GCA Altium Corporate Finance Limited

Annual Report and consolidated financial statements for the year ended 31 December 2018

Registered Number 04306991

GCA Altium Corporate Finance Limited

Consolidated Financial Statements
For the year ended 31 December 2018

Contents	**Pages**
Strategic Report	1 - 2
Directors' Report	3 - 4
Directors' Responsibilities Statement	5
Independent Auditor's Report to the members of GCA Altium Corporate Finance Limited	6 - 7
Consolidated Profit and Loss Account	8
Consolidated Other Comprehensive Income	9
Consolidated Balance Sheet	10
Company Balance Sheet	11
Consolidated Statement of Changes In Equity	12
Company Statement of Changes In Equity	13
Consolidated Cash Flow Statement	14
Notes to the consolidated Financial Statements	15 - 32

This strategic report has been prepared for GCA Altium Corporate Finance Limited ("the Company") and its subsidiaries together ("the Group") and therefore gives greater emphasis to those matters which are significant to the Group when viewed as a whole.

GENERAL INFORMATION

The Company is a holding company providing marketing support and services to its wholly owned trading subsidiaries.

These financial statements consolidate the results of:
GCA Altium AG and subsidiary companies;
GCA Altium Limited;
GCA Altium Corporate Finance Limited (UK Holding Company);
Altium Corporate Finance Group Limited EBT;
GCA Altium Israel Limited; and
Table Mountain Limited.

The Group, through its main operating subsidiaries GCA Altium Limited and GCA Altium AG, provides general corporate finance advice and advice on mergers and acquisitions.

REVIEW OF THE COMPANY'S BUSINESS

Group turnover increased by 31% in comparison with the prior year (current year turnover of £76.9 million comparing favourably to turnover of £58.8 million in the year to 31 December 2017). A high proportion of the Group's mandates were sell side advisory roles and the majority of deals involved private equity investment. Alongside the increase in turnover, operating profit increased in comparison with the prior year (current year operating profit of £3.2m compared to operating loss of £1.1m in the year to 31 December 2017).

The Group possesses a stable and strong team and a clear differentiated offering to clients; namely independent strategic advice across core sectors such as technology; digital media and media; consumer, retail, e-commerce and leisure; financial technology and services; industrials and industrial technology; healthcare; and business services. The GCA Group has 22 offices in 12 countries, across Europe, the USA and Asia providing a truly global reach.

The results from the Group:

	2018	2017 (Restated*)
	£	£
Profit/(loss) after tax for the financial year	1,737,456	(2,343,332)

A dividend of £nil was paid during the year (2017: £nil).

	2018	2017 (Restated*)
	£	£
Net assets at 31 December	17,939,151	25,397,300

* Restated, refer to note 25 for further details.

KEY RISKS AFFECTING THE BUSINESS

There are a number of potential risks and uncertainties that could have an impact on the performance of the Group. The directors of GCA Altium Corporate Finance Limited are responsible for managing the risk of all Group companies.

Financial risk and risk profile

The directors believe that appropriate policies and procedures are in place to effectively manage the key risks, although a watching brief exists to improve these in response to changing market conditions.

The Group's financial instruments comprise cash and liquid resources, trade receivables and payables arising from operations and equity investments held in the investment portfolio. The risks arising from the Group's financial instruments are market risk, credit risk, interest rate risk, foreign currency risk and liquidity risk.

The financial risks which the directors consider to be relevant to the Group and the key controls over them, are set out in note 18 of the attached consolidated financial statements.

Operational risk

Operational risk is the potential risk of financial loss or impairment to reputation resulting from inadequate or failed internal processes and systems, from the actions of people or from external events.

The Group's business areas manage this risk through appropriate controls and loss mitigation actions including insurance. Other actions include a blend of policies, appropriate procedures and internal controls to ensure regulatory and legal compliance. In addition, the Group's support function provides expertise in risk areas such as information security, health and safety, compliance, fraud management, IT security and business continuity management.

Significant operational risk events are reported to the Board on a timely basis even where no profit or loss event has occurred, so that processes and controls are identified that are needed to reduce the recurrence of an operational risk event.

KEY PERFORMANCE INDICATORS

The Board rely upon a number of key performance indicators in order to monitor the Group's performance, and these are reviewed at each monthly Board meeting. Due to the commercial sensitivity surrounding the majority of the key performance indicators the only one disclosed is turnover, which is £76.9m in 2018 and £58.8m in 2017.

ON BEHALF OF THE BOARD:

....

N D Myers - Director
23 September 2019
No. 1 Spinningfields
Hardman Square
Manchester
M3 3EB

Directors' Report
For the year ended 31 December 2018

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 December 2018.

OUTLOOK

The Group is in strong shape and following the merger with GCA Corporation the wider business looks well placed to continue this encouraging progress, subject to market conditions. The quality of the mandated pipeline indicates that 2019 results will remain strong.

GOING CONCERN

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual consolidated financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1(c) of the consolidated financial statements.

Dividends

No dividend was paid in the year (2017; £nil).

Political Donations

The company does not make donations or contributions to any political party.

DIRECTORS

The directors, who served throughout the year, and to the date of this report, were as follows:

P C Adams
C Dawan
S E G Fuller
M A Grünwald
M Kuehner
S M Lord
N D Myers
S Pfeiffer
C A Wipf [Resigned on 30 April 2018]

REGISTERED OFFICE

1 Southampton Street
London
WC2R 0LR

DIRECTORS' INDEMNITIES

The Group has made qualifying third party indemnity provisions for the benefit of its directors which were in force during the year and remain in force at the date of this report.

