statements were approved and authorised for issue by the Board of Directors on 26 April 2017 and are signed on their behalf by:



Tania Lehmkuhl Ador

Director

The notes on pages 14 to 24 form part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2016

	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2015	300,000	(76,442)	223,558
Comprehensive profit for the year			
Profit for the year	-	68,131	68,131
Total comprehensive profit for the year	-	68,131	68,131
At 31 December 2015	300,000	(8,311)	291,689
Comprehensive loss for the year			
Loss for the year	-	(21,594)	(21,594)
Total comprehensive loss for the year	-	(21,594)	(21,594)
At 31 December 2016	300,000	(29,905)	270,095

The notes on pages 14 to 24 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2016

	2016 £	2015 £
Cash outflow from operating activities		
(Loss)/profit for the financial year	(26,966)	73,717
Adjustments for:		
Depreciation of fixed assets	2,215	1,177
Interest receivable	-	(965)
Interest payable	2,972	1,539
Decrease/(Increase) in debtors	161,263	(370,398)
(Decrease)/Increase in creditors	(83,506)	240,096
Taxation paid	3,844	-
Loss on disposal of fixed assets	5,234	-
Net cash generated from/ (used in) operating activities	65,056	(54,834)
Cash flow from investing activities		
Interest receivable	-	965
Interest paid	(2,972)	(1,539)
Purchase of tangible fixed assets	-	(6,272)
Net cash used in investing activities	(2,972)	(6,846)
Net increase/(decrease) in cash and cash equivalents	62,084	(61,680)
Cash and cash equivalents at 1 January	189,605	251,285
Cash and cash equivalents at 31 December	251,689	189,605
Cash and cash equivalents comprise:		
Cash at bank	251,689	189,605

The notes on pages 14 to 24 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2016

1. Company Information

Octogone Europe Ltd is a limited liability company incorporated and domiciled in England and Wales. The address of the registered office is 1 Vine Street, London, W1J 0AH. The Company's current business address is 26 rue De-Candolle, CP 331, 1211 Genève 4, 1205 Geneva, Switzerland.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") 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:

Going concern

As from 2 February 2017 the Company is no longer authorised by the FCA to engage in its principal activity.

At the date of this report there is no intention to close the Company and the Company's shareholder has committed to providing continuing financial support to the Company to enable it to meet its liabilities as they fall due for a period of at least twelve months from approval of these financial statements. Accordingly, the going concern basis has been adopted in preparing the financial statements.

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.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

Expenses

Expenses incurred have been recognised on an accruals basis.

Taxation

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses and is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the date of the Statement of Financial Position other than those differences regarded as permanent. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred tax assets and liabilities recognised are provided at the average rate of tax expected to apply when the asset and liability crystallises and are not discounted.

Tangible fixed assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range are as follows:

Computer equipment	-	3 years straight line
Leasehold improvements	-	5 years straight line

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is British Pound Sterling.

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 Comprehensive Income.

All foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within administrative expenses.

Operating lease

Operating leases are those leases where the Company has use of an asset but where the significant risks and rewards of ownership remain with the lessor and the lease term is not expected to be a significant portion of the useful life of the asset.

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

Financial instruments

Financial assets

The Company's financial assets comprise basic financial instruments, being trade and other receivables and cash and bank balances.

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of no more than 24 hours.

Trade and other receivable are measured at transaction price less any impairment. Any impairment loss is recognised in the income statement.

Financial assets are derecognised when contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of ownership have been transferred.

Notes to the financial statements

For the year ended 31 December 2016

2. Accounting policies (continued)

Financial instruments (continued)

Impairment

An impairment loss is measured as the difference between an asset's carrying amount and best estimate, 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 liabilities

The Company's financial liabilities comprise basic financial liabilities, being including trade and other payables, amounts due to fellow group companies and accruals. These are initially recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

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.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the period.

(a) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a *significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year* are addressed below.

(b) Useful economic lives of non-financial assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets. Note 9 contains details of the carrying amount of the non-financial asset.

