

# Financial Statements Esprit Capital Management Limited

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For the Year Ended 31 March 2016



Registered number: 03286109

Esprit Capital Management Limited  
Registered number:03286109

## Company Information

<b>Directors</b>	S M Chapin S C Cook G Redman
<b>Company secretary</b>	Graham Redman
<b>Registered number</b>	03286109
<b>Registered office</b>	1010 Cambourne Business Park Cambourne CB23 6DP
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2P 2YU

Esprit Capital Management Limited  
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## Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8 - 14

Esprit Capital Management Limited

## Directors' Report

For the Year Ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

### 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 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 101 'Reduced Disclosure Framework'. 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 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.

### Results and dividends

The profit for the year, after taxation, amounted to £60,763 (2015 - loss £73).

The directors have not proposed a dividend during the year (2015 - £nil).

### Directors

The directors who served during the year were:

S M Chapman  
S C Cook  
G Redman

### Future developments

Following the acquisition of Esprit Capital Partners LLP, ECML's parent undertaking, by Draper Esprit plc all employees of ECML transferred to the plc in July 2016. It is anticipated that the operations of ECML will be performed by other group companies and the company would be non-trading by the end of the 2017 financial year.

Esprit Capital Management Limited

## Directors' Report

For the Year Ended 31 March 2016

### Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

### Post balance sheet events

Following the acquisition of Esprit Capital Partners LLP, ECML's parent undertaking, by Draper Esprit plc all employees of ECML transferred to the plc in July 2016.

### Auditors

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 21 September 2016 and signed on its behalf.



G Redman  
Director



## Independent Auditor's Report to the Members of Esprit Capital Management Limited

We have audited the financial statements of Esprit Capital Management Limited for the year ended 31 March 2016, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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.

### **Respective responsibilities of directors and auditor**

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 Auditing Practices Board'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](http://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 2016 and of its profit 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.



## Independent Auditor's Report to the Members of Esprit Capital Management 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; or
- the directors are not entitled to prepare the financial statements in accordance with small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

*Grant Thornton UK LLP*

William Pointon  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

21 September 2016

Esprit Capital Management Limited  
Registered number:03286109

## Statement of Comprehensive Income

For the Year Ended 31 March 2016

	Note	2016 £	2015 £
Turnover	4	322,629	293,671
Gross profit		322,629	293,671
Administrative expenses		(246,558)	(293,810)
Operating profit/(loss)	5	76,071	(139)
Tax on profit/(loss)	8	(15,308)	66
Profit/(loss) for the year		60,763	(73)

There was no other comprehensive income for 2016 (2015 - £nil).

The notes on pages 8 to 14 form part of these financial statements.




## Balance Sheet

As at 31 March 2016

	Note	2016 £	2015 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	65,860	66,668
Cash at bank and in hand	10	77,709	654
		<u>143,569</u>	<u>67,322</u>
Creditors: amounts falling due within one year	11	(78,648)	(63,164)
<b>Net current assets</b>		<u>64,921</u>	<u>4,158</u>
<b>Total assets less current liabilities</b>		<u>64,921</u>	<u>4,158</u>
 <b>Net assets</b>		 <u>64,921</u>	 <u>4,158</u>
 <b>Capital and reserves</b>			
Called up share capital	12	100	100
Profit and loss account	13	64,821	4,058
		<u>64,921</u>	<u>4,158</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 September 2016.

  
G Redman  
Director

The notes on pages 8 to 14 form part of these financial statements.

Esprit Capital Management Limited  
Registered number:03286109

## Statement of Changes in Equity

For the Year Ended 31 March 2016

	Share capital £	Retained earnings £	Total equity £
At 1 April 2015	100	4,058	4,158
Comprehensive income for the year			
Profit for the year	-	60,763	60,763
Total comprehensive income for the year	-	60,763	60,763
At 31 March 2016	100	64,821	64,921

## Statement of Changes in Equity

For the Year Ended 31 March 2015

	Share capital £	Retained earnings £	Total equity £
At 1 April 2014	100	4,131	4,231
Comprehensive income for the year			
Loss for the year	-	(73)	(73)
Total comprehensive income for the year	-	(73)	(73)
At 31 March 2015	100	4,058	4,158

The notes on pages 8 to 14 form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 March 2016

## 1. General information

Esprit Capital Management Limited's principal activity is the provision of management and administrative services to Esprit Capital Partners LLP and subsidiaries. It is a limited company incorporated in the United Kingdom with a registered address of 1010 Cambourne Business Park, Cambourne, CB23 6DP.

## 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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 101 is given in note 16.

The financial statements are presented in Sterling (£) which is also the functional currency of the Company. Amounts are presented to the nearest £.

The preparation of financial statements in compliance with FRS 101 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).

