Registered number: 02933861

PARTNER CAPITAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

COMPANY INFORMATION

Directors	Peter O'Kane James Legh Pope Tuan Minh Nguyen Mingzhao Zhang
Company secretary	Peter O'Kane
Registered number	02933861
Registered office	23 Grafton Street London W1S 4EY
Independent auditors	haysmacintyre 26 Red Lion Square London WC1R 4AG

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 6
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 21

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017

Introduction

The directors present their report for the year ended 31 March 2017.

Business review

The year was one of reorientation for the company.

As 2016 progressed it became apparent that the hoped for improvement in trading conditions for the systematic FX product were not materialising, despite its performance relative to its peer group being top- end. This was a market- wide trend for the asset class and as a result investors materially reduced their interest. The system is still being run but on a care and maintenance basis pending reviving sufficient volume of investor interest. At the same time uncertainty in the UK market due in part to the effects of the EU referendum result made advisory work elusive. Hoped for flows from middle- east sources also did not materialise.

The company instead decided to develop one new line of business and grow an existing one.

The former is a distinct focus on corporate advisory and investment advisory between Asia (notably China) and the UK and vice-versa. A major program of staff recruitment was conducted throughout the year, as well as investment specifically earmarked to allow us to focus on this promising UK/ Asia flow. Alongside a specific investment and advisory sector focus on technology (environmental, materials and consumer) a new club was launched , The Asian Young Entrepreneur Club, to mark out the company as one with a unique mix of cultural affinity to the Asia and Chinese markets plus extensive connectivity for Asian entrepreneurs to U.K. corporate decision -makers and other relevant funding and end- customer communities.

The company also decided to grow its existing UK private company investment business, started in the mid 2000's when it had successfully brought experienced private investors and noted business figures into high-growth potential, technology and consumer investments. It was decided to revive this effort , both in light of the company's close association with a leading private business network in the U.K and the many senior businesspeople associated with it and of a new model for minimising investor risk during the transition from early - stage to commercialisation.

The year saw the focus on investing in growth deliver an increased loss but at the same time the balance sheet was significantly strengthened to support this year's commitment to actively developing the current business lines.

The Directors note that significant steps were taken in the final quarter of the year to materially strengthen the balance sheet with some £700,000 of equity replacing a similar amount of term, subordinated debt.

Principal risks and uncertainties

The main financial risks faced by the company are credit risk and liquidity risk. The directors regularly review and agree policies for managing these risks. Liquidity risk is managed by the company maintaining undrawn overdraft facilities in order to provide short term flexibility.

Risk indicators include fluidity of cash flow, turnover, and operating profit as well as the variable economic conditions.

It should also be noted that the business model employed is one whereby the bulk of corporate finance and advisory fees are the subject of contractually binding percentage splits between 'Partners' in the business, with an agreed retention for the business itself. These Partners operate FCA-regulated activities under Partner Capital's compliance and supervision and with the involvement of two of its directors. The business is therefore exposed to the 'Partners' remaining committed to conduct FCA-regulated activities through Partner Capital.

STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2017

Financial key performance indicators

The directors use turnover, gross profit, operating profit, profit before tax, cash flow and various gearing ratios as its key performance indicators. These financial key performance indicators are used to ensure the company's ability to continued profit and growth.

The directors believe that the use of non-financial KPI's is not necessary for an understanding of the results and operations of the business.

This report was approved by the board on 27 July 2017 and signed on its behalf.

Peter O'Kane
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

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

Results and dividends

The loss for the year, after taxation, amounted to $573,684 (2016 - loss $235,802).

The directors do not propose a final dividend (2016 - $nil).

Directors

The directors who served during the year were:

Peter O'Kane
James Legh Pope
David John Charters (resigned 1 June 2017)
Tuan Minh Nguyen
Mingzhao Zhang

Pillar 3 disclosures

The company has documented the disclosures required by the FCA under BIPRU 11.3. The Pillar 3 risk management and capital resources disclosures required by the FCA are included as an unaudited appendix to the directors' report and financial statements.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

Disclosure of information to auditors

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

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

Steps contracted and approved formally by the board in March 2017 to exchange $875,000 (£700,000) of term debt for equity in the company were completed in July, resulting in an enhanced share capital position of 2,662,431 US$1 shares, 469,844 Ordinary £1 shares and 100,000 Prefernce £1 shares. In addition £200,000 of new investment in company's equity was committed in late July for completion in August.

Auditors

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 27 July 2017 and signed on its behalf.

