GCA Altium Israel Limited

Annual Report and Financial Statements for the year ended 31 December 2018

Registered Number 09564954

FRIDAY
A8EW4P2W
A23 27/09/2019 #72
COMPANIES HOUSE

GCA Altium Israel Limited

Annual Report and Financial Statements
for the year ended 31 December 2018

Contents

Directors and Company information
For the year ended 31 December 2018

DIRECTORS	P C Adams M A Grünwald N D Myers G M Perel (resigned 6 November 2018) I Zakai (appointed 10 September 2018)
REGISTERED OFFICE	1 Southampton Street London WC2R 0LR
REGISTERED NUMBER	09564954
AUDITOR	KPMG LLP 1 St Peter's Square Manchester M2 3AE United Kingdom

GENERAL INFORMATION

GCA Altium Israel Limited ("GCA Altium Israel" or "The Company") is a wholly owned subsidiary of GCA Altium Corporate Finance Limited ("GCA ACFL"), a company incorporated in England & Wales. GCA Altium Corporate Finance Limited is the parent company for the group of entities who collectively trade as GCA Altium.

REVIEW OF THE COMPANY'S BUSINESS

The Company provides advice on mergers and acquisitions from its offices in Tel Aviv.

GCA Altium Israel Limited was incorporated on 28 April 2015 in England & Wales and commenced trading on 1 November 2015. Given that Israel has an emerging technology industry and business growth potential, the office is strategically positioned to help to develop and establish the GCA Altium brand in the Middle East.

The business returned a loss of £0.3m for the year ended to 31 December 2018 after taking the £0.4m share based payment charge into account.

GCA Altium 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 13 countries across Europe, the USA and Asia providing a truly global reach.

RESULTS AND DIVIDENDS

	2018	2017
	£	£
Loss after tax	(298,049)	(334,028)

No dividend was approved in the year and the directors do not recommend a final dividend (2017; £nil).

	2018	2017
	£	£
Net assets at 31 December	(194,659)	(274,282)

POLITICAL DONATIONS

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

KEY RISKS AFFECTING THE BUSINESS

There are potential risks and uncertainties that could have an impact on the performance of the Company. GCA Altium Group support means that a number of challenges that may affect an independent company are well managed.

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 Company's financial instruments comprise cash and liquid resources, and trade debtors and creditors arising from operations. The risks arising from the Company's financial instruments are credit risk, foreign currency risk and liquidity risk. The financial risks which the directors consider to be relevant to the Company, and the controls over them, are set out in note 14 of the 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 Company has the same risks as the GCA Altium Group and therefore manages this risk through appropriate controls and loss mitigation actions including insurance. These actions include a blend of policies, appropriate procedures and internal controls to ensure regulatory and legal compliance. In addition, GCA Altium's Group 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 operational risk events.

KEY PERFORMANCE INDICATORS

The Board rely upon a number of key performance indicators in order to monitor the Company'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 £0 in 2018 and £3,143 in 2017.

ON BEHALF OF THE BOARD:

....

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

The directors present the annual report and the audited financial statements.

OUTLOOK

GCA Altium Israel Limited aims to establish itself as a key player in the M&A industry in the Middle East.

The merger with GCA Corporation to form the GCA Group means that the Israeli business (as well as the wider GCA Altium Group) are well placed to continue progressing, subject to market conditions.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. In addition, note 14 to the financial statements sets out the Company's objectives, policies and processes for managing its capital, its financial risk management, and its exposure to credit risk, foreign exchange risk, and liquidity risk.

The directors have reviewed probability weighted revenue pipeline analysis in order to determine future profits and losses and cash flows. The immediate parent company, GCA Altium Corporate Finance Limited continues to provide support when required as well as the ultimate parent company GCA Corporation. Based upon this support and the analysis, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS

The directors of the Company who served throughout the year and thereafter were as follows:

P C Adams
M A Grünwald
N D Myers
G M Perel (resigned 6 November 2018)
I Zakai (appointed 10 September 2018)

DIRECTORS' INDEMNITIES

The UK Group has made qualifying third party indemnity provisions for the benefit of its directors which were in force throughout the period and at the date of this annual report.

