

Company Registration
3654273

Orion Capital Managers (UK) Limited

Annual Report and Financial Statements
31 December 2017



Orion Capital Managers (UK) Limited

For the Year Ended 31 December 2017

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Orion Capital Managers (UK) Limited

For the Year Ended 31 December 2017

Officers and Professional Advisers

Directors

Mr. Bruce C. Bossom

Mr. Aref H. Lahham

Mr. Van J. Stults

Secretary and Registered Office

Aref H. Lahham

2 Cavendish Square,

London,

W1G 0PD

United Kingdom

Company Number

3654273

Auditor

Deloitte LLP

2 New Street Square,

London,

EC4A 3BZ

United Kingdom

Solicitors

Kirkland & Ellis International

30 St Mary Axe,

London,

EC3A 8AF

United Kingdom

Bankers

Royal Bank of Scotland international

71 Bath Street,

St Helier,

Jersey,

JE4 8PJ,

Channel Islands

Orion Capital Managers (UK) Limited

For the Year Ended 31 December 2017

Directors' Report

Directors

Mr. Bruce C. Bossom

Mr. Aref H. Lahham

Mr. Van J. Stults

Directors' Report

The Directors present their annual report for the year ended 31 December 2017 together with the financial statements and auditor's report of Orion Capital Managers (UK) Limited ("the Company"). No strategic report has been prepared as the Directors have taken advantage of the exemption relating to small companies as per Section 414B of Companies Act 2006.

Principal activity and business review

The principal activity of the Company is the provision of real estate advisory services. The Company recommends UK acquisition opportunities to its parent undertaking, Orion Capital Managers LLP. The Company continues to review prospective investments across European markets and for these services the Company receives a management fee and a priority profit share for Orion Capital Managers LLP.

There have not been any significant changes in the Company's principal activity in the year and the Directors are not aware of any likely material changes in the next financial year.

The Directors conclusions regarding ongoing performance and position of the Company and their conclusions regarding the appropriateness of the going concern basis are set out in note 2.

This Directors' Report has been prepared in accordance with the provisions available to companies entitled to the small companies' exemption.

Results for the year

The results of the Company's operations were as follows:

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Profit for the year	555,669	411,947
Accumulated surplus brought forward	3,539,557	3,127,610
Accumulated surplus carried forward	<u>4,095,226</u>	<u>3,539,557</u>

Distributions

No dividend distribution was made or declared during the year ended 31 December 2017 (2016: £nil).

Directors's interest

None of the Directors had any direct interest in the ordinary shares of the Company. The ultimate controlling party is set out in Note 23.

Orion Capital Managers (UK) Limited

For the Year Ended 31 December 2017

Directors' Report (Continued)

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Provision of information to the auditor

Each of the persons who is a Director as at the date of the approval of this report confirms that:

- (1) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (2) the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board:



Van J. Stults
Director

14 June 2018
~~April 2018~~

Registered office:
2 Cavendish Square,
London,
W1G 0PD
United Kingdom

Orion Capital Managers (UK) Limited

For the Year Ended 31 December 2017

Statement of Directors' Report

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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 to 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.

Orion Capital Managers (UK) Limited

For the Year Ended 31 December 2017

Independent auditor's report to the members of Orion Capital Managers Limited

Report on the audit of the 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Orion Capital Managers Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Orion Capital Managers (UK) Limited

For the Year Ended 31 December 2017

Independent auditor's report to the members of Orion Capital Managers Limited

Report on the audit of the financial statements (Continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Orion Capital Managers (UK) Limited

For the Year Ended 31 December 2017

Independent auditor's report to the members of Orion Capital Managers Limited

Report on the audit of the financial statements (Continued)

Report on other legal and regulatory requirements

Opinions on other matters 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 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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Philip Doherty

Philip Doherty, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Deloitte London, UK

Date: 14/06/18

Orion Capital Managers (UK) Limited**Statement of Comprehensive Income****For the Year Ended 31 December 2017**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		<u>£</u>	<u>£</u>
Turnover	7	7,920,583	5,567,142
Administrative expenses	8, 9	(7,207,166)	(5,037,508)
Operating profit		713,417	529,634
Interest payable and similar charges		(13,180)	(552)
Profit on ordinary activities before taxation		700,237	529,082
Tax on profit on ordinary activities	11	(144,568)	(117,135)
Total comprehensive income for the financial year		555,669	411,947