Peter O'Kane
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OFPARTNER CAPITAL LIMITED

We have audited the financial statements of Partner Capital Limited for the year ended 31 March 2017, set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OFPARTNER CAPITAL LIMITED

Matters on which we are required to report by exception

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

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

George Crowther (Senior Statutory Auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

27 July 2017

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 $	2016 $
Turnover	4	66,854	275,333
Cost of sales		(16,382)	(108,365)
Gross profit		50,472	166,968
Administrative expenses		(576,030)	(395,186)
Operating loss	5	(525,558)	(228,218)
Interest payable and expenses	9	(48,126)	(7,584)
Loss before tax		(573,684)	(235,802)
Loss for the year		(573,684)	(235,802)
Other comprehensive income for the year		-	
Total comprehensive income for the year		(573,684)	(235,802)

PARTNER CAPITAL LIMITED
REGISTERED NUMBER:02933861

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note		2017 $		2016 $
Fixed assets					
Intangible assets	10		240,204		297,527
Tangible assets	11		3,118		-
Investments	12		37,580		37,580
			280,902		335,107
Current assets					
Debtors	13	656,704		465,599	
Debtors: amounts falling due within one year	13	(1)		-	
Cash at bank and in hand	14	154,021		194,071	
		810,724		659,670	
Creditors: amounts falling due within one year	15	(952,394)		(72,549)	
Net current (liabilities)/assets			(141,670)		587,121
Total assets less current liabilities			139,232		922,228
Creditors: amounts falling due after more than one year	16		(373,660)		(582,972)
Net (liabilities) / assets			(234,428)		339,256
Capital and reserves					
Called up share capital	18		2,662,434		2,662,434
Share premium account	19		714,728		714,728
Profit and loss account	19		(3,611,590)		(3,037,906)
			(234,428)		339,256

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2017.

Peter O'Kane
Director

The notes on pages 11 to 21 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Share capital	Share premium	Profit and loss account	Total equity
	$	$	$	$
At 1 April 2016	2,662,434	714,728	(3,037,906)	339,256
Comprehensive loss for the year				
Loss for the year	-	-	(573,684)	(573,684)
At 31 March 2017	2,662,434	714,728	(3,611,590)	(234,428)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Share capital	Share premium	Profit and loss account	Total equity
	$	$	$	$
At 1 April 2015	2,662,434	714,728	(2,802,104)	575,058
Comprehensive loss for the year				
Loss for the year	-	-	(235,802)	(235,802)
At 31 March 2016	2,662,434	714,728	(3,037,906)	339,256

The notes on pages 11 to 21 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	2017 $	2016 $
Cash flows from operating activities		
Loss for the financial year	(573,684)	(235,802)
Adjustments for:		
Amortisation of intangible assets	57,323	45,773
Interest paid	48,126	7,584
Decrease in debtors	(191,104)	(145,148)
(Increase) / decrease in creditors	670,533	585,597
Bad debts written off / (reversed)	-	(67,254)
Net cash generated from operating activities	11,194	190,750
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,118)	-
Net cash from investing activities	(3,118)	-
Cash flows from financing activities		
Interest paid	(48,126)	(7,584)
Net cash used in financing activities	(48,126)	(7,584)
Net (decrease) / increase in cash and cash equivalents	(40,050)	183,166
Cash and cash equivalents at beginning of year	194,071	10,905
Cash and cash equivalents at the end of year	154,021	194,071
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	154,021	194,071
	154,021	194,071

1. General information

Partner Capital Limited is a limited company incorporated in England and Wales (company number 02933861). Its registered office address is 23 Grafton Street, London, W1S 4EY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

During the year the company incurred a loss of $573,684 and had net liabilities of $234,428 as at the year end. The financial statements have been prepared on a going concern basis, the applicability of which is dependant on the continuous support from the company's directors and shareholders.
As at the year end, certain shareholders agreed to convert their shareholders loans into shares and on 21 July 2017 a resolution has been passed to convert $875,000 into 469,842 Ordinary £1 shares and 100,000 Preference £1 shares. In addition, £200,000 of new investment in company's equity was committed in late July for completion in August.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

2. Accounting policies (continued)

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

Amortisation is provided on the following bases:

IP acquired	-	20 % straight-line basis

2.5 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Fixtures & fittings	- 25% per annum
Office equipment	-

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

2.6 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

2. Accounting policies (continued)

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2. Accounting policies (continued)

2.10 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement except when deferred in other comprehensive income as qualifying cash flow hedges.

2. Accounting policies (continued)

2.13 Finance costs

Finance costs are charged to the Income Statement over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

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

In the process of applying its accounting policies, the company is required to make certain estimates, judgements and assumptions that it believes are reasonable based on the information available. These judgements, estimates and assumptions affect the amounts of assets and liabilities at the date of the financial statments and the amounts of revenues and expenses recognised during the reporting periods presented.

On an ongoing basis, the company evaluates its estimates using historical experience, consultation with experts and other methods considered reasonable in the particular circumstances. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known.

The following paragraphs detail the estimates and judgements the company believes to have the most significant impact on the accual results under FRS 102.

Bad debts

The company directors review amounts receivable and consider the recoverability and the associated provisions required.

Intangible assets' life and impairment

In preparing these financial statements, the directors have had to make judgments and determine whether there are indicators of impairment of the company's intangible assets, which include acquired IP. Intangibles are amortised over the estimated useful life, which has been determined by the directors as five years.