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

KPMG LLP have indicated their willingness to be reappointed for another term and continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:

N D Myers - Director
23 September 2019
No. 1 Spinningfields
Hardman Square
Manchester
M3 3EB

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT, STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

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 they have elected to prepare the group and parent financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted *Accounting Principles), including FRS 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 group and parent company and of the profit or loss of the company for that period. In preparing each of the group and parent company 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of GCA Altium Corporate Finance Limited

Opinion

We have audited the financial statements of GCA Altium Corporate Finance Limited ("the Company") for the year ended 31 December 2018, which comprise the Consolidated and Company's Balance Sheet, Consolidated Profit and Loss account, Consolidated Other Comprehensive Income, Consolidated and Company's Statement of Changes in Equity, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2018 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the Company or to cease their operations, and as they have concluded that the group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model, including the impact of Brexit, and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

AdeBr

Alain de Braekeleer (Senior statutory auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One St Peter's Square
Manchester
M2 3AE
United Kingdom
23 September 2019

Consolidated Profit and Loss Account

For the year ended 31 December 2018

	Notes	2018	2017 (Restated*)
		£	£
Turnover	3	76,923,109	58,826,932
Administrative expenses		(66,422,032)	(47,195,207)
Share based payment expense	9	(7,279,454)	(12,735,471) *
Operating profit/(loss)		**3,221,623**	**(1,103,746)**
Interest receivable and similar income	4	102,405	42,521
Interest payable and similar expenses	4	(119,214)	(67,226)
Other income	4	532,892	496,630
Profit/(loss) before taxation	3	**3,737,706**	**(631,821)**
Tax charge on profit	10a	(2,266,134)	(2,347,784)
Tax credit for the year	10b	265,884	636,273
Profit/(loss) after taxation		**1,737,456**	**(2,343,332)**

All operations are classed as continuing.

* Restated, refer to note 25 for further details.

The statement of accounting policies and notes on pages 15 to 32 form an integral part of the consolidated financial statements.

Consolidated Other Comprehensive Income
For the year ended 31 December 2018

	2018	2017 (Restated*)
	£	£
Profit/(loss) for the financial year	1,737,456	(2,343,332) *
Unrealised (loss)/gain on GCA shares	(9,414,260)	5,570,114 *
Currency translation difference on foreign currency net investments	219,758	477,575
Loss on revaluation of investments available-for-sale	(1,103)	(5,823)
Transfer to profit and loss account upon disposal of available for sale investments	-	(22,470)
Other comprehensive income for the year net of tax	(9,195,605)	6,019,396
***Total Comprehensive Income/(loss) for the year attributable* to the owners**	**(7,458,149)**	**3,676,064**

* Restated, refer to note 25 for further details.

The statement of accounting policies and notes on pages 15 to 32 form an integral part of the consolidated financial statements.

Consolidated Balance Sheet
At 31 December 2018

	Notes	2018	2017 (Restated*)
		£	£
Fixed assets			
Tangible assets	12b	1,438,417	1,406,075
Intangible assets	12b	43,615	49,498
		1,482,032	1,455,573
Current assets			
Current asset investments: Available for sale	14	16,191,906	25,607,269
Debtors: Due in one year	16a	14,369,554	10,994,418
Cash at bank and in hand	16b	61,485,694	43,791,151
		92,047,154	80,392,838
Creditors: Amounts falling due in one year	17a	(45,666,017)	(32,675,190)
Net current assets		46,381,137	47,717,648
Total assets less current liabilities		47,863,169	49,173,221
Creditors: Amounts falling due after one year	17b	(29,924,018)	(23,775,921) *
Net assets		17,939,151	25,397,300
Capital and reserves			
Called-up share capital	19	2,666	2,666
Share premium account		9,227,408	9,227,408
Revaluation reserve	19	132	1,235
Available-for-sale reserve	19	10,715,786	20,130,046
Profit and (loss) account		(2,006,841)	(3,964,055) *
Total equity shareholders' funds		17,939,151	25,397,300

The statement of accounting policies and notes on pages 15 to 32 form an integral part of the consolidated financial statements.

* Restated, refer to note 25 for further details.

The financial statements of GCA Altium Corporate Finance Limited were approved by the board of directors and authorised for issue on 23 September 2019. They were signed on its behalf by:

N D Myers
Director

Company Balance Sheet

At 31 December 2018
Registered number 04306991

	Notes	2018	2017 (Restated*)
		£	£
Fixed assets			
Tangible assets	12a	2,570	2,708
Intangible assets	12a	43,614	49,498
Investments in subsidiaries	13	28,279,694	23,849,396 *
		28,325,878	23,901,602
Current assets			
Current asset investments: Available for sale	14	16,191,774	25,606,034
Debtors: Due in one year	16a	2,755,722	3,538,511
Cash at bank and in hand	16b	1,612,956	397,192
		20,560,452	29,541,737
Creditors: Amounts falling due in one year	17a	(6,152,908)	(4,347,581)
Net current assets		14,407,544	25,194,156
Total assets less current liabilities		42,733,422	49,095,758
Creditors: Amounts falling due after one year	17b	(21,620,655)	(21,863,140)
Net assets		**21,112,767**	**27,232,618**
Capital and reserves			
Called up share capital	19	2,666	2,666
Share premium account		9,227,408	9,227,408
Available-for-sale reserve	19	10,715,786	20,130,046
Foreign exchange differences		25,881	25,881
Profit and (loss) account		1,141,026	(2,153,383) *
Total shareholders' funds		**21,112,767**	**27,232,618**

The statement of accounting policies and notes on pages 15 to 32 form an integral part of the consolidated financial statements.

* Restated, refer to note 25 for further details.

The financial statements of GCA Altium Corporate Finance Limited were approved by the board of directors and authorised for issue on 23 September 2019. They were signed on its behalf by:

N D Myers
Director

Consolidated Statement of Changes in Equity

At 31 December 2018

	Called-up share capital £	Share premium account £	Revaluation reserves £	Available-for-sale reserve £	Profit and loss account £	Total £
At 1 January 2017 (as previously reported)	2,666	9,227,408	29,528	14,559,932	555,732	24,375,266
Impact of prior period adjustments	-	-	-	-	(2,654,030)	(2,654,030)
Balance at 1 January 2017 (restated*)	2,666	9,227,408	29,528	14,559,932	(2,098,298)	21,721,236
Loss for the financial year (as previously reported)	-	-	-	-	(3,509,824)	(3,509,824)
Currency translation difference on foreign currency net investments	-	-	-	-	477,575	477,575
Impact of prior period adjustments					1,166,492	1,166,492
Decrease in fair value of available-for-sale investments	-	-	(5,823)	-	-	(5,823)
Loss on sale of available-for-sale investments	-	-	(22,470)	-	-	(22,470)
Unrealised gain on GCA shares (restated*)	-	-	-	5,570,114	-	5,570,114
At 31 December 2017 (restated*)	2,666	9,227,408	1,235	20,130,046	(3,964,055)	25,397,300
Profit for the financial year	-	-	-	-	1,737,456	1,737,456
Currency translation difference on foreign currency net investments	-	-	-	-	219,758	219,758
Loss on sale of available-for-sale investments	-	-	(1,103)	-	-	(1,103)
Unrealised loss on GCA shares	-	-	-	(9,414,260)	-	(9,414,260)
At 31 December 2018	2,666	9,227,408	132	10,715,786	(2,006,841)	17,939,151

* Restated, refer to note 25 for further details.

