

**Private Investor Capital Limited**

Report and Financial Statements

*31 December 2016*

Rees Pollock  
Chartered Accountants

FRIDAY



A26

\*A6G0GPU1\*

29/09/2017

COMPANIES HOUSE

#306

Private Investor Capital Limited

---

COMPANY INFORMATION

**Directors** D A Giampaolo  
S Oliver (resigned 12 December 2016)  
P S Thomas

**Registered number** 03385330

**Registered office** 5 New Street Square  
London  
EC4A 3TW

**Independent auditors** Rees Pollock  
35 New Bridge Street  
London  
EC4V 6BW

**STRATEGIC REPORT**

For the Year Ended 31 December 2016

**Business review**

The PI business has continued to trade as planned, with a number of investments managed on behalf of our investors.

**Principal risks and uncertainties**

The business would be impacted should the investment portfolio not perform as anticipated.

**Financial key performance indicators**

The success of the business is measured by the overall outcome of the investment portfolio.

This report was approved by the board on **26 April 2017** and signed on its behalf.

**P. Thomas**

P. S. Thomas  
Director

## **DIRECTORS' REPORT**

For the Year Ended 31 December 2016

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

### **Principal activity**

The principal activity of the company during the year was that of a venture capital manager, investing the personal wealth of a club of successful high net worth individuals. The directors intend to develop the business.

### **Results**

The profit for the year, after taxation, amounted to £13,151 (2015: loss £793,347).

### **Directors**

The directors who served during the year were:

D A Giampaolo  
S Oliver (resigned 12 December 2016)  
P S Thomas

### **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 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;
- 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.

### **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.

Private Investor Capital Limited

---

**DIRECTORS' REPORT**

For the Year Ended 31 December 2016

**Auditors**

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

This report was approved by the board on **26 April 2017** and signed on its behalf

**P Thomas**

P. S. Thomas  
Director

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PRIVATE INVESTOR CAPITAL LIMITED**

We have audited the financial statements of Private Investor Capital Limited for the year ended 31 December 2016, set out on page 14. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 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 on, 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](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 December 2016 and of its profit or 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, based on the work undertaken in the course of the audit, 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 those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

### **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.

Jonathan Munday (Senior Statutory Auditor)  
for and on behalf of  
**Rees Pollock**  
Statutory auditor  
26 April 2017

**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**For the Year Ended 31 December 2016**

	Note	2016 £	2015 £
Turnover		165,214	227,743
Cost of sales		(5,650)	(13,744)
<b>Gross profit</b>		<b>159,564</b>	<b>213,999</b>
Administrative expenses		(146,807)	(1,007,906)
<b>Operating profit/(loss)</b>		<b>12,757</b>	<b>(793,907)</b>
Interest receivable and similar income		394	560
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>13,151</b>	<b>(793,347)</b>
<b>Profit/(loss) for the financial year</b>		<b>13,151</b>	<b>(793,347)</b>
Retained earnings at the beginning of the year		(1,915,719)	(1,122,372)
		(1,915,719)	(1,122,372)
Profit/(loss) for the financial year		13,151	(793,347)
<b>Retained earnings at the end of the year</b>		<b>(1,902,568)</b>	<b>(1,915,719)</b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the profit and loss account.

The notes on pages 7 to 14 form part of these financial statements.

**BALANCE SHEET**  
As at 31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Investments	9	3	3
		<u>3</u>	<u>3</u>
<b>Current assets</b>			
Debtors: Amounts falling due within one year	10	232,013	230,662
Cash at bank and in hand		360,885	677,867
		<u>592,898</u>	<u>908,529</u>
Creditors: Amounts falling due within one year	11	(110,469)	(439,251)
		<u>482,429</u>	<u>469,278</u>
<b>Net current assets</b>		<u>482,432</u>	<u>469,281</u>
<b>Total assets less current liabilities</b>		<u>482,432</u>	<u>469,281</u>
<b>Net assets</b>		<u>482,432</u>	<u>469,281</u>
<b>Capital and reserves</b>			
Called up share capital	12	2,285,006	2,285,006
Share premium account		99,994	99,994
Profit and loss account		(1,902,568)	(1,915,719)
		<u>482,432</u>	<u>469,281</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on **26 April 2017**.

*P Thomas*

P S Thomas  
Director

The notes on pages 7 to 14 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2016

**1. Accounting policies**

**Basis of preparation of financial statements**

Private Investor Capital Limited is a private limited company incorporated in the UK.

The company's registered address is 5 New Street Square, London, EC4A 3TW.

The principal activity of the company during the year was that of a venture capital manager, investing the personal wealth of a club of successful high net worth individuals. The directors intend to develop the business.

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. Management consider that the only key accounting estimate which has been made relates to the provision against amounts due from companies within the group. Management have reviewed the likelihood of recovery and have made provisions against these balance as they consider necessary.

Management are also required to exercise judgment in applying the company's accounting policies. Due to the straight forward nature of the business management consider that no critical judgments have been made in applying the company's accounting policies.

The following principal accounting policies have been applied:

**Going concern**

The group headed by Pi Capital (Holdings) Limited, the company's parent company, has sufficient financial resources to continue trading for the foreseeable future, together with contracts with a number of customers that are on-going and have the nature of long-term contracts. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have made enquiries into the group's business activities, assessed the most likely risks the group faces, together with an ongoing review of factors likely to affect its future development and performance. Based on these enquiries the directors have prepared forecasts for the group. Having taken account of the financial assumptions on which the forecast is based, and having analysed its potential cash flows, and liquidity position the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future.