The accompanying notes on pages 13 - 23 form an integral part of the financial statements

Orion Capital Managers (UK) Limited**Balance Sheet****For the Year Ended 31 December 2017**

	<u>Notes</u>	<u>2017</u>	<u>2016</u>
		<u>£</u>	<u>£</u>
Fixed assets			
Tangible assets	12	48,851	80,179
Intangible assets	13	29,905	15,974
Investments	14	3	3
		<u>78,759</u>	<u>96,156</u>
Current assets			
Debtors	15	7,779,355	6,819,905
Cash at bank		2,496,439	2,723,905
		<u>10,275,794</u>	<u>9,543,810</u>
Creditors: amounts falling due within one year	16	(3,544,353)	(3,538,088)
Net current assets		<u>6,731,441</u>	<u>6,005,722</u>
Total assets less current liabilities		<u>6,810,200</u>	<u>6,101,878</u>
Creditors: amounts falling due after one year	17	(2,664,974)	(2,512,321)
Total net assets		<u>4,145,226</u>	<u>3,589,557</u>
Capital and reserves			
Called up share capital	19	50,000	50,000
Profit and loss account		4,095,226	3,539,557
Shareholders' funds		<u>4,145,226</u>	<u>3,589,557</u>

The financial statements of Orion Capital Managers (UK) Limited, registered number 3654273, were approved by the Board of Directors on _____ and signed on its behalf by:

Director

14th June 2018

The accompanying notes on pages 13 - 23 form an integral part of the financial statements

Orion Capital Managers (UK) Limited**Cash Flow Statement****For the Year Ended 31 December 2017**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		<u>£</u>	<u>£</u>
Cash flows from operating activities			
Operating profit		713,417	529,634
Adjustments for:			
Depreciation	9	52,349	90,231
Amortisation	9	5,922	4,443
Increase in receivables		(963,599)	(645,712)
(Decrease)/Increase in payables		(9,483)	41,844
UK corporation tax paid		(124,671)	(144,282)
Interest paid		(13,180)	(552)
Net cash flows from operating activities		(339,245)	(124,394)
Cash flows from investing activities			
Purchase of tangible assets	12	(21,020)	(10,880)
Purchase of intangible assets	13	(19,853)	(14,707)
Net cash flows from investing activities		(40,873)	(25,587)
Cash flows from financing activities			
Members loan drawdown		152,653	2,512,321
Net cash flows from financing activities		152,653	2,512,321
Net (decrease) / increase in cash at bank		(227,466)	2,362,340
Cash at bank at the beginning of the year		2,723,905	361,565
Cash at bank at the end of the year		2,496,439	2,723,905

The accompanying notes on pages 13 - 23 form an integral part of the financial statements

Orion Capital Managers (UK) Limited**Statement of Changes in Equity****For the Year Ended 31 December 2017**

	<u>Called up</u> <u>Share capital</u>	<u>Profit and loss</u> <u>account</u>	<u>2017</u> <u>Total</u>
	£	£	£
As at 1 January 2016	50,000	3,127,610	3,177,610
Profit for the year	-	411,947	411,947
As at 31 December 2016	50,000	3,539,557	3,589,557
Profit for the year	-	555,669	555,669
As at December 2017	50,000	4,095,226	4,145,226

The accompanying notes on pages 13 - 23 form an integral part of the financial statements

Notes to the Financial Statements

For the Year Ended 31 December 2017

1 Basis of preparation

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – ‘The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland’ (‘FRS 102’), and with the Companies Act 2006. The financial statements of the Company have been prepared on the going concern basis under the historical cost convention. The principal accounting policies adopted are described below.

2 Going concern basis

The Company’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors’ Report.

The Company is profitable, and is in a net assets position on its Balance Sheet. It has no external debt and recharges all its expenses to related parties at a mark-up. The Directors expect the Company to continue to be profitable for the foreseeable future.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

3 Group accounts

The Company has investments in three subsidiaries; however it is not required to prepare consolidated financial statements. This is due to the exemption available under s400 of Companies Act 2006. As the ultimate controlling company of the group structure, Orion Capital Managers LLP prepare consolidated financial statements.