The statement of accounting policies and notes on pages 15 to 32 form an integral part of the consolidated financial statements.

Company Statement of Changes in Equity
At 31 December 2018

	Called-up share capital £	Share premium account £	Available-for-sale reserve £	Foreign exchange differences £	Profit and loss account £	Total £
At 1 January 2017 (as previously reported)	2,666	9,227,408	14,559,932	25,881	3,685,682	27,501,569
Impact of prior period adjustments	-	-	-	-	(2,492,061)	(2,492,061)
Balance at 1 January 2017 (restated*)	2,666	9,227,408	14,559,932	25,881	1,193,621	25,009,508
Loss for the financial year (as previously reported)	-	-	-	-	(4,636,971)	(4,636,971)
Impact of prior period adjustments	-	-	-	-	1,289,967	1,289,967
Unrealised gain on GCA shares (restated*)	-	-	5,570,114	-	-	5,570,114
At 31 December 2017 (restated*)	2,666	9,227,408	20,130,046	25,881	(2,153,383)	27,232,618
Profit for the financial year	-	-	-	-	3,294,409	3,294,409
Unrealised loss on GCA shares	-	-	(9,414,260)	-	-	(9,414,260)
At 31 December 2018	2,666	9,227,408	10,715,786	25,881	1,141,026	21,112,767

* Restated, refer to note 25 for further details.

Consolidated Cash Flow Statement
For the year ended 31 December 2018

	Note	2018	2017 (Restated*)
		£	£
Net cash flows from operating activities	20	19,789,713	24,823,710
Cash flows from investing activities			
Purchase of tangible fixed assets		(288,621)	(593,587)
Sale of investments		-	22,470
Net cash flows from investing activities		(288,621)	(571,117)
Cash flows from financing activities			
Repayments of borrowings		(99,937)	(3,681)
Interest received		21,645	17,216
Loan repayment to GCA		(1,333,086)	(1,024,140)
Net cash flows from financing activities		(1,411,378)	(1,010,605)
Net increase in cash and cash equivalents		18,089,714	23,241,988
Cash and cash equivalents at beginning of the year		43,791,151	25,641,703
Effect of foreign exchange rate changes		(395,171)	(5,092,540)
Cash and cash equivalents at end of the year		61,485,694	43,791,151

* Restated, refer to note 25 for further details.

Notes to the consolidated Financial Statements

For the year ended 31 December 2018

1 Accounting policies

The principal accounting policies are summarised below.

a *General information and basis of accounting*

GCA Altium Corporate Finance Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 3. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 1 and 2. Consolidated financial statements have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July and September 2015 and effective immediately are applied. The Group has chosen to adopt the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU), as per paragraph 11.2(b) FRS 102.

The consolidated financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of GCA Altium Corporate Finance Limited is considered to be pounds sterling, because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

GCA Altium Corporate Finance Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

b *Basis of consolidation*

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year:

GCA Altium AG and subsidiary companies;
GCA Altium Limited;
GCA Altium Corporate Finance Limited (UK Holding Company);
Altium Corporate Finance Group Limited EBT;
GCA Altium Israel Limited; and
Table Mountain Limited.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to the 31 December 2018 and comparative year. Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with its investee entity and has the ability to affect these returns through its power over the investee entity. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

c *Going concern*

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' report further describes the financial position of the Group; the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk.

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The revenue pipeline across all offices is reviewed at the monthly Board meeting, and probability weighting criteria are applied to all potential fees to determine forecast revenue; profitability and cash flows are calculated on the basis of this information. The forecast for the year ending 31 December 2019 is strong, and in the event of lower than forecast revenues the Group would review its variable cost base. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual consolidated financial statements.

d *Turnover*

Turnover is stated net of VAT. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due in one year.

Revenue recognition

Revenue amounts received and receivable from corporate finance activity are recognised once the services of the Group are regarded as billable, as per the relevant engagement letter.

1 **Accounting policies (continued)**

e *Interest receivable and similar income*

Income is divided into current asset investment income and bank interest income. Current asset investment income includes dividends received from investments and other interest income. Interest income is recognised in the profit or loss account as it accrues. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis. Bank interest income is derived from excess funds held in cash and placed on short-term deposits. Bank interest income is accounted for on an accruals basis.

f *Deferred income and accrued income*

Deferred income represents amounts billed in respect of fees due for periods subsequent to the balance sheet date. Accrued income represents unbilled fees due for the current year receivable subsequent to the balance sheet date.

g *Foreign currency*

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity.

Other exchange differences are recognised in profit or loss in the period in which they arise except for:
• exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
• exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
• in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

h *Taxation*

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the consolidated financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

1 Accounting policies (continued)

i *Tangible fixed assets and intangible assets*

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Software	33.3%
Office equipment	33.3%
Furniture and fittings	33.3%

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Intangible fixed assets are stated at cost or valuation, net of amortisation and any provision of impairment. Intangible fixed assets are amortised over 10 years.

j *Investments in subsidiaries*

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

k *Pensions*

In addition to the statutory pension contributions made on behalf of the Group's overseas staff and directors, in the UK the Group contributes to personal pension schemes on a salary sacrifice basis for some staff and directors. The Group operates a stakeholder pension scheme for some staff (note 7) and directors (note 8). In addition, the Group pays amounts into a self administered pension scheme and funded unapproved retirement benefit scheme for some directors and staff.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

l *Leases*

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

m *Financial instruments*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

a) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.
Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

1 Accounting policies (continued)

m *Financial instruments (continued)*

c) Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment in the timeframe established by the market concerned and are initially measured at cost, including transaction costs.

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Investments classified as available-for-sale are measured at subsequent reporting dates at fair value:

d) Available-for-sale

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Available-for-sale assets are measured at fair value in the balance sheet. Fair value changes on available-for-sale assets are recognised directly in equity, through the statement of changes in equity. Other investments are measured at cost less impairment in profit or loss.

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment.

Gains and losses arising from changes in value are recognised in other comprehensive income. Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss.

Unlisted investments have been valued on an arm's length basis using the latest financial statements of the company, or other financial information available to the Company.

n *Impairment of assets*

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

1 Accounting policies (continued)

o *Share-based payments*

The Group has an employee benefit trust, the Altium Corporate Finance Group Limited Employee Benefit Trust ("EBT"). In accordance with FRS 102 Section 9, the assets and liabilities of the EBT are accounted for as a branch in the GCA Altium Corporate Finance Limited Group financial statements.

