

# Excalibur Fund Managers Limited

Financial statements for the year ended 31 March 2013



Registered number: 03213958

## **Excalibur Fund Managers Limited**

**Registered No**            **03213958**

**Directors**                Professor Sir C Evans OBE        (Chairman)  
                                 M Walton  
                                 S Zahoor

**Company Secretary**    Excalibur Group Holdings Limited

**Auditors**                Calder & Co  
                                 Chartered Accountants & Statutory Auditors  
                                 16 Charles II Street  
                                 London  
                                 SW1Y 4NW

**Registered Office**      Berkeley Square House  
                                 Berkeley Square  
                                 Mayfair  
                                 London  
                                 W1J 6BD

# **Excalibur Fund Managers Limited**

## **Directors' report**

The Directors present their report and the audited financial statements of the company for the year ended 31 March 2013

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **Disclosure of information to auditors**

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each 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 auditors are aware of that information.

# **Excalibur Fund Managers Limited**

## **Directors' report (continued)**

### **Principal activities**

The company's principal activity is to provide investment advice to a Jersey based Limited Partnership, two English Limited Partnerships as well as a Welsh based fund where it is engaged by the Welsh fund manager to provide advisory and management services, ('the Funds') The company is authorised to provide investment advice and investment management services by the Financial Conduct Authority

### **Review of business and future developments**

The Funds advised and managed by the company are ten-year closed-ended venture capital funds. In common with venture capital industry practice, the income of the company for the most part is directly linked to the net investment profile of the Funds and so reduces over each Fund's life as the company successfully achieves exits for portfolio companies

One of the Funds managed, The Merlin Biosciences Fund is now in its liquidation period. The 2<sup>nd</sup> fund Merlin Biosciences Fund III has moved into its one year extension period.

The company is part of a group owned by Excalibur Group Holdings Limited ('EGH'). The company is currently supported by a company controlled by the trustees of a discretionary trust of which Prof. Sir C. Evans is a discretionary beneficiary. This company has advanced funds during the year. Prof. Sir C. Evans has agreed to advance funds as necessary over the next 12 months to allow the liabilities of the company to be paid as and when they fall due.

The directors therefore continue to adopt the going concern basis of accounting in preparing the company's annual financial statements.

### **Principal risks and uncertainties**

The company's operations expose it to a variety of risks that include funding risk, liquidity risk, exchange risk, legal and regulatory risk and operational risks.

#### **Funding and liquidity risk**

Liquidity risk comprises the risk that the financial market is unwilling to make available any facilities which may be needed in order to cover short term financing requirements of the company and the wider EGH Group. To date the company has been able to manage its liquidity risk. It has now implemented a plan which will allow it to continue to trade for the foreseeable future without the need for recourse to further banking facilities. Funding risk comprises exchange rate risk and interest rate risk. The company does not use derivative financial instruments to manage interest rate costs and accordingly, no hedge accounting is applied.

#### **Exchange rate risks**

Exchange rate risk arises due to currency differences between income and expenses. The management fee income is calculated in Euros and differences occur on translation back to Sterling. The company keeps its exchange rate management policy under review and the level of this risk has been considered to fall within acceptable parameters to date without the use of financial instruments to manage the risk.

# **Excalibur Fund Managers Limited**

## **Directors' report (continued)**

### **Legal and regulatory risk**

The company operates in both the UK and Jersey. The regulatory environment is becoming more complex and demanding, in response to this the company has maintained its arrangements for regulatory compliance through the retention of recognised professional advisers who carry out regular internal reviews, both of the compliance function and the wider business, with recommendations being approved and implemented by the board. The company also continues to ensure open and cooperative relationships with its regulators.

### **Operational risk**

This includes personnel risk, IT risk and the possibility of business disruption. These risks are mitigated by the recruitment and retention of suitably qualified staff with remuneration set at an appropriate level, use of appropriate Keyman insurance and a regular review of the company's business continuity provisions to ensure that they comply with best practice.

### **Results and dividends**

The company's loss for the year, after taxation, amounted to £1,089,126 (2012 loss £435,509). The directors do not recommend the payment of a dividend (2012 £nil). The loss for the year has been transferred to reserves.

### **Directors**

The directors who served during the year were

Prof Sir C Evans OBE  
J Wakefield (resigned 29 June 2012)  
M Walton  
S Zahoor

### **Directors' interests**

The company is wholly owned by Excalibur Group Holdings Limited, a company controlled by the trustees of a discretionary trust of which Prof Sir C Evans is a discretionary beneficiary.