Notes to the financial statements

For the year ended 31 December 2016

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

(c) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. Note 10 contains details of the net carrying amount of the debtors and any associated impairment provision.

4. Turnover

Turnover in the year ended 31 December 2016, which is stated net of VAT, represents fees receivable from the provision of investment management services in the UK provided to the British Virgin Islands amounting to £1,127,938 (2015: £661,842) and fees for advisory services provided in Greece to Switzerland amounting to £179,256 (2015: £nil)

5. Administrative expenses

Administrative expenses include staff cost, support service costs, rent and office expenses, IT expenses, depreciation and loss on disposal of fixed assets, professional fees and foreign exchange gains and losses.

6. Directors

The average number of Directors during the year ended 31 December 2016 was 3 (2015: 3).

The Directors received remuneration of £20,000 for their services to the Company during the year ending 31 December 2016 (2015: £37,536).

7. Staff costs

Staff costs, including Directors' remuneration, during the year ending 31 December 2016 were as follows:

	2016	2015
	£	£
Wages and salaries	336,931	91,777
Social security costs	47,463	6,233
	<u>364,394</u>	<u>98,010</u>

The average monthly number of employees, including the directors, was as follows:

	2016	2015
Directors	3	3
Operations	3	1
	<u>6</u>	<u>4</u>

Notes to the financial statements

For the year ended 31 December 2016

7. Operating (loss)/profit:

The operating (loss)/profit for the year ending 31 December 2016 is stated after charging/(crediting):

	2016	2015
	£	£
Auditor's remuneration – audit services	6,000	6,000
Operating lease payments – land and buildings	147,627	6,497
Depreciation	2,215	1,177
Loss on disposal of fixed assets	5,234	-
Foreign exchange (gains)/losses	<u>(41,233)</u>	<u>-</u>

8. Taxation

(a) Analysis of (credit)/charge

	2016	2015
	£	£
UK Corporation tax		
Current tax (credit)/charge for the year	(3,844)	3,844
Deferred tax		
Deferred tax (credit)/charge for the year	(1,528)	1,742
Total tax (credit)/charge	<u><u>(5,372)</u></u>	<u><u>5,586</u></u>

Notes to the financial statements

For the year ended 31 December 2016

8. Taxation (continued)

(b) Factors affecting current tax (credit)/charge for the year

The current taxation credit/charge for the year is different from the standard rate of corporation tax in the UK (20%) (2015: 20%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before taxation	(26,966)	73,717
Theoretical tax at UK Corporation tax rate of 20% (2015: 20%)	(5,393)	14,743
Effect of:		
Capital allowance in excess of depreciation	-	(1,840)
Disallowed expenses not deductible for tax purposes	-	1,021
Tax losses unutilised/(utilised)	58	(8,338)
Movement in tax rates	(37)	-
Tax (credit)/charge	(5,372)	5,586

(c) Factors that may affect future tax charges

Deferred taxation	Deferred tax liability £	Deferred tax asset £	Net £
At 1 January 2016	(1,742)	-	(1,742)
Tax loss unutilised	-	58	58
Credit for the year	1,490	-	1,490
Movement in tax rates	37	-	37
As at 31 December 2016	(215)	58	(157)

The deferred tax asset as at 31 December 2016, in respect of unutilised taxable losses, of £58 was not recognised, as it is uncertain as to whether there will be future taxable profits against these losses can be offset.