Historically the Company issued equity-settled share-based payments to certain employees. These payments were measured at fair value at the date of grant, and the fair value expensed immediately, as vesting was deemed to take place upon grant.

Following the merger with GCA Corporation, employees were granted share option awards in GCA Corporation. Based on the grant documentation, the Company has an obligation to settle these options by arranging for the transfer of GCA Corporation shares from the EBT to the employees. The arrangement is accounted for as cash settled in the Company's individual financial accounts, not because the Company is required to pay cash on exercise, but because the Company has an obligation to settle the awards with a financial instrument (i.e. shares of GCA Corporation). The cash settled awards are re-measured at each reporting period and therefore impact the Company's distributable reserves. Options were immediately exercisable upon grant at a market price (shares in GCA Corporation are listed in Japan) and have been measured at fair (market) value at the date of grant, the fair value being expensed over the four year sales lock-in period associated with the share options.

Following the merger with GCA Corporation, during September 2016 the Company made RSU share option awards to certain employees which are accounted for as equity-settled share based payments. These payments are measured at fair (market) value at the date of grant, and the fair value expensed over the four year exercise period associated with the share options. Further RSU share option awards were made to employees during May 2017 and July 2018.

p *Own shares reserve*

Profit on own shares arises on the sale and purchase of shares in the EBT. Profit is recognised directly through reserves.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below) that have the most significant effect on the amounts recognised in the consolidated financial statements.

Revenue recognition
In making its judgement, management considered the detailed criteria for the recognition of revenue set out in FRS 102 Section 23 Revenue. The directors are satisfied that the stage of completion and costs incurred (or to be incurred) can be measured reliably and that recognition of the revenue in the current year is appropriate.

Bad debt provision
A bad debt provision is set up when a debt has been outstanding for a period of more than 12 months or the Finance Director becomes aware that the likelihood of recovering the debt is diminished. The level of provision will be based on any current repayment plan entered into and which is being adhered to by the debtor, together with an estimate of the likelihood of amounts due being recovered.

3 Turnover

An analysis of the Group's turnover by geographical market is set out below.	2018 £	2017 £
United Kingdom	27,588,787	14,918,806
Rest of Europe	49,334,322	43,904,983
Israel	-	3,143
	76,923,109	58,826,932

The turnover is analysed on the basis of the country to which the invoice is rendered.

An analysis of the Group's turnover by class of business is set out below.

	2018 £	2017 £
Corporate finance	76,837,781	58,635,891
Other	85,328	191,041
	76,923,109	58,826,932

	2018	2017 (Restated*)
Profit/(loss) before tax by geographical area:	£	£
United Kingdom	3,733,594	(4,001,338)
Rest of Europe	302,161	3,703,745
Israel	(298,049)	(334,028)
	3,737,706	(631,621)

	2018	2017 (Restated*)
Net assets/(liabilities) by geographical area:	£	£
United Kingdom	3,722,940	12,434,818
Rest of Europe	14,410,972	13,236,764
Israel	(194,761)	(274,282)
	17,939,151	25,397,300

* Restated, refer to note 25 for further details.

4 Finance (cost)/income (net)

	2018 £	2017 £
Interest payable and similar charges	(119,214)	(67,226)
Other income (i)	692	29,574
Group recharges to GCA	532,892	496,630
Bank interest income (ii)	101,713	12,947
	516,083	471,925

(i) Other income includes dividends received from current asset investments.

(ii) Bank interest income is derived from excess funds held in cash and placed on short-term deposit.

5 Profit on ordinary activities before taxation is stated after charging:

	2018 £	2017 £
Depreciation on tangible fixed assets owned	304,524	303,965
Rentals payable under operating leases - motor vehicles	140,630	123,407
Foreign exchange gains/(losses)	324,750	(493,306)

The analysis of the auditor's remuneration is as follows:		
- Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	24,000	21,000
- The audit of the Group's subsidiaries	122,783	138,372
- Audit related assurance services	4,500	4,500
	151,283	163,872

Fees payable to KPMG LLP and its associates for non-audit services to the Group are required to be disclosed in the consolidated financial statements on a consolidated basis. No services were provided pursuant to contingent fee arrangements.

6 Other gains and losses

	2018 £	2017 £
(Loss) on available-for-sale assets recognised in equity in the year	(1,103)	(5,823)
Rental income receivable under operating leases	85,328	66,066

7 Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2018 Number	2017 Number
Client advice and analysis	110	108
Administrative	36	33
	146	141

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	51,900,848	36,291,964
Social security costs	3,655,316	2,588,364
Pension costs	143,986	100,996
Employee share scheme costs	6,527,550	1,321,848
	62,227,700	40,303,172

8 Directors' remuneration and transactions

Directors' remuneration was paid in respect of directors of the Company as follows (*amounts include emoluments in respect of subsidiaries*):

	2018 £	2017 £
Emoluments	18,517,893	14,806,643
Company contributions to money purchase pension schemes	112,930	112,545
	18,630,823	14,919,188

	2018 Number	2017 Number
The number of directors who:		
Are members of a money purchase pension scheme	8	8

Remuneration of the highest paid director:	2018 £	2017 £
Emoluments	5,438,250	5,069,775

The highest paid director did not exercise any share options in the year.

9 Share-based payments

a *Share option awards in GCA Corporation*

Following the merger with GCA Corporation, employees were granted share option awards in GCA Corporation. Based on the grant documentation, the Company has an obligation to settle these options by arranging for the transfer of GCA Corporation shares from the EBT to the employees. The arrangement is accounted for as cash settled in the Company's individual financial accounts, not because the Company is required to pay cash on exercise, but because the Company has an obligation to settle the awards with a financial instrument (i.e. shares of GCA Corporation). The awards are also cash settled in the Group financial statements. The cash settled awards are re-measured at each reporting period and therefore impact the Company's distributable reserves. Options were immediately exercisable upon grant at a market price (shares in GCA Corporation are listed in Japan). Although the options can be exercised immediately, the charge to profit or loss is spread over four years as a result of the graded vesting terms. Details of the share options in this GCA Corporation scheme are as follows:

	2018 Number of share options	2018 Weighted average exercise price (£)	2017 Number of share options	2017 Weighted average exercise price (£)
Outstanding at the beginning of year	3,447,856	-	3,487,030	-
Exercised during the year	(15,053)	-	(39,174)	-
Outstanding and exercisable at the end of the year	3,432,803	-	3,447,856	-

The Group recognised a total charge of £4,430,299 (2017: £7,133,474) in relation to cash-settled share-based payment transactions in 2018.