### **Directors' insurance**

The Company maintained insurance cover for the directors during the financial year, indemnifying them against certain liabilities that may be incurred by them whilst acting as officers of the company.

### **Charitable Donations**

During the year the company made charitable donations of £25,000 (2012 £nil).

## **Excalibur Fund Managers Limited**

### **Directors' report (continued)**

#### **Auditors**

The auditors, Calder & Co, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

By order of the board 15 August 2013

A handwritten signature in black ink, appearing to read 'Sir C. Evans', written in a cursive style.

**Prof. Sir C. Evans OBE**  
Director

## **Independent auditors' report to the members of Excalibur Fund Managers Limited**

We have audited the financial statements of Excalibur Fund Managers Limited for the year ended 31 March 2013 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

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

### **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 2013 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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.



Tony Badiani (Senior Statutory Auditor)  
For and on behalf of Calder & Co  
Chartered Accountants and Statutory Auditors  
16 Charles II Street  
London  
15 August 2013

# Excalibur Fund Managers Limited

## Profit and loss account For the year ended 31 March 2013

	Notes	2013 £	2012 £
Turnover	1	2,084,530	1,656,518
Administrative expenses		<u>(2,842,122)</u>	<u>(2,089,388)</u>
Loss on ordinary activities before interest and taxation		(757,592)	(432,870)
Interest receivable & similar income		-	-
Interest payable & similar charges	2	<u>(7,560)</u>	<u>(2,639)</u>
Loss on ordinary activities before taxation	3	(765,152)	(435,509)
Tax on profit on ordinary activities	6	<u>(323,974)</u>	<u>-</u>
Loss for the financial year		<u>(1,089,126)</u>	<u>(435,509)</u>

A statement of movements in shareholders' funds is given in note 14. All items in the above statement derive from continuing operations. There are no recognised gains or losses, other than those included in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented. There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical equivalents.

The notes on pages 9 to 16 form an integral part of these financial statements.



**Excalibur Fund Managers Limited**  
**Registered number: 03213958**

**Balance sheet**  
**At 31 March 2013**

	Notes	2013 £	2012 £
<b>Fixed assets</b>			
Tangible assets	7	7,734	10,590
Investments	8	95,273	814,872
		<u>103,007</u>	<u>825,462</u>
<b>Current assets</b>			
Debtors	9	4,438,182	5,608,048
Cash at bank and in hand		40,848	57,393
		<u>4,479,030</u>	<u>5,665,441</u>
<b>Creditors</b> Amounts falling due within one year	11	(1,024,008)	(1,843,748)
<b>Net current assets</b>		<u>3,455,022</u>	<u>3,821,693</u>
<b>Total assets less current liabilities</b>		<u>3,558,029</u>	<u>4,647,155</u>
<b>Creditors</b> Amounts falling due after more than one year		-	-
<b>Net assets</b>		<u>3,558,029</u>	<u>4,647,155</u>
<b>Capital and reserves</b>			
Called-up share capital	12	425	425
Capital redemption reserve		35,064	35,064
Profit and loss account	13	3,522,540	4,611,666
<b>Total shareholders' funds</b>	14	<u>3,558,029</u>	<u>4,647,155</u>

The notes on pages 9 to 16 form an integral part of these financial statements

These financial statements were approved by the board of directors on 15 August 2013 and were signed on its behalf by



**Prof. Sir C. Evans OBE**  
Director

# **Excalibur Fund Managers Limited**

## **Notes to financial statements For the year ended 31 March 2013**

### **1 Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies is listed below.

The company is a wholly owned subsidiary of Excalibur Group Holdings Limited ('EGH') and is included in the consolidated financial statements of that company. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are wholly owned members of the EGH Group.

A company controlled by the trustees of a discretionary trust of which Prof. Sir C. Evans OBE is a discretionary beneficiary have during the year advanced funds to the company and group. Prof. Sir C. Evans has agreed to advance funds as necessary over the next 12 months to allow the liabilities of the company to be paid as and when they fall due.

On the basis of the above, the directors believe that it is appropriate for the company to continue to trade as a going concern and have accordingly prepared these financial statements on this basis.

#### **Consolidation**

The financial statements contain information about certain investments as individual companies and do not contain consolidated financial information as the parent of a group. The company is exempt from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Excalibur Group Holdings Limited, a company registered and incorporated in England and Wales.

#### **Cash flow**

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under FRS 1.