AUDITOR

Each of the persons who is a director at the date of approval of this annual 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 the 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
Finance Director
24 September 2019
No. 1 Spinningfields
Hardman Square
Manchester
M3 3EB

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial yearUnder that law they have elected to prepare the financial statements in accordance with 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 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;

- assess the 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 Company 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 Company and to prevent and detect fraud and other irregularities.

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

Opinion

We have audited the financial statements of GCA Altium Israel Limited ("the Company") for the year ended 31 December 2018, which comprise the Profit and Loss account, Statement of Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, 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 Company 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 Company or to cease its operations, and as they have concluded that 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 its 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 Company's business model, including the impact of Brexit, and analysed how those risks might affect the 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 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, 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, 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 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 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.

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

24 September 2019

Profit and loss account

for the year ended 31 December 2018

	Notes	2018	2017
		£	£
Turnover	4	-	3,143
Administrative expenses		(699,445)	(741,946)
Operating loss		(699,445)	(738,803)
Share based payment expense	9	(397,942)	(340,000)
Group contribution to support investment	7	799,338	744,775
Loss before taxation	5	(298,049)	(334,028)
Tax on loss	10	-	-
Loss after taxation	16	(298,049)	(334,028)

All activity has arisen from continuing operations.

The statement of accounting policies and notes on pages 14 to 24 form an integral part of the financial statements.

Statement of Other Comprehensive Income
for the year ended 31 December 2018

	2018	2017
	£	£
Loss for the year	(298,049)	(334,028)
Currency translation difference on foreign currencies	(20,270)	(9,339)
Share based payment expense	397,942	340,000
Other comprehensive loss for the year net of tax	377,672	330,661
Total comprehensive profit/(loss) for the year attributable to the owners of the Company	79,623	(3,367)

Statement of Financial Position

At 31 December 2018

	Notes	2018	2017
		£	£
Fixed assets			
Fixed assets	11	120,684	2,595
Current assets			
Trade and other debtors: Amounts falling due within one year	12a	41,110	32,315
Cash at bank	12b	49,929	72,306
Total current assets		91,039	104,621
Trade and other creditors: Amounts falling due within one year	13	(406,382)	(381,498)
Net Liabilities		(315,343)	(276,877)
Total assets less current liabilities		(194,659)	(274,282)
Called-up share capital	15	1	1
Foreign currency adjustment	16a	(58,260)	(37,990)
Profit and Loss account	16b	(136,400)	(236,293)
Equity attributable to owners of the Company		(194,659)	(274,282)

The statement of accounting policies and notes on pages 14 to 24 form an integral part of the financial statements.

The financial statements of GCA Altium Israel Limited were approved by the board of directors and authorised for issue on 24 September 2019. They were signed on its behalf by:

N D Myers
Director

Statement of changes in equity

At 31 December 2018

	Called-up Share capital	Foreign currency adjustment	Profit and loss account	Total
	£	£	£	£
Balance as at 31 December 2016	1	(28,651)	(242,265)	(270,915)
Loss for the year	-	-	(334,028)	(334,028)
Equity settled share based payment charge	-	-	340,000	340,000
Foreign currency adjustment	-	(9,339)	-	(9,339)
Total comprehensive income for the year	-	(9,339)	5,972	(3,367)
Balance as at 31 December 2017	**1**	**(37,990)**	**(236,293)**	**(274,282)**
Loss for the year	-	-	(298,049)	(298,049)
Share based payment expense	-	-	397,942	397,942
Foreign currency adjustment	-	(20,270)	-	(20,270)
Total comprehensive income for the year	-	(20,270)	99,893	79,623
Balance as at 31 December 2018	**1**	**(58,260)**	**(136,400)**	**(194,659)**

The statement of accounting policies and notes on pages 14 to 24 form an integral part of the financial statements.

1 General information

GCA Altium Israel Limited ("the Company") is a company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 3. The Company meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. An exemption has been taken for the presentation of a cash flow statement and related parties.

These financial statements are presented in pounds sterling to ensure consistency with the other UK registered entities within the wider GCA Altium Group. The consolidated financial statements for GCA Altium Corporate Finance Limited and the majority of its subsidiaries are also presented in pounds sterling. The level of rounding used is to the nearest one pound.

These financial statements are for the Company only. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the Group financial statements of GCA Altium Corporate Finance Limited ("the Group"). The Group financial statements of GCA Altium Corporate Finance Limited are available to the public. The ultimate parent company is now GCA Corporation which is incorporated in Japan; and its accounts are available to the public.