The Black-Scholes method has been used to calculate the associated charge and the assumptions are as follows:

Fair (market value) on grant date	JPY 895
Exercise Price	JPY 0
Fair (market value) on reporting date	JPY 662*
Dividend yield	4.2%
Lapse date	31 July 2026

* Fair (market value) on reporting date was JPY 662 (31 December 2017: JPY 1,129; 31 December 2016: JPY 822)

b *RSU3, RSU4 and RSU5 options*

Following the merger with GCA Corporation, during October 2016 employees were also granted 873,700 share option awards (RSU3 award) in GCA Corporation which are accounted for as equity-settled share based payments. Employees were granted a further 50,000 share options (RSU4 award) during May 2017 and a further 774,000 share options (RSU5 award) during July 2018. These options are exercisable based upon GCA Corporation meeting certain profit related performance targets over a four year period from date of grant, and the profit target was achieved during the financial year ending 31 December 2018. Details of the share options in this GCA Corporation scheme are as follows:

	2018 Number of share options	2018 Weighted average exercise price (£)	2017 Number of share options	2017 Weighted average exercise price (£)
Outstanding at the beginning of year	923,700	-	873,700	-
Granted during the year	774,000	-	50,000	-
Outstanding at the end of the year	1,697,700	-	923,700	-

As referenced above, during December 2018 the performance and service criteria for RSU's 4 and 5 were met, therefore there were additional charges associated with these options in this accounting period. There is a charge of £2,149,411 (2017: £1,277,685) for the RSU3 award, a charge of £239,045 (2017: £44,163) for the RSU4 award and a charge of £4,139,094 (2017: £nil) for the RSU5 award in relation to equity-settled share-based payment transactions as a result. This charge was calculated by allocating a pro-rata charge based on the number of grantees as a proportion of the total charge to the GCA Altium Group.

The Black-Scholes method has been used to calculate the associated charge for the RSU3 award and the assumptions are as follows:

Share price on grant date	JPY 776
Exercise price	JPY 1
SBP Fair value	JPY 714
Dividend yield	2.5%
Lapse date	8 March 2026

9 Share-based payments (continued)

The Black-Scholes method has been used to calculate the associated charge for the RSU4 award and the assumptions are as follows:

Share price on grant date	JPY 916
Exercise price	JPY 1
SBP Fair value	JPY 839
Dividend yield	2.3%
Lapse date	26 May 2027

The Black-Scholes method has been used to calculate the associated charge for the RSU5 award and the assumptions are as follows:

Share price on grant date	JPY 850
Exercise price	JPY 1
SBP Fair value	JPY749 to JPY830
Dividend yield	3.42%
Lapse date	2 July 2028

In summary the total cash settled share based payment charge is as follows:

	2018	2017 (Restated*)
	£	£
Share option awards in GCA Corporation (current year charges) (restated*)	4,430,298	7,133,475
RSU3 charge	2,149,411	1,277,685
RSU4 charge	239,045	44,163
RSU5 charge	4,139,094	-
Re-measurement of prior year liabilities related to share option awards in GCA Corporation (restated*)	(3,678,394)	4,280,148
	7,279,454	12,735,471

* Restated, refer to note 25 for further details.

10 Tax on profit on ordinary activities

a *Tax charge on loss on ordinary activities*

The tax charge comprises:

	2018	2017 (Restated*)
	£	£
Current tax:		
Foreign tax	2,266,134	2,347,784
Total current tax	2,266,134	2,347,784
Deferred tax:		
Origination and reversal of timing differences	(296,529)	(743,000)
Effect of changes in tax rates	30,645	106,727
	(265,884)	(636,273)
Total tax charge	2,000,250	1,711,511

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2018	2017 (Restated*)
	£	£
Group profit/(loss) on ordinary activities before tax (restated*)	3,737,706	(631,821)
Tax on Group (loss)/profit on ordinary activities at standard UK Corporation tax rate of 19.00% (2017: 19.25%) (restated*)	712,502	(121,626)
Effects of:		
Expenses not deductible for tax purposes	56,457	1,091,766
Income not taxable in determining taxable profit	(706,683)	(8,117)
Higher tax rates on overseas earnings	2,212,579	1,445,078
Movement in unrecognised deferred tax	(273,243)	(917,470)
Share based payment expense timing differences	(32,007)	115,153
Tax rate changes	30,645	106,727
Group total tax charge for the year	2,000,250	1,711,511

10 Tax on profit on ordinary activities (continued)

b *Deferred tax asset*

	2018	2017
	£	£
At 1 January	826,273	190,000
Tax credit for the year	265,884	636,273
At 31 December	1,092,157	826,273

A net deferred tax asset totalling £1,357,744 (2017: £1,601,592) at 17% (2017: 17%) has not been recognised in respect of timing differences relating to tax losses, fixed assets, and trading and non trading timing differences.

* Restated, refer to note 25 for further details

11 Profit attributable to the Company

The profit for the financial year dealt with in the financial statements of the parent company was £3,251,408 (the loss in 2017 was £4,636,971). As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent company.

12 Fixed assets

a *Company*

	Software	Intangible assets	Total
	£	£	£
Cost			
At 1 January 2018	43,305	58,805	102,110
Additions	1,206	-	1,206
At 31 December 2018	44,511	58,805	103,316
Depreciation			
At 1 January 2018	40,597	9,307	49,904
Charge for the year	1,344	5,884	7,228
At 31 December 2018	41,941	15,191	57,132
Net book value			
At 31 December 2018	2,570	43,614	46,184
At 31 December 2017	2,708	49,498	52,206

b *Group*

	Intangible assets	Software	Furniture and fittings	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2018	58,805	134,776	590,500	2,881,209	3,665,290
Additions	-	8,312	-	280,309	288,621
Disposals	-	-	-	(13,575)	(13,575)
Exchange adjustment	-	-	-	(22,825)	(22,825)
At 31 December 2018	58,805	143,088	590,500	3,125,118	3,917,511
Depreciation					
At 1 January 2018	9,307	118,295	548,700	1,533,415	2,209,717
Charge for the year	5,883	8,035	27,957	262,649	304,524
Disposals	-	-	-	(13,341)	(13,341)
Exchange adjustment	-	-	-	(65,421)	(65,421)
At 31 December 2018	15,190	126,330	576,657	1,717,302	2,435,479
Net book value					
At 31 December 2018	43,615	16,758	13,843	1,407,816	1,482,032
At 31 December 2017	49,498	16,481	41,800	1,347,794	1,455,573