#### **Tangible fixed assets**

Fixed assets are shown at cost. Depreciation is provided 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:

Computers, fixtures and fittings	- 33 33% per annum
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#### **Taxation**

Corporation tax payable is provided on taxable profits at the current tax rate.

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 the right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is only recognised to the extent that the transfer of economic benefits is certain. 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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# Excalibur Fund Managers Limited

## Notes to financial statements (continued) For the year ended 31 March 2013

### 1 Accounting Policies (continued)

#### Turnover and income recognition

Turnover comprises amounts in respect of investment advisory services (excluding VAT) in the normal course of business. Turnover is derived entirely from activities within the European Union and the Channel Islands. Advisory fee income is recognised on the accruals basis.

#### Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs 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.

#### Leases

Rentals incurred under operating leases are charged on a straight-line basis over the lease term.

#### Foreign currency

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. The resulting exchange differences are taken to the profit and loss account.

#### Fixed asset investments

Fixed asset investments are held at cost less provision for impairments. Where the company receives distributions from participation in a Fund as a Limited Partner, these are recognised as a reduction in net investment, until such time as the investment is fully recovered.

### 2 Interest payable and similar charges

	2013 £	2012 £
Bank interest	6	559
Bank charges	2,420	2,080
Other Interest payable	5,134	-
	<u>7,560</u>	<u>2,639</u>

### 3 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging

	2013 £	2012 £
Auditors' remuneration		
- Statutory audit of the Company	20,000	18,000
- Taxation advisory fees	5,000	5,000
Hire of plant and machinery – operating leases	5,400	5,400
Impairment provision on fixed asset investments	719,598	156,756
Rental of premises – operating leases	214,372	130,641
Depreciation of tangible owned fixed assets	<u>6,253</u>	<u>13,682</u>

# Excalibur Fund Managers Limited

## Notes to financial statements (continued) For the year ended 31 March 2013

### 4. Employee information

Particulars of employees and their remuneration (including executive directors) are shown below

	2013 £	2012 £
Wages and salaries	681,049	341,257
Social security costs	88,562	43,405
Pension costs	5,969	5,969
	<u>775,580</u>	<u>390,631</u>

The company operates a group personal pension scheme for a number of its employees which is a defined contribution scheme. The charge for the year amounted to £5,969 (2012: £5,969). As at 31 March 2013, £524 (2012: £1,107) was outstanding.

The average monthly number of persons employed by the company (including executive directors) during the year was 7 (2012: 5).

### 5. Directors' remuneration

Directors' remuneration payable by the company during the year was as follows

	2013 £	2012 £
Aggregate emoluments	<u>482,500</u>	<u>347,495</u>

During the year no director exercised any share options or became entitled to receive shares under any long-term incentive schemes. No retirement benefits accrued to any of the directors under the defined contribution scheme during the year (2012: £nil).

The directors' remuneration shown above included

	2013 £	2012 £
Aggregate emoluments of highest-paid director	<u>272,183</u>	<u>109,010</u>

# Excalibur Fund Managers Limited

## Notes to financial statements (continued) For the year ended 31 March 2013

### 6 Tax on profit on ordinary activities

#### Analysis of charge for the year

	2013 £	2012 £
United Kingdom Corporation tax at 24% (2012 26%)	-	-
Prior years' adjustment	-	-
Current tax charge for the year	-	-
Deferred tax	<b>323,974</b>	-
Total tax (credit)/charge for the year	<b>323,974</b>	-

#### Factors affecting tax charge for the year

	2013 £	2012 £
(Loss) on ordinary activities before tax	<b>(1,089,126)</b>	<b>(435,509)</b>
Theoretical tax at UK Corporation tax rate of 24% (2012 26%)	<b>(261,390)</b>	<b>(113,232)</b>
<u>Effects of</u>		
Expenses not deductible for taxation purposes	<b>187,746</b>	<b>(34,838)</b>
Decelerated / (accelerated) capital allowances and other difference	<b>1,501</b>	<b>(3,140)</b>
Utilisation of tax losses	-	-
Losses carried forward	<b>72,143</b>	<b>151,210</b>
Current tax charge for the year	-	-

### 7. Tangible fixed assets

	Office equipment & computers £	Total £
<b>Cost</b>		
At 1 April 2012	<b>111,664</b>	<b>111,664</b>
Additions	<b>3,797</b>	<b>3,797</b>
Disposals	<b>(400)</b>	<b>(400)</b>
<b>At 31 March 2013</b>	<b>115,061</b>	<b>115,061</b>
<b>Depreciation</b>		
At 1 April 2012	<b>101,074</b>	<b>101,074</b>
Charge for the period	<b>6,253</b>	<b>6,253</b>
Disposals	-	-
<b>At 31 March 2013</b>	<b>107,327</b>	<b>107,327</b>
<b>Net book value</b>		
<b>At 31 March 2013</b>	<b>7,734</b>	<b>7,734</b>
At 1 April 2012	<b>10,590</b>	<b>10,590</b>