The Company meets the definition of a qualifying entity under FRS 102 'Application of Financial Reporting Requirements' issued by the Financial Reporting Council.

2 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the accounting period since the commencement of trading, is set out below:

a) *Basis of accounting*

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are set out below.

b) *Going concern*

The financial statements have been prepared on the going concern basis. The directors have reviewed probability weighted revenue pipeline analysis in order to determine future profits and losses and cash flows. The immediate parent company, GCA Altium Corporate Finance Limited continues to provide support when required. Based upon this support and the analysis, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements and are confident that the Company will continue as a going concern for the foreseeable future, as disclosed in the Directors' Report.

c) (i) *Turnover*

Turnover is derived from corporate finance. Turnover from corporate finance activities comprises the invoiced value of services provided in the normal course of the business, excluding value added tax. Corporate finance fees are recognised in accordance with the policies described in note 2d.

2 Accounting policies (continued)

(ii) *Revenue recognition*

Revenue amounts received and receivable from corporate finance activity are recognised once a transaction is regarded as substantially complete, and the Company is entitled to raise an invoice to the client as per the terms of the engagement letter.

d) *Interest receivable and similar income*

Bank interest income is derived from excess funds held in cash and placed on short-term deposits. Interest income is recognised when it is probable that the economic benefits will flow to the entity and the amount of revenue can be measured reliably.

e) *Tax*

Current tax, including UK corporation 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.

The Company is subject to UK corporation tax at the rate of 19.00% (2017: 19.25%).

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 Company's taxable profits and its results as stated in the 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 financial statements.

A net deferred tax asset is regarded as recoverable and therefore 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.

Deferred tax is not recognised when non-monetary items are revalued through reserves unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Nor is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

f) *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of fixed assets, on a straight-line basis, over their estimated useful life as follows:

Office equipment	33.3%

g) *Foreign currency translation*

Trading transactions denominated in foreign currencies are recorded in euros at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the year-end are reported at the rates of exchange prevailing at the year-end. Any gain or loss arising from a change in exchange rates subsequent to the date of the translation is reported as an exchange gain or loss in other comprehensive income.

2 Accounting policies (continued)

h). *Financial instruments: financial assets and liabilities and equity instruments*

i) Financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

a) Loans and other debtors

Trade debtors are measured at amortised cost which approximates to fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is or is likely to be impaired.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash on short-term deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For other financial assets impairment provisions are recognised where there is objective evidence of impairment, such as delay in payment or significant financial difficulty of the counterparty. For trade debtors the carrying amount is reduced through the use of an allowance account. When a trade debtor is considered uncollectible it is written off against the allowance account. Changes in the carrying amount of the allowances account are recognised in the profit and loss account.

ii) Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified according to the substance of the contractual agreements entered into.

Trade creditors

Trade creditors are measured at amortised cost which approximates to fair value.

i) *Financial risk*

The Company's financial instruments comprise cash and liquid resources and trade debtors and trade creditors. The risks arising from the Company's financial instruments are credit risk, foreign currency risk and liquidity risk. The risk profile is set out in note 14.

2 Accounting policies (continued)

j) *Share-based payments*

The group has an employee benefit trust, The GCA Altium Corporate Finance Limited Employee Benefit Trust ("EBT"). In accordance with Urgent Issues Task Force Abstract 32, the assets and liabilities of the EBT are included within the GCA Altium Corporate Finance Limited financial statements.

As part of the merger with GCA Corporation, during July 2016 the Company made some share awards 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 sale lock-in period associated with the share options.

k) *Financial instruments disclosure*

The Company has not presented the financial instruments disclosures, as disclosures which comply with FRS 102 are included in the Group's consolidated financial statements, which exempts the Company from this disclosure.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, 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 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 period is appropriate.

Annual leave entitlement

A provision has not been set to account for any holiday pay accruals existing at the year end, in line with FRS 102 section 28 Employee Benefits, on grounds of immateriality.