Notes to the financial statements

For the year ended 31 December 2016

8. Taxation (continued)

(c) Factors that may affect future tax charges (continued)

Arising on	2016	2015
	£	£
Accelerated capital allowances	(215)	(1,742)
Taxable trading losses	58	-
	<u>(157)</u>	<u>(1,742)</u>

9. Tangible fixed assets

	Computer equipment	Leasehold improvement	Total
	£	£	£
Cost:			
As at 1 January 2016	5,022	5,359	10,381
Disposals	(2,358)	(3,914)	(6,272)
As at 31 December 2016	<u>2,664</u>	<u>1,445</u>	<u>4,109</u>
Depreciation:			
As at 1 January 2016	(1,258)	(409)	(1,667)
Charge for the year	(1,434)	(781)	(2,215)
Disposals	546	492	1,038
As at 31 December 2016	<u>(2,146)</u>	<u>(698)</u>	<u>(2,844)</u>
Net book value:			
As at 31 December 2016	<u>518</u>	<u>747</u>	<u>1,265</u>
As at 31 December 2015	<u>3,764</u>	<u>4,950</u>	<u>8,714</u>

Notes to the financial statements

For the year ended 31 December 2016

10. Debtors: amounts falling due within one year

	2016	2015
	£	£
Trade debtors	153,076	322,383
VAT recoverable	28,659	16,484
Corporation tax recoverable	3,844	-
Prepayments	13,311	42,285
Rent deposit	21,000	-
	<u>219,890</u>	<u>381,152</u>

11. Creditors: amounts falling due within one year

	2016	2015
	£	£
Amounts owed to group undertakings	158,973	237,424
Accruals	43,561	44,772
Corporation tax	-	3,844
	<u>202,534</u>	<u>286,040</u>

12. Called up share capital

a) Issued share capital

	2016	2015
	£	£
Allotted, authorised, called up and fully paid: 300 Ordinary shares of £1,000 each	<u>300,000</u>	<u>300,000</u>

b) Regulatory capital

The Company's capital comprises its issued share capital which amounted to £300,000 at 31 December 2016. The Company is regulated by the FCA and subject to the capital requirements imposed by FCA rules. For these purposes the Company measures capital as share capital plus reserves and the aggregate amount at 31 December 2016 and during the year ending 31 December 2016, exceeded the externally imposed capital requirements (2015: exceeded).

Notes to the financial statements

For the year ended 31 December 2016

13. Other financial commitments

At 31 December 2016 the Company future minimum lease obligations under non-cancellable operating leases, in relation to land and buildings as follows:

	2016	2015
	£	£
Not later 1 year	-	139,542
Later than 1 year and not later than 5 years	-	34,133
	<u>-</u>	<u>173,675</u>

14. Financial instrument and associated risks

The Company's activities expose it to credit, liquidity and market risk.

a) Credit risk

The Company's exposure to credit risk arises from its cash balances and receivables.

Cash balances are held at highly-rated banking institutions based in Switzerland and the UK. Receivables at the date of the Statement of Financial Position relate to management fees owed, prepayments and recoverable VAT. The directors closely monitor the recoverability of other debtors.

The maximum exposure to credit risk is equal to the amounts at which the assets are included on the Statement of Financial Position.

b) Liquidity risk

The Company's exposure to liquidity risk arises from its obligations to trade creditors and related parties. At the date of the Statement of Financial Position all creditors were payable on demand and the Company sufficient cash to pay its financial liabilities as they fall due.

c) Market risk

The Company does not have any direct or indirect exposure to interest rate risk or price risk as the Company does not hold any asset or liabilities that are subject to interest or any assets, or liabilities that are held at fair value. The Company is exposed to certain foreign exchange risks as income is received and expenses are incurred in currencies other than Pound Sterling. The risk of significant exchange loss is minimal as the Directors seek prompt payment of amounts receivable and promptly convert amounts received into GBP.

Notes to the financial statements

For the year ended 31 December 2016

15. Related party transactions

Octogone Gestion SA is a related party of the Company as Octogone Gestion SA controls the Company through holding 100% of the share capital of the Company. During the year ended 31 December 2016 Octogone Gestion SA provided advisory services to the Company of £375,827 (2015: £220,536). As at 31 December 2016 the Company owed Octogone Gestion SA £158,953 (2015: £237,424).

Key management are considered to be the Directors of the Company – see note 6 for disclosure of Directors' remuneration.

16. Immediate and Ultimate Parent Company

The Company's immediate and ultimate parent company is Octogone Gestion SA, a company incorporated in Switzerland.