13 Investment in subsidiaries

	Company 2018 £	Company 2017 (Restated*) £
Investment in GCA Altium Limited (restated*)	8,269,998	5,723,695
Investment in Table Mountain Limited (restated*)	14,919,003	10,681,424
Investment in GCA Altium Israel Limited (restated*)	660,395	310,803
At 1 January	23,849,396	16,715,922
Additions - investment in subsidiary undertakings		
Investment in GCA Altium Limited (restated*)	1,581,401	2,546,303
Investment in Table Mountain Limited (restated*)	2,631,780	4,237,579
Investment in GCA Altium Israel Limited (restated*)	217,117	349,592
At 31 December	28,279,694	23,849,396

The parent company and the Group have investments in the following subsidiary undertakings:

		Country of incorporation	Class of shares held	Principal activity	Percentage owned by the Group
Table Mountain Limited	**	Jersey	Ordinary	Property Management & Holding Company	100%
GCA Altium Limited 1 Southampton Street, London, WC2R 0LR Belvedere, Booth Street, Manchester, M2 4AW	**	Great Britain	Ordinary	Corporate Finance	100%
GCA Altium AG Possartstrasse 13, 81679 München, Munich Thurn-und-Taxis-Platz 6, D-60313, Frankfurt	**	Germany	Ordinary	Corporate Finance	100%
GCA Altium s.r.l Piazza, San Fedele 4, Milan	**	Italy	Ordinary	Corporate Finance	100%
GCA Altium AG Klausstrasse 4, 8008 Zurich	**	Switzerland	Ordinary	Corporate Finance	100%
Altium Mitkap AG (merged into its immediate parent undertaking GCA Altium AG during June 2017)	**	Switzerland	Ordinary	Mezzanine Finance	100%
GCA Altium Israel Limited 6 Raoul Wallenberg St, 3rd floor, 6971905 Tel Aviv		Great Britain	Ordinary	Corporate Finance	100%
Altium Corporate Finance Group Limited EBT		Jersey		Employee Benefit Trust	100%

* Restated, refer to note 25 for further details.
** Indicates investments held by subsidiaries.

14 Current asset investments: Available-for-sale

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Market value of listed investments	16,191,774	25,606,034	16,191,774	25,606,034
Other unlisted investments	132	1,235	-	-
	16,191,906	25,607,269	16,191,774	25,606,034

The listed investment portfolio of the Group is comprised entirely of share options in GCA Corporation which are held by the EBT. The market value of this investment in GCA Corporation, the ultimate parent company, after the merger in July 2016 was £22,988,646. The market value of the investment at 31 December 2018 was £16,191,774.

The investments included in other unlisted investments represent investments in entities not traded on a recognised exchange. These investments have been revalued to their fair value in accordance with FRS 102 section 11.

15 Fair value classification of financial instruments

For each class of financial instrument in the Balance Sheet, fair value measurements are presented in the hierarchy table, between the following levels:

a) Quoted prices (unadjusted) in active markets for identical assets (Level 1);

b) Inputs other than quoted prices included in Level 1 that are observable for the assets, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

c) Inputs for the assets that are not based on observable market data (unobservable inputs) (Level 3).

	Total at 31 December 2018 £	Level 1 £	Level 2 £	Level 3 £
Current asset investments: Available-for-sale	16,191,906	16,191,774	-	132
	16,191,906	16,191,774	-	132

Movement in Level 3 financial instruments:

	£
Balance at 1 January 2018	1,235
Revaluations	(1,103)
Sale of available for sale investments	-
Balance at 31 December 2018	132

The directors consider that the carrying value of unlisted financial instruments approximates to their fair value.

16 Other financial assets

a *Debtors: due in one year*

The following amounts are included in debtors falling due in one year:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	8,918,125	6,477,860	-	-
Allowance for doubtful debts	(23,001)	-	-	-
	8,895,124	6,477,860	-	-
Amounts owed by subsidiary undertakings	-	-	338,240	860,269
Amounts owed by GCA Savvian (US)	295,984	149,739	-	-
Amounts owed by GCA Corporation (Japan)	1,181,207	-	-	-
Amounts owed by GCA Savvian (Europe)	-	37,097	-	-
Shareholder tax facility	2,092,269	2,501,582	2,092,269	2,501,582
Social security and VAT	-	-	1,557	-
Deferred tax	1,092,157	826,273	-	-
Other debtors	86,216	409,061	187,903	142,699
Prepayments and accrued income	726,597	592,806	135,753	33,961
	14,369,554	10,994,418	2,755,722	3,538,511

Included in the trade debtors balance are debtors with a carrying amount of £23,001 (2017: £nil) which are past due at the reporting date and for which the Group has provided in full as it is unlikely that the amounts are still recoverable. The Group does not hold any collateral over these balances. The directors consider that debtors which are neither past due nor impaired are stated at fair value.

16 Other financial assets (continued)

a *Debtors: due in one year (continued)*

Movement in the allowance for doubtful debts:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Balance at the beginning of the year	-	50,000	-	-
Impairment losses recognised	23,001	-	-	-
Amounts written off during the year	-	(50,000)	-	-
Balance at the end of the year	23,001	-	-	-

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

b *Cash at bank and in hand*

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash and cash equivalents	61,485,694	43,791,151	1,612,956	397,192

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less.