Notes to the financial statements
For the year ended 31 December 2018

4 Turnover

	2018	2017
	£	£
Turnover by geographical area:		
Israel	-	3,143
	-	3,143

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

	2018	2017
	£	£
Turnover by line of business:		
Corporate finance	-	3,143
	-	3,143

Loss before tax by geographical area:		
Israel	298,049	334,028
	298,049	334,028

Net liabilities by geographical area:		
Israel	(315,343)	(276,877)
	(315,343)	(276,877)

5 Loss on ordinary activities before taxation is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation	2,825	1,383
Rentals payable - motor vehicles	21,227	21,029
Audit fees	3,000	3,000
Staff costs (see note 6)	502,548	572,787
Foreign exchange gains/(losses)	519	(4,683)

6 Staff costs

Particulars of employees (including executive directors) are shown below:

	2018	2017
	£	£
Employee costs during the year amounted to:		
Wages and salaries	491,483	563,428
Other staff costs	11,065	9,359
	502,548	572,787

The average monthly number of persons employed by the Company during the year was as follows:

	2018	2017
	Number	Number
Client advice and analysis	3	3
Administrative	2	2
	5	5

7 Group contribution to support investment

GCA Altium Group has established a formal presence in the Israel market via the Company. The decision to expand into this market was driven by the Group's desire to be present in one of the fastest growing technology sectors in the world, and hence to be well positioned to exploit future revenue opportunities as they may arise in the country.

Given its relative infancy, the Company is currently focused on developing contacts in the market and identifying new sales opportunities for the Group. As a consequence, the Company recognises little income and is currently operating at a loss.

As the European, US and Asian group entities are the primary beneficiaries of the services provided, they receive a proportionate share of the costs incurred by the Company (being one third of the total costs each).

Losses for 2018 were estimated to be €903,753 (£799,729) in advance of the 2018 financial year close and so agreement was reached to cover this sum by three equal contributions from each of Europe, the USA and Asia.

8 Directors' remuneration

Directors' remuneration was paid in respect of directors of the Company as follows:

	2018	2017
	£	£
Emoluments	301,779	350,483
	301,779	350,483

Highest paid director	2018	2017
	£	£
Emoluments	221,116	350,483

The highest paid director exercised 50% of his share options during the year. No further shares were received by that director in respect of qualifying services under a long term incentive scheme.

9 Share-based payments

During the merger with GCA Corporation, a director was awarded shares via the service company through which he provides services to the Company. The shares in GCA Corporation are accounted for as equity settled share based payments at GCA Altium Israel Limited subsidiary level. Options were immediately exercisable upon grant at a market price (shares in GCA Corporation are listed in Japan). Details of the shares 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	182,108	-	-	-
Granted during the year	-	-	182,108	-
Exercised sold during the year	(91,054)	-	-	-
Outstanding and exercisable at the end of the year	91,054	-	182,108	-

9 Share-based payments (continued)

The Company recognised a total charge of £237,512 (2017: £340,000) in relation to equity-settled share-based payment transactions in 2018. The movement on reserves is disclosed in note 16b. This charge was calculated at GCA Altium Israel Limited subsidiary level 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 and the assumptions are as follows:

Fair (market value) on grant date	JPY 895
Dividend yield	4.2%
Lapse date	31 July 2026

There was a further award to a Director of 30,000 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	-	-	-	-
Granted during the year	30,000	-	-	-
Outstanding at the end of the year	30,000	-	-	-

As referenced above, during December 2018 the performance criteria for the RSU5 were met, therefore there were additional charges associated with these options in this accounting period. There is a charge of £160,430 (2017: £nil) for the RSU5 award in relation to equity-settled share-based payment transactions as a result. This charge was calculated at GCA Altium Israel Limited subsidiary level 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 RSU5 award and the assumptions are as

Share price on grant date	JPY 850
Exercise price	JPY 1
SBP Fair value	JPY 830
Dividend yield	3.42%
Lapse date	2 July 2028

10 Tax charge on Profit/(Loss) on ordinary activities

The tax charge is based on the Profit/(Loss) for the year and comprises:

	2018	2017
	£	£
UK corporation tax at 19.00% (2017: 19.25%)	-	-

The tax rate for the year differs from the standard rate of corporation tax in the UK as explained below:

Reconciliation of tax charge

	2018	2017
	£	£
Loss on ordinary activities before taxation	(298,049)	(334,028)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(56,629)	(64,289)
Effects of:		
Expenses not deductible for tax purposes	1,048	681
Effects of group relief/ other reliefs	(131)	(687)
Deferred tax not recognised	56,204	64,295
Tax credit for the year	491	-

A deferred tax asset has not been recognised in respect of timing differences relating to fixed assets, tax losses and other short term timing differences as there is insufficient evidence of future profits arising against which the asset may be utilised.