4. Analysis of turnover

An analysis of turnover by class of business is as follows:

	2017	2016
	$	$
Fees receivable	66,854	275,333

	2017	2016
	$	$
United Kingdom	66,854	275,333

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2017	2016
	$	$
Amortisation of intangible assets	57,323	45,773
Bad debts recovered	-	(67,254)
Exchange differences	(21,478)	7,860

6. Auditors' remuneration

	2017	2016
	$	$
Fees payable to the Company's auditor for the audit of the Company's annual accounts	7,617	8,707
	7,617	8,707
Fees payable to the Company's auditor and its associates in respect of:		
Other services relating to taxation	1,300	1,440
All other services	8,345	13,440
	9,645	14,880

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017	2016
	$	$
Wages and salaries	136,129	63,846
Social security costs	6,514	1,742
	142,643	65,588

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

	2017	2016
	No.	No.
Administration	5	4

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

8. Directors' remuneration

	2017 $	2016 $
Directors' emoluments	65,139	7,264

9. Interest payable and similar charges

	2017 $	2016 $
Other loan interest payable	48,126	7,584

10. Intangible assets

	Acquired IP $
Cost	
At 1 April 2016	343,300
At 31 March 2017	343,300
Amortisation	
At 1 April 2016	45,773
Charge for the year	57,323
At 31 March 2017	103,096
Net book value	
At 31 March 2017	240,204
At 31 March 2016	297,527

11. Tangible fixed assets

	Fixtures & fittings	Office equipment	Total
	$	$	$
Cost or valuation			
At 1 April 2016	24,604	-	24,604
Additions	2,564	554	3,118
At 31 March 2017	27,168	554	27,722
Depreciation			
At 1 April 2016	24,604	-	24,604
At 31 March 2017	24,604	-	24,604
Net book value			
At 31 March 2017	2,564	554	3,118
At 31 March 2016	-	-	-

12. Fixed asset investments

	Unlisted investments
	$
Cost or valuation	
At 1 April 2016	37,580
At 31 March 2017	37,580
Net book value	
At 31 March 2017	37,580
At 31 March 2016	37,580

13. Debtors

	2017 $	2016 $
Due after more than one year		
Other debtors	202,811	235,802
	202,811	235,802
Due within one year		
Trade debtors	49,747	28,070
Other debtors	402,710	201,727
Prepayments and accrued income	1,436	-
	656,704	465,599

14. Cash and cash equivalents

	2017 $	2016 $
Cash at bank and in hand	154,021	194,071

15. Creditors: Amounts falling due within one year

	2017 $	2016 $
Trade creditors	54,531	53,838
Taxation and social security	9,542	5,398
Other creditors	875,000	-
Accruals and deferred income	13,321	13,313
	952,394	72,549

16. Creditors: Amounts falling due after more than one year

	2017 $	2016 $
Other creditors	373,660	582,972

Included within other creditors above are unsecured loans, which are subject to interest of 6% per annum and are repayable in installments starting from March 2018 and July 2019.

17. Financial instruments

	2017 $	2016 $
Financial assets		
Financial assets that are debt instruments measured at amortised cost	848,305	612,576
Financial liabilities		
Financial liabilities measured at amortised cost	(1,316,512)	(655,521)

Financial assets measured at amortised cost comprise comprise trade and other debtors and cash.

Financial liabilities measured at amortised cost comprise trade and other creditors and accruals.

18. Share capital

	2017 $	2016 $
Authorised, allotted, called up and fully paid		
2,662,432 Ordinary shares of $1 each	2,662,432	2,662,432
2 Ordinary shares of $1 each	2	2
	2,662,434	2,662,434

Since the year end, $875,000 of the shareholders loans were converted into 469,842 Ordinary £1 shares and 100,000 Preference £1 shares.

19. Reserves

Share premium

Includes any premiums received by the company on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit & loss account

Includes all current and prior period retained profits and losses.

20. Related party transactions

Included within debtors due after one year is $202,811 (2016 - $235,802) due from Timec 1176 Limited, a company of which Peter O'Kane is a director.

Included within debtors due within one year is $249,624 (2016 - $nil) due from Peter O'Kane, a director of the company. The loan is subject to interest of 3.5% per annum.

At the year end $nil (2016 - $6,659) was due from PC Spine LLP, a LLP in which Peter O'Kane is a member.

Included within other creditors due within one year are loans from the company directors - $250,000 (2016 (in creditors due after more than one year) - $292,088) from T M Nguyen and $250,000 (2016 (in creditors due after more than one year) - $290,884) from M Zhang. Since the year end, the loans were converted into ordinary shares.

Partner Capital Limited is owed $37,587 (2016 - $40,808) by Strategy Limited, a company in which Peter O'Kane is a shareholder, for services paid on Strategy Limited's behalf.

The directors of the company are the only key management personel. Remuneration paid to them has been disclosed in note 8.

21. Controlling party

The directors regard Pacific Lombard Limited, a company incorporated in England and Wales, to be the ultimate parent company. The ultimate controlling party is Peter O'Kane, a director of the company.