Pi Capital (Holdings) Limited has confirmed it is willing to support the company for the foreseeable future and accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

**Turnover**

The turnover shown in the profit and loss account represents fees received for advisory services and management fees from the funds which the company manages, exclusive of value added tax. Advisory and management fees are recognised over the period for which the services are provided. The turnover shown for the year ended 31 December 2015 also includes membership fees from the club of high net worth individuals, exclusive of value added tax. These are recognised over the period to which the fees relate.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2016

**1. Accounting policies (continued)**

**Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. 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.

The estimated useful lives range as follows:

Fixtures & fittings	5	years
Computer equipment	3	years

**Operating leases**

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

**Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**Financial instruments**

The company does not trade in financial instruments and all such instruments arise directly from operations. All trade and other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter trade and other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The company does not hold collateral against its trade and other receivables so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment. The company's cash holdings comprise on demand balances, and all cash is held with banks with strong external credit ratings. Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished. As the company only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2016

**1. Accounting policies (continued)**

**Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Statement of cash flows exemption**

The company, being a subsidiary, of Pi Capital (Holdings) Limited whose consolidated financial statements are publicly available, is exempt from the requirements to draw up a statement of cash flows.

**Related parties**

The company is exempt under section 33 of FRS102 from disclosing transactions or balances between wholly owned group companies.

**2. Analysis of turnover**

The whole of the turnover for the year is attributable to the company's principal continuing activity.

All turnover arose within the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2016

**3. Operating profit/(loss)**

The operating loss is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	-	2,017
Fees payable to the company's auditor for the audit of the company's annual accounts	6,475	6,400
Operating lease payments - land and buildings	-	45,577
	<u>6,475</u>	<u>53,994</u>

**4. Employees**

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

	2016 £	2015 £
Wages and salaries	6,005	155,357
Social security costs	909	17,081
	<u>6,914</u>	<u>172,438</u>

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

	2016 No.	2015 No.
	<u>2</u>	<u>5</u>

**5. Directors' remuneration**

	2016 £	2015 £
Directors' emoluments	<u>6,005</u>	<u>60,864</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2016

**6. Taxation**

**Factors affecting tax charge for the year**

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2015: 20%). The differences are explained below:

	2016 £	2015 £
Profit/(loss) on ordinary activities before tax	13,151	(793,347)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20%)	2,630	(158,669)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	102,177
Capital allowances for year in excess of depreciation	-	251
Unrelieved tax losses carried forward	-	56,241
Utilisation of tax losses	(2,551)	-
Group relief	(79)	-
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

**7. Deferred taxation**

No provision has been made in the accounts and the amounts unprovided at the year end are as follows:

Total carried forward losses available for offset	48,189	56,241
---	--------	--------

The deferred tax assets will only be available for use when the company has future taxable trading profits against which to offset previous losses. At present the directors do not feel that this is sufficiently certain to recognise the contingent asset.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2016

**8: Tangible fixed assets**

	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost or valuation:</b>			
At 1 January 2016	19,277	60,917	80,194
Disposals	(19,277)	(60,077)	(79,354)
At 31 December 2016	-	840	840
<b>Depreciation:</b>			
At 1 January 2016	19,277	60,917	80,194
Disposals	(19,277)	(60,077)	(79,354)
At 31 December 2016	-	840	840
<b>Net book value:</b>			
At 31 December 2016	-	-	-
At 31 December 2015	-	-	-

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2016

**9. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2016	3
	<hr/>
At 31 December 2016	3
	<hr/>
<b>Net book value</b>	
At 31 December 2016	3
	<hr/>
At 31 December 2015	3
	<hr/>
<b>Subsidiary undertakings</b>	

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Pi Capital Partners 1 Limited	England	Ordinary	100%	To act as General Partner
Pi Capital Partners 2 Limited	England	Ordinary	100%	To act as General Partner
Pi Capital Partners 3 Limited	Scotland	Ordinary	100%	To act as General Partner

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	<b>Aggregate of share capital and reserves £</b>	<b>Profit/(loss) £</b>
Pi Capital Partners 1 Limited	114,590	(3,526)
Pi Capital Partners 2 Limited	(2,446)	19,894
Pi Capital Partners 3 Limited	33,571	30,625
	<hr/>	<hr/>
	145,715	46,993

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 December 2016

**10. Debtors**

	2016 £	2015 £
<b>Due within one year</b>		
Trade debtors	42,500	54,685
Amounts owed by group undertakings	186,569	156,435
Other debtors	1,371	14,800
Prepayments and accrued income	1,573	4,742
	<u>232,013</u>	<u>230,662</u>

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

	2016 £	2015 £
Trade creditors	1,893	6,390
Amounts owed to group undertakings	63,368	63,369
Taxation and social security	1,201	14,039
Other creditors	5,904	5,904
Accruals and deferred income	38,103	349,549
	<u>110,469</u>	<u>439,251</u>

**12. Share capital**

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
2,285,000 Ordinary shares of £1 each	2,285,000	2,285,000
600 Ordinary shares of £0.01 each	6	6
	<u>2,285,006</u>	<u>2,285,006</u>

**13. Ultimate parent undertaking and controlling party**

The company's immediate parent undertaking is PI Capital (Holdings) Limited, incorporated in the United Kingdom. Consolidated accounts are available from Companies House.

In the opinion of the directors the ultimate controlling party of the company is the board of directors of PI Capital (Holdings) Limited by virtue of the fact that no single shareholder exerts dominant influence over that company.