11 Fixed assets

	Office equipment	Total
	£	£
Costs		
At 1 January 2018	4,796	4,796
Additions	121,409	121,409
Exchange adjustment	(1,064)	(1,064)
At 31 December 2018	125,141	125,141
Depreciation		
At 1 January 2018	2,201	2,201
Charge for the year	2,825	2,825
Exchange adjustment	(569)	(569)
At 31 December 2018	4,457	4,457
Net book value		
At 31 December 2018	120,684	120,684
At 31 December 2017	2,595	2,595

12 Other financial assets

a *Trade and other debtors: Amounts falling due within one year*

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

	2018	2017
	£	£
Taxation and social security: VAT	27,035	24,771
Prepayments and accrued income	14,075	7,544
	41,110	32,315

Invoices are payable upon receipt of the invoice. No interest is charged on the debtors. The credit assessment policy applied by the Company is detailed in note 14.

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

b *Cash at bank*

	2018	2017
	£	£
Cash and cash equivalents	49,929	72,306

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

13 Trade and other creditors: Amounts falling due within one year

	2018	2017
Financial liabilities at amortised cost:	£	£
Amounts owed to group undertakings	353,724	221,203
Accruals and deferred income	52,658	160,295
	406,382	381,498

Trade creditors and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

14 Financial risk review

a *Credit Risk*

Management undertake a credit assessment at the time of approving each new assignment.

The carrying amount of financial assets of £94,039 (2017: £104,621) which is net of impairment losses, represents the Company's maximum exposure to credit risk.

b *Foreign Currency Risk*

The reporting currency of the Company is sterling. Currency exposures primarily comprise bank balances. The Company's consolidated exposure is reviewed periodically by the Board.

At 31 December 2018 the Company held £38,763 (2017: £6,030) denominated in Israeli New Shekels, £10,381 (2017: £66,276) denominated in Euros, and £785 (2017 £NIL) of cash denominated in US Dollars.

The Company's exposure is limited to Israeli New Shekels, Euros, and US Dollars.

A +/- 5% movement in exchange rates would cause a +/- fluctuation in loss of £6,825 (2017: £11,815), in assets of £10,586 (2017: £5,361) and in liabilities of £20,324 (2017: £19,071).

Trading activities denominated in foreign currencies are recorded within the net trading expenditure statement. The Company has not entered into any derivatives for the purpose of hedging anticipated transactions or current exposures.

c *Liquidity Risk*

The Company seeks to manage liquidity risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

15 Called-up share capital

	2018	2017
	£	£
1 Allotted and called-up and unpaid ordinary share of £nil	1	1
	-	-

16 Reserves

a *Foreign Currency Adjustment*	2018	2017
	£	£
Balance at 1 January	(37,990)	(28,651)
Increase in foreign exchange differences	(20,270)	(9,339)
Balance at 31 December	(58,260)	(37,990)

b *Profit and loss account*	2018	2017
	£	£
Balance at 1 January	(236,293)	(242,265)
Share based payment charge	397,942	340,000
Net loss	(298,049)	(334,028)
Balance at 31 December	(136,400)	(236,293)

17 Transactions with related parties

a) Various staff and directors of the Company had interests in GCA Altium Corporate Finance Limited, the immediate parent undertaking, until the merger with GCA Corporation in July 2016. Those interests were transferred for interests in GCA Corporation on a share for share basis thereafter.

b) As a wholly owned subsidiary of GCA Altium Corporate Finance Limited, the Company has taken advantage of the exemption from disclosing transactions with other members of the group headed by GCA Altium Corporate Finance Limited that are wholly owned because GCA Altium Corporate Finance Limited's financial statements are publicly available.

18 Ultimate holding company

GCA Altium Corporate Finance Limited is the parent of the largest and smallest group that includes the Company and for which group financial statements are prepared within the UK. The financial statements of GCA Altium Corporate Finance Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. GCA Altium Corporate Finance Limited and its subsidiaries are now part of the wider group for which GCA Corporation (a listed Japanese company) is the ultimate parent company.

19 Subsequent events

There have been no significant subsequent events since the balance sheet date.