4 Critical accounting judgements

In the application of the Company’s accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The below judgement has had the most significant effect on amounts recognised in the financial statements.

5 Taxation

The Company establishes a provision based on reasonable estimates. The amount of the provision is based on various factors, such as interpretations of tax regulations and experience with previous tax audits. Management are required to use estimates to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2017

6 Principle accounting policies

6.1 Tangible fixed assets

Fixed assets are stated in the Balance Sheet at cost, net of depreciation and any provision for impairment. Depreciation is provided on a straight-line basis, calculated on historical amounts so as to write off the cost, less the estimated residual values of the assets, over their useful economic lives as follows:

Fixtures Fittings and Equipment 5 - 7 years

Leasehold Improvements 4 years

Computer Equipment 3 years

6.2 Intangibles assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Computer Software 5 years

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

6.3 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

6.3.1 Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Orion Capital Managers (UK) Limited

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2017

6.3.2 Investments

In the Company Balance Sheet, investments are measured at cost less impairment.

6.4 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

6.5 Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax is measured on a non-discounted basis.

Basic financial assets, including debtors due within one year and cash at bank, are initially recognised at transaction price and are subsequently measured at the undiscounted amount of the cash or other consideration expected to be received, net of impairment.

6.6 Turnover

Turnover arising in the UK, for the provision of real estate advisory services, consists of priority distributions plus an annual management fee (see Note 7). All turnovers are reported net of any VAT or other sales-related taxes and is recognised in the period in which it is accrued in accordance with the agreements.

Profit is recognised on management agreements, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account turnover and related costs in line with the management agreements. Turnover is calculated by reference to the value of work performed to date in line with the management agreement. Priority distributions received from Orion Capital Managers LLP are included in turnover as these distributions relate to the provision of advisory services by Orion Capital Managers (UK) Limited.

6.7 Pension costs

The Company makes contributions to the individual personal pension schemes of certain employees. The Company's liability is limited to the amount of the contribution. There were no pension costs outstanding as at 31 December 2017.

6.8 Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date. These exchange differences are included in the profit and loss account.

Orion Capital Managers (UK) Limited**Notes to the Financial Statements (Continued)****For the Year Ended 31 December 2017****6.9 Operating leases**

Operating lease rentals are charged to the profit and loss account in equal annual amounts over the lease term.

7 Turnover	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Management Fees	750,000	750,000
Priority distribution	6,973,327	4,640,344
Asset Advisory fees	194,756	176,774
Other revenues	2,500	24
	<u>7,920,583</u>	<u>5,567,142</u>

8 Staff costs	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Wages & salaries	4,342,404	2,784,390
Social security costs	568,298	353,425
Pension costs	188,251	87,211
Health Cover	61,095	64,866
	<u>5,160,048</u>	<u>3,289,892</u>

In the prior year, health cover was included in the total administration expenses figure. In the current year it has been split out for transparency purposes.

9 Operating profit	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Depreciation	52,349	90,231
Amortisation	5,922	4,443
Rent	480,877	314,021
Audit fees	14,000	18,600
Tax compliance	47,371	14,870
Foreign exchange loss	(102,557)	(67,022)
	<u>497,962</u>	<u>375,143</u>

Orion Capital Managers (UK) Limited

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2017

10 Directors' remuneration and other benefits

The total remuneration of the Directors was £nil in 2017 (2016: £nil). The highest paid Director received emoluments of £nil in 2017 (2016: £nil). None of the Directors had any material interest in any contract or arrangement made by the Company.

The Company made unsecured non-interest bearing loans of £150,464 (2016: £153,890) to Directors relating to personal travel costs incurred by them but initially paid by the Company. These loans are shown within other debtors (see Note 15).

11 Tax on profit on ordinary activities	2017	2016
Current tax	£	£
UK corporation tax on profits for the year	(147,105)	(131,345)
Adjustment in respect of previous years	6,686	1,952
	<u>(140,419)</u>	<u>(129,393)</u>
Deferred tax		
Origination and reversal of timing differences	(712)	14,301
Adjustment in respect of previous years	(3,520)	(2,043)
Effect of changes in tax rates	83	
Total deferred tax	<u>(4,149)</u>	<u>12,258</u>
Tax charge for the year	<u>(144,568)</u>	<u>(117,135)</u>

Factors that may affect future tax charges

On 1 April 2017 the UK corporation tax rate was reduced from 20% to 19%. A further reduction to 18% from 1 April 2020 was substantively enacted on 26 October 2015 (Finance (No. 2) Act 2015).