17 Other financial liabilities

a *Creditors: Amounts falling due in one year*

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Financial liabilities at amortised cost:				
Trade creditors	5,522,819	3,010,897	50,857	64,557
Amounts owed to Group undertakings	-	-	4,300,612	2,611,138
Amounts owed to GCA Savvian (US)	710,777	1,003,316	1,673,940	1,571,577
Amounts owed to GCA Corporation (Japan)	-	8,372	-	-
Amounts owed to GCA Savvian (Europe)	-	-	-	-
Loan payable to Intesa San Paolo	109,896	104,999	-	-
Taxation and social security:				
Social security and VAT	3,297,153	3,865,437	-	1,640
Corporation tax	1,374,049	1,430,545	-	-
Other creditors	350,931	102,107	1,038	1,038
Accruals and deferred income	34,300,392	23,149,517	126,461	97,631
	45,666,017	32,675,190	6,152,908	4,347,581

The directors consider that the carrying amount of trade payables approximates to their fair value.

b *Creditors: Amounts falling due after one year*

	Group 2018 £	Group 2017 (Restated*) £	Company 2018 £	Company 2017 (Restated*) £
Interest free loan	60,000	60,000	60,000	60,000
Loan payable to GCA Savvian (US)	1,421,554	2,006,631	1,421,554	2,006,631
Loan payable to Intesa San Paolo	170,592	275,426	-	-
Loan payable to GCA Corporation (Japan)	2,046,112	2,501,582	2,092,269	2,501,582
Total share based payment liability (restated*)	26,225,760	18,932,282	18,046,832	17,294,927
Share option awards in GCA Corporation	*17,905,743*	*13,475,444*	*17,905,743*	*13,475,444*
Revaluation of share option awards in GCA Corporation	*141,089*	*3,819,483*	*141,089*	*3,819,483*
RSU3 award	*3,756,626*	*1,593,192*	-	-
RSU4 award	*283,208*	*44,163*	-	-
RSU5 award	*4,139,094*	-	-	-
	29,924,018	23,775,921	21,620,655	21,863,140

The interest free loan matures on 26 November 2031 and carries no interest.

* Restated, refer to note 25 for further details.

18 Financial risk review

a *Market Risk*

The Group is exposed to market risk in respect of equity holdings, accounted for as investments available-for-sale.

Investments held by the Group are susceptible to changes in value arising from market factors. The main purpose of holding investments is to achieve capital growth in their value and subsequently dispose of them, realising a profit. The trading performance of each investment is regularly monitored by management.

Market risks arise from movements in the market price of quoted and unquoted securities in which the Company holds investments. All quoted positions are marked to market and unquoted investments are held at their fair value. Unrealised gains of all quoted and unquoted investments available-for-sale are taken to equity.

A 5% +/- fluctuation in equity prices, which the directors believe is a realistic rate of change, would result in a change to equity of +/- £809,589 (2017: £1,280,364 at 5% +/- fluctuation) to the quoted investments. As the unquoted investments are illiquid in nature, it is not appropriate to carry out sensitivity analysis on these investments.

b *Credit Risk*

The management of the Corporate Finance Division undertakes a credit assessment at the time of approving each new assignment. Ongoing relationships are reviewed periodically.

The Group does not have any significant credit risk exposure to any single counterparty.

c *Interest Rate Risk*

The Group has interest-bearing assets mainly in cash. The Group has a policy of maintaining excess funds in cash and short-term deposits and is not exposed to long-term interest rate risks. At the year-end, all excess funds were invested in cash and short-term deposits. The Group does not use any derivatives to hedge interest rate risk.

A 100 basis point +/- fluctuation in interest rates, which the directors believe is a realistic rate of change, would result in a net change to profit and loss of +/- £614,443 (2017: £436,486).

d *Foreign Currency Risk*

The base currency of the Group is sterling with the exception of GCA Altium AG sub-Group (see note 14), where the base currencies are Euros and Swiss Francs. This creates a foreign currency risk for the Group. Currency exposures primarily comprises bank balances. The Group's exposure is limited to Euros, Swiss Francs, US Dollars and Israeli New Shekels. The Group's consolidated exposure is reviewed periodically by the Board.

At 31 December 2018 the Group held £36,033,482 of cash denominated in Euros (2017: £23,646,704), and £3,250,230 of cash denominated in Swiss Francs (2017: £10,058,771).

Operating activities denominated in foreign currencies are recorded in the net trading expenditure statement. The Group has not entered into any foreign exchange derivatives for the purpose of hedging anticipated transactions.

e *Liquidity Risk*

The Group seeks to manage liquidity risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Group considers that there is sufficient liquidity for the foreseeable future.

19 Called-up share capital and reserves

	2018	2017
	£	£
Allotted, called up and fully paid		
26,656,108 (2017 - 26,656,108) Ordinary shares of £0.0001 each	2,666	2,666

The Group and Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

The revaluation reserve represents the cumulative effect of revalued investments to fair value at each reporting date.

	2018	2017
	£	£
Balance at 1 January	1,235	29,528
Sale of available-for-sale investments	-	(22,470)
Decrease in fair value of available-for-sale investments	(1,103)	(5,823)
Balance at 31 December	132	1,235

	2018	2017
	£	£
Balance at 1 January	20,130,046	14,559,932
Unrealised (loss)/gain on GCA shares	(9,414,260)	5,570,114
Balance at 31 December	10,715,786	20,130,046

20 Cash flow information

Reconciliation of profit/(loss) to cash generated by operations

	2018	2017 (Restated*)
	£	£
Profit/(loss) for the year (restated*)	1,737,456	(2,343,332)
Adjustments for:		
Share based payment expense (restated*)	7,279,454	12,735,471
Depreciation/amortisation	304,524	303,961
Interest income	(102,405)	(42,521)
Interest expense	119,214	67,226
Tax expense for the year	2,000,250	1,711,511
Foreign exchange loss on fixed assets	(42,596)	(44,763)
	11,295,897	12,387,553
(Increase) in debtors	(2,440,265)	(1,009,212)
Increase in creditors	12,990,827	14,264,317
Tax paid	(2,056,746)	(818,948)
Cash generated by operations	19,789,713	24,823,710

* Restated, refer to note 25 for further details.

Notes to the consolidated Financial Statements
For the year ended 31 December 2018

20 Cash flow information (continued)

Capital commitments are as follows

The Company has entered into operating lease agreements in respect of motor vehicles, the payments of which extend up to three years.

Total future minimum lease payments under non-cancellable operating leases are as follows:

Motor vehicles	2018	2017
	£	£
In one year	110,175	118,499
Between one and five years	184,033	96,111
Balance at 31 December 2018	294,208	214,610

Property

	2018	2017
	£	£
In one year	1,589,706	1,654,612
Between one and five years	4,701,465	5,431,762
After five years	1,801,625	2,617,236
Balance at 31 December 2018	8,092,796	9,703,610

The Group occupies premises in London under the terms of a 10 year lease expiring in January 2026. The annual rental cost is £243,319 (2017: £243,319).

The Group occupies premises in Manchester under the terms of a 10 year lease agreement expiring in March 2023. The annual rental cost is £97,119 (2017: £97,119).