## Excalibur Fund Managers Limited

### Notes to financial statements (continued) For the year ended 31 March 2013

#### 8. Fixed asset investments

##### Investments in group undertakings

Name	Principal Activity	Description of Interest held	% interest Held	Note
Merlin General Partner II Ltd	General partner to The Merlin Biosciences Fund	Ordinary £1	100%	i, iii
Merlin General Partner III Ltd	General partner to The Merlin Biosciences Fund III	Ordinary £1	100%	ii, iii
Merlin Bioscience Ltd	Dormant	Ordinary 0 1p	100%	ii, iv
Merlin Biomed Ltd	Dormant	Ordinary 0 1p	100%	ii, iv
Merlin Ltd	Dormant	Ordinary £1	100%	ii, iv
Merlin Asset Management Ltd	Dormant	Ordinary £1	100%	ii, iv
Merlin Biosciences Ltd	Dormant	Ordinary £1	100%	ii, iv

- i) Registered in Jersey
- ii) Registered in England and Wales
- iii) Year end of 31 December (to coincide with the year end of the relevant Fund)
- iv) Year end of 31 March

The company holds all the voting rights in Merlin General Partner II Limited but is restricted in its ability to exercise those rights under a letter of undertaking given by the company. The company holds all the voting rights in Merlin General Partner III Limited, the general partner of the Merlin Biosciences Fund III LP and Merlin Biosciences Fund III 2007 LP (the "Fund") but is restricted in fully exercising these rights by the Limited Partnership Agreement entered into with the Fund.

Merlin General Partner II Limited acts as General Partner of the Merlin Biosciences Fund LP and as Managing Partner of the Merlin Biosciences Fund GbR (together the "Fund"). The Fund terminated on 28 February 2012 and the company became a liquidating trustee to allow the Fund to terminate without requiring an immediate liquidation of its portfolio and distribution of the proceeds. Management fees amounting to nil (2012 £183,572) were receivable during the period from Merlin General Partner II Ltd and the year-end outstanding balance is £143,612 (2012 £143,612) due to Merlin General Partner II Ltd. Merlin General Partner III Limited receives a management profit share from the Merlin Biosciences Fund III L P and the Merlin Biosciences Fund III 2007 L P (together "Fund III"). The company receives a fee for investment management services directly from the Merlin Biosciences Fund III L P and the Merlin Biosciences Fund III 2007 L P. Management fees amounting to £727,858 (2012 £1,447,585) were receivable during the period from Fund III and the year-end balance is £285,681.

# Excalibur Fund Managers Limited

## Notes to financial statements (continued) For the year ended 31 March 2013

### 8. Fixed asset investments (continued)

#### Other investments

The Company holds an investment in the Merlin Biosciences Fund III Limited Partnership (the "Fund"), registered in England and Wales. This venture capital limited partnership invests in early, mid and late stage unquoted bioscience and bioscience related companies predominantly in Europe.

At the year end the Company had committed a total investment of €2,500,000 (2012: €2,500,000), representing 1.8% (2012: 1.8%) of the Fund. The commitment consists of a €250 capital contribution and the balance as a loan and is payable from time to time as determined by the Manager of the Fund over the life of the Fund which is a maximum of ten years from 31 July 2002. As at 31 March 2013, €2,500,000 (2012: €2,500,000) of the commitment had been paid.

The company's investments are analysed as follows:

	Shares in group undertakings £	Other investments £	Total £
At 1 April 2012	26,504	788,368	814,872
Disposal	1	-	1
Provision for impairment in value	-	719,598	719,598
<b>At 31 March 2013</b>	<b>26,503</b>	<b>68,770</b>	<b>95,273</b>

The carrying value of the investment at the period end has been reduced by £719,598 to reflect the company's share of the fund as per the latest audited fund accounts.