A current tax rate of 19.25% has been applied to the year ended 31 December 2017.

A deferred tax rate of 19% has been applied to opening balances and movements in deferred tax in the year ended 31 December 2017

Orion Capital Managers (UK) Limited

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2017

11 Tax on profit on ordinary activities (Continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Profit on ordinary activities before tax	700,237	529,082
	<u>700,237</u>	<u>529,082</u>
Tax on profit at standard UK tax rate of 19.25% (2016: 20%)	(134,790)	(105,888)
Effects of:		
Expenses not deductible for tax purposes	(13,027)	(11,156)
Adjustments in respect to prior years	3,166	1,952
Tax rate changes	83	(2,043)
	<u>(144,568)</u>	<u>(117,135)</u>

12 Tangible fixed assets

	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Furniture		
Cost b/f	385,556	900,182
Additions	21,020	10,880
Disposals	-	(525,506)
Cost c/f	<u>406,576</u>	<u>385,556</u>
Accumulated depreciation b/f	305,377	740,652
Depreciation	52,349	90,231
Disposals	-	(525,506)
Accumulated depreciation c/f	<u>357,726</u>	<u>305,377</u>
	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Leasehold		
Cost b/f	-	7,728
Additions	-	-
Disposals	-	(7,728)
Cost c/f	<u>-</u>	<u>-</u>
Accumulated depreciation b/f	-	7,728
Depreciation	-	-
Disposals	-	(7,728)
Accumulated depreciation c/f	<u>-</u>	<u>-</u>
Net book value b/f	<u>80,179</u>	<u>159,530</u>
Net book value c/f	<u>48,851</u>	<u>80,179</u>

Orion Capital Managers (UK) Limited

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2017

13 Intangible fixed assets	2017	2016
	£	£
Computer software		
Cost b/f	23,169	48,930
Additions	19,853	14,707
Disposals	-	(40,468)
Cost c/f	<u>43,022</u>	<u>23,169</u>
Accumulated amortisation b/f	7,195	43,220
Amortisation	5,922	4,443
Disposals	-	(40,468)
Accumulated amortisation c/f	<u>13,117</u>	<u>7,195</u>
Net book value b/f	<u>15,974</u>	<u>5,710</u>
Net book value c/f	<u>29,905</u>	<u>15,974</u>
14 Investments	2017	2016
	£	£
Subsidiaries		
Interest in subsidiaries	3	3
	<u>3</u>	<u>3</u>

At 31 December 2017 the Company had interests in the following subsidiaries:

Subsidiaries	Shares	Proportion %	Registered address	Nature of business
Orion City Road Nominees Limited	Ordinary	100	2 Cavendish Square, London, England	Provides nominee services
Orion City Road Trustees Limited	Ordinary	100	2 Cavendish Square, London, England	Provides trustee services
OCM (Residential) Limited	Ordinary	100	2 Cavendish Square, London, England	Provides management services

Orion Capital Managers (UK) Limited**Notes to the Financial Statements (Continued)****For the Year Ended 31 December 2017**

15 Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	165,776	65,340
Amounts due from group undertakings	7,104,567	6,387,827
VAT	13,598	14,927
Other debtors	384,857	159,837
Deferred tax	6,265	10,414
Prepayments and accrued income	104,292	181,560
	7,779,355	6,819,905

Other debtors include unsecured non-interest bearing loans of £150,464 (2016: £153,890) made to Directors, relating to personal travel costs incurred by them but initially paid by the Company. All amounts shown under debtors are due for payment within one year.

16 Creditors:	2017	2016
	£	£
Amounts falling due within one year:		
Amounts due to group undertakings	1,797,883	1,797,883
UK Corporation tax	84,093	68,345
Other taxation and social security	75,260	97,808
Accruals	1,587,117	1,574,052
	3,544,353	3,538,088

Amounts due to group undertakings are non - interest bearing and repayable on demand.