The Group's subsidiary GCA Altium AG occupies offices in Munich, Germany under the terms of a lease that expires on 31 October 2019. The rent costs of GCA Altium AG Munich are £321,247 pa (EUR 360,584 pa) (2017: EUR 343,604 pa).

The Group's subsidiary GCA Altium AG also occupies offices in Frankfurt, Germany under the terms of a lease that expires on 31 October 2022. The rent costs of GCA Altium AG Frankfurt are £435,002 pa (EUR 488,268 pa) (2017: EUR 488,268 pa).

The Group's subsidiary GCA Altium AG occupies offices in Zurich, Switzerland under the terms of a lease that expires on 1 April 2027. The rent costs of GCA Altium AG Zurich are £439,635 pa (CHF 559,655 pa) (2017: CHF 559,655 pa).

The Group's subsidiary GCA Altium s.r.l occupies offices in Milan under the terms of a lease that commenced on 1 September 2016 and expires on 31 August 2022. The rent costs of GCA Altium s.r.l are £110,473 (EUR 124,000) for the first five years and £160,363 (EUR 180,000) for the last year.

21 Capital

The regulated entity GCA Altium Limited is required to submit quarterly COREP returns to the FCA. The Capital Adequacy of the firm and the excess capital maintained is disclosed in the monthly management report pack and is reviewed at the Board Meeting. In addition the future Capital Adequacy position is disclosed in the quarterly forecast projections which are reviewed by the Board.

22 Ownership

The Company's share capital is held by GCA Corporation which holds the controlling interest.

23 Related party transactions

An unsecured 3.5 per cent loan, repayable on 31 December 2017, made to a director was repaid on 29 December 2017. The amount of the liability to the Company at the end of the year was EUR nil.

24 Ultimate parent company

GCA Altium Corporate Finance Limited and its subsidiaries are now part of the wider group for which GCA Corporation is the ultimate parent company (30th Floor, Pacific Century Place Marunouchi, 11-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-6230, Japan).

Notes to the consolidated Financial Statements
For the year ended 31 December 2018

25 Prior year adjustments

a *Share based payments*

During the period it was found that cash settled share options granted to employees following the merger with GCA corporation were not appropriately measured, which has resulted in a reassessment of the fair value at grant date and remeasurement at intervening balance sheet dates.
This has been amended by revaluing the share options for the 2016 and 2017 period ends and restating the relevant financial statement captions for prior periods. As a result of these adjustments the opening profit and loss account as at 1 January 2017 has been decreased by £2,654,030 in the consolidated statement of changes in equity and by £2,492,061 in the company statement of changes in equity. The opening profit and loss account as at 1 January 2018 has also been further increased by £1,166,492 in the consolidated statement of changes in equity and by £1,289,967 in the company statement of changes in equity.

The following tables summarise the impact on the Group's financial statements:

Consolidated Profit and Loss Account
For the year ended 31 December 2017

	2017 (as previously reported)	Adjustments	2017 (as restated)
	£	£	£
Share based payment expense	(13,901,963)	1,166,492	(12,735,471)
Profit/(loss) before taxation	(1,798,313)	1,166,492	(631,821)
Profit/(loss) after taxation	(3,509,824)	1,166,492	(2,343,332)

The comparatives in the consolidated profit and loss accounts have been changed to present share based payment expenses above operating profit/(loss).

Consolidated Other Comprehensive Income
For the year ended 31 December 2017

	2017 (as previously reported)	Adjustments	2017 (as restated)
	£	£	£
Profit/(loss) before taxation	(3,509,824)	1,166,492	(2,343,332)
Total Comprehensive (loss) for the year attributable to the owners	(3,060,542)	1,166,492	(1,894,050)

Consolidated Balance Sheet
For the year ended 31 December 2017

	2017 (as previously reported)	Adjustments	2017 (as restated)
	£	£	£
Creditors: Amounts falling after one year	(22,288,383)	(1,487,538)	(23,775,921)
Total Share based payment liability	*(17,444,744)*	*(1,487,538)*	*(18,932,282)*
Share option awards in GCA Corporation	*(13,190,000)*	*(285,444)*	*(13,475,444)*
Revaluation of share option awards in GCA Corporation	*(2,617,389)*	*(1,202,094)*	*(3,819,483)*
Net Assets	26,884,838	(1,487,538)	25,397,300
Profit/(loss) accounts	(2,476,517)	(1,487,538)	(3,964,055)
Total Equity shareholders' funds	26,884,838	(1,487,538)	25,397,300

Company Balance Sheet
For the year ended 31 December 2017

	2017 (as previously reported)	Adjustments	2017 (as restated)
	£	£	£
Investment in subsidaries	23,563,951	285,445	23,849,396
Creditors: Amounts falling after one year	(20,375,602)	(1,487,538)	(21,863,140)
Total Share based payment liability	*(15,807,389)*	*(1,487,538)*	*(17,294,927)*
Share option awards in GCA Corporation	*(13,190,000)*	*(285,444)*	*(13,475,444)*
Revaluation of share option awards in GCA Corporation	*(2,617,389)*	*(1,202,094)*	*(3,819,483)*
Net Assets	28,434,712	(1,202,094)	27,232,618
Profit/(loss) accounts	(951,289)	(1,202,094)	(2,153,383)
Total shareholders' funds	28,434,712	(1,202,094)	27,232,618

Notes to the consolidated Financial Statements

For the year ended 31 December 2018

25 Prior year adjustments (continued)

b *Revaluation of investments available-for-sale*

The comparatives in the consolidated statement of comprehensive income have been changed to present unrealised gains on GCA shares to other comprehensive income rather then being recognised directly in equity. As a result of this adjustment total comprehensive income for the year ended 31 December 2017 has been increased by £5,570,114.

26 Subsequent events

Since the balance sheet date, the Group has formed a French subsidiary (GCA Altium France SA) with an office based in Paris. In terms of expansion of the UK business a new office has been opened in Leeds, whilst the Manchester operation secured an 11 year lease for larger premises and moved during April 2019.

During July 2019 the European subsidiaries paid the dividend amounts below to Table Mountain Limited in relation to the year ending 2018:

	€
GCA Altium AG (Germany)	3,100,000
GCA Altium s.r.l (Italy)	1,145,446
GCA Altium AG (Switzerland)	1,365,443
	5,610,889

Table Mountain Limited then paid the monies to the Company who in turn paid GCA Corporation on 26 July 2019.