### 9. Debtors

	2013 £	2012 £
Trade debtors	344,939	34,071
VAT debtor	-	6,967
Prepayments and accrued income	569,909	73,986
Amounts owed by Excalibur Group Holdings Limited	3,522,186	5,163,392
Other debtors	1,148	5,658
Deferred tax asset (note 10)	-	323,974
<b>Total debtors</b>	<b>4,438,182</b>	<b>5,608,048</b>

### 10. Deferred Tax Asset

	2013 £	2012 £
Deferred tax asset arising from accumulated tax losses		
At 1 April	323,974	323,974
Tax credit/(charge) in the profit and loss account (note 6)	(323,974)	-
<b>At 31 March</b>	<b>-</b>	<b>323,974</b>

There is now an unrecognised deferred tax asset of £462,567, this would be deemed recoverable once the company returns to a position where future profitability is secure.

# Excalibur Fund Managers Limited

## Notes to financial statements (continued) For the year ended 31 March 2013

### 11. Creditors Amounts falling due within one year

	2013 £	2012 £
Trade creditors	206,096	399,118
Social security	32,304	18,109
VAT	61,236	-
Other creditors	201,744	208,577
Director's loan account	66,180	-
Accruals & Deferred Income	456,448	1,217,944
	<u>1,024,008</u>	<u>1,843,748</u>

### 12. Called up share capital

	2013 £	2012 £
<b>Authorised</b>		
15,325,000 ordinary shares of £0.001 each	<u>15,325</u>	<u>15,325</u>
<b>Allotted, called up and fully paid</b>		
425,010 ordinary shares of £0.001 each	<u>425</u>	<u>425</u>

### 13. Reserves

	2013 £	2012 £
<b>Profit and loss account</b>		
Retained profit brought forward	4,611,666	5,047,175
(Loss)/Profit for the financial year	<u>(1,089,126)</u>	<u>(435,509)</u>
Retained profit carried forward	<u>3,522,540</u>	<u>4,611,666</u>

### 14. Reconciliation of movements in shareholders' funds

	2013 £	2012 £
(Loss)/Profit for the financial year	(1,089,126)	(435,509)
Opening shareholders' funds	<u>4,647,155</u>	<u>5,082,664</u>
Closing shareholders' funds	<u>3,588,029</u>	<u>4,647,155</u>

Shareholders' funds are wholly attributable to equity holders



## Excalibur Fund Managers Limited

### Notes to financial statements (continued)

For the year ended 31 March 2013

#### 15. Guarantees and other financial commitments

##### Lease commitments

The company leases certain land and buildings on short-term leases. The minimum annual rental (or period to expiry) under operating leases is as follows:

	2013 £	2012 £
Property operating lease which expires		
Within one year	160,722	176,904
Between two and five years	-	-

#### 17. Related parties

Consultancy fees were payable to businesses in which Prof. Sir C. Evans is a designated member or ultimate beneficiary as follows:

Hookstone Limited - £600,000 (2012: £650,000),

Glebe Corporate LLP - £5,000 (2012: £50,000), balance at year-end being £164,000 due from Glebe Corporate LLP

Merlin Scientific LLP £10,000 (2012: £nil), balance at year-end being £9,359 due to Merlin Scientific LLP

Consultancy fees of nil (2012: £41,636) were payable during the period to XKe Capital LLP, a business in which M. Docherty is a partner. Non-executive director fees of £25,000 were payable to J. Curnock-Cook and at the year-end the balance amounted to £45,036 (2012: £15,036).

During the year a balance payable to Hookstone Limited of £1,450,000 was assigned to Excalibur Group Holdings Limited and is included in the intercompany balance as shown in note 9.

Subcontracted management fees and consultancy fees amounting to £845,047 and £500,000 respectively were receivable from Arthurian Life Sciences Limited, a business controlled by Prof. Sir C. Evans. At the year-end the balance receivable amounted to £500,000.

On the 22<sup>nd</sup> June 2011 the group's banking facilities were acquired by Hookstone Limited, a company controlled by The Faraway Trustee Ltd, as trustee of a discretionary trust of which Prof. Sir C. Evans is a discretionary beneficiary. The Faraway Trustee Ltd is based in the Isle of Man and is the ultimate controlling party of the company and group as described in note 18.

The transactions and year-end outstanding balances with the underlying funds are disclosed in Note 8. The year-end outstanding balances with the parent company Excalibur Group Holdings Limited is disclosed in Note 9.

Other than the disclosed amounts, no other balance is outstanding with related parties.

#### 18. Ultimate controlling party

The company is a wholly-owned subsidiary of Excalibur Group Holdings Limited, a company registered in England and Wales. The ultimate controlling party is considered to be The Faraway Trustee Ltd, as trustee of a discretionary trust of which Prof. Sir C. Evans is a discretionary beneficiary. The Faraway Trustee Ltd is based in the Isle of Man.