### First time application of FRS 100 and FRS 101

In the current year the Company has adopted FRS 100 and FRS 101. In previous years the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. Consequently the principal accounting policies are unchanged from the prior year. The change in basis of preparation has enabled the Company to take advantage of all of the available disclosure exemptions permitted by FRS 101 in the financial statements, the most significant of which are summarised below. There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

The following principal accounting policies have been applied:

### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

## Notes to the Financial Statements

For the Year Ended 31 March 2016

### 2. Accounting policies (continued)

#### 2.3 Revenue

Revenue represents management fees due to the Company for services provided. This is recognised on an accruals basis over the period in which the service is provided.

#### 2.4 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.

#### 2.5 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.

#### 2.6 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.7 Taxation

Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

#### 2.8 Pensions

The Company make contributions on behalf of employees into individual pension schemes at a defined rate of salary. The pension cost charge represents contributions payable by the Company to the fund.

Where employees are in pension schemes other than the Company pension scheme, the Company makes defined contributions on their behalf.

## Notes to the Financial Statements

For the Year Ended 31 March 2016

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

In preparing the financial statements the directors have considered the need for any significant judgements and estimates and have concluded that no significant judgements or estimates need to be effected.

### 4. Analysis of turnover

All turnover arose within the United Kingdom.

### 5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2016	2015
	£	£
Other pension costs	15,272	15,205

During the year, no director received any emoluments (2015 - £NIL).

### 6. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2016	2015
	£	£
Fees for the audit of the Company	6,000	4,250
	6,000	4,250

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

## Notes to the Financial Statements

For the Year Ended 31 March 2016

### 7. Employees

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	162,106	200,944
Social security costs	15,680	19,149
Other pension costs	15,272	15,205
	<u>193,058</u>	<u>235,298</u>

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

2016	2015
No.	No.
<u>4</u>	<u>5</u>

### 8. Taxation

	2016	2015
	£	£
<b>Corporation tax</b>		
Current tax on profits for the year	15,308	(66)
	<u>15,308</u>	<u>(66)</u>
<b>Total current tax</b>	<u>15,308</u>	<u>(66)</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>15,308</u>	<u>(66)</u>

## Notes to the Financial Statements

For the Year Ended 31 March 2016

### 8. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21.49%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	76,071	(139)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21.49%)	15,214	(30)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	(36)
Short term timing difference leading to an increase (decrease) in taxation	94	-
<b>Total tax charge for the year</b>	<b>15,308</b>	<b>(66)</b>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

## Notes to the Financial Statements

For the Year Ended 31 March 2016

### 9. Debtors

	2016 £	2015 £
Other debtors	60,303	57,749
Prepayments and accrued income	5,557	8,919
	<u>65,860</u>	<u>66,668</u>

### 10. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	77,709	654
	<u>77,709</u>	<u>654</u>

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

	2016 £	2015 £
Trade creditors	566	419
Amounts owed to group undertakings	42,374	52,715
Corporation tax	15,308	-
Taxation and social security	5,022	4,869
Other creditors	2,128	1,661
Accruals and deferred income	13,250	3,500
	<u>78,648</u>	<u>63,164</u>

### 12. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
20 'A' ordinary shares of £1 each	20	20
80 'B' ordinary shares of £1 each	80	80
	<u>100</u>	<u>100</u>

The 'A' shares carry 51% of the voting rights and the 'B' shares carry 49% of the voting rights.

On winding up the 'B' shares are entitled to £10,000 per 'B' share. Thereafter, the 'A' and 'B' shares rank pari



## Notes to the Financial Statements

For the Year Ended 31 March 2016

passu in all respects.

### 13. Reserves

#### Profit & loss account

The profit & loss account at the balance sheet date was £64,821 (2015 - £4,058).

### 14. Pension commitments

The Company makes contributions on behalf of employees into individual pension schemes at a defined rate of salary. The pension cost charge represents contributions payable by the Company to the funds and amounted to £15,272 (2015 - £15,205). Contributions totalling £2,060 (2015 - £1,593) were payable to the funds at the balance sheet date.

### 15. Controlling party

The directors regard Esprit Capital Holdings Limited, a company registered in England and Wales, as its immediate parent undertaking. Esprit Capital Holdings Limited is solely entitled to any dividend payment from the Company and controls the composition of the Board of the Company.

The directors regard Esprit Capital Partners LLP ('Esprit'), a limited liability partnership registered in England and Wales, as the ultimate parent undertaking. Esprit is the Parent of the Group in whose consolidated financial statements the Company's financial statements are consolidated. Esprit and its subsidiaries are the largest and smallest group of undertakings for which consolidated financial statements are drawn up.

Esprit had no overall controlling party during the period. On 15 June 2016 the Parent and Group were acquired by Draper Esprit plc following admission to AIM.

### 16. First time adoption of FRS 101

The policies applied under the entity's previous accounting framework are not materially different to FRS 101 and have not impacted on equity or profit or loss.