17 Creditors:	2017	2016
	£	£
Amounts falling due outside one year:		
Members loans	2,664,974	2,512,321
	2,664,974	2,512,321

On the 12 December 2016, the Company entered into two separate loan agreements with two of its Directors. The terms of the loans were identical with each Director providing the Company with €1,500,000 at an interest rate of 3%, with the loan being repayable in 7 years.

Orion Capital Managers (UK) Limited**Notes to the Financial Statements (Continued)****For the Year Ended 31 December 2017**

18 Deferred tax	<u>2017</u>	<u>2016</u>
Amounts falling due within one year:	<u>£</u>	<u>£</u>
Opening deferred tax liability	(10,414)	1,844
Adjustment in respect of prior years	3,520	(12,258)
Deferred tax charge for the year	629	
	<u>(6,265)</u>	<u>(10,414)</u>

The deferred tax liability consists of timing differences in respect of:

Capital allowances in excess of depreciation	(6,265)	(10,414)
	<u>(6,265)</u>	<u>(10,414)</u>

19 Stated capital	<u>2017</u>	<u>2016</u>
Allotted called up and fully paid	<u>£</u>	<u>£</u>
50,000 (2016: 50,000) Ordinary shares of £1 each	50,000	50,000

Each ordinary share carries a voting right and on wind up rank pari passu. There are no restrictions or preferences in place. The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

20 Operating lease commitments	<u>2017</u>	<u>2016</u>
	<u>£</u>	<u>£</u>
Total future minimum payments under non - cancellable operating leases are as follows:		
Within 1 year	501,252	501,252
Within 2 - 5 years	1,242,830	1,745,456
	<u>1,744,082</u>	<u>2,246,708</u>

As at 31 December 2016, new heads of terms were agreed with the landlord to extend the previous lease arrangements for a further 5 years, with the annual rents increasing to £268,320 for the 5th floor and £232,932 for the 6th floor.

Orion Capital Managers (UK) Limited

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2017

21 Financial assets and liabilities	2017	2016
Financial assets measured at undiscounted amounts receivable:	£	£
Trade debtors	165,776	65,340
Amounts due from group undertakings	7,104,567	6,387,827
Other debtors	384,857	159,837
	<u>7,655,200</u>	<u>6,613,004</u>
Equity instruments measured at cost less impairment:		
Fixed asset investments	3	3
	<u>3</u>	<u>3</u>
Financial liabilities measured at undiscounted amounts payable:		
Trade creditors	-	-
Amounts due to group undertakings	(1,797,883)	(1,797,883)
Other creditors	-	-
Members loans	(2,664,974)	(2,512,321)
	<u>(4,462,857)</u>	<u>(4,310,204)</u>

22 Related Party Transactions

During the year the Company received £750,000 (2016: £750,000) in management fees from Orion Capital Managers LLP, the Company's parent undertaking. The Company earned £6,973,327 (2016: £4,640,344) in relation to their priority distribution from Orion Capital Managers LLP. This was calculated on the Company's costs for the year plus a mark up 7%.

During the year the Company received £194,756 (2016: £176,7747) in asset advisory fees from Trinity Walk Limited Partnership. This was calculated on the rental income received by Trinity Walk Limited Partnership multiplied by 2.5%.

As at 31 December 2017 the Company was owed £ 143,717 (2016: £143,717) by Orion Capital Managers (France) S.a.r.l., £52,273 (2016: £52,273) by Orion Capital Managers Italy S.a.r.l., £521 (2016: £521) by OCM Holdings L.L.C. These are all companies under common control.

As at 31 December 2017 the Company owed £1 to Orion City Road Nominees Limited, £1 to Orion City Road Trustees Limited and £1 to OCM (Residential) Limited (see note 16). These companies are all wholly-owned subsidiaries.

As at 31 December 2017 the Company owed £1,797,881 (2016: £1,797,881) to Orion Capital Managers L.P., an entity owned by the same Members to the Company's ultimate parent, Orion Capital Managers LLP (see note 16).

The Company made unsecured non-interest bearing loans of £150,464 (2016: £153,890) to Directors relating to personal travel costs incurred by them but initially paid by the Company.

Orion Capital Managers (UK) Limited

Notes to the Financial Statements (Continued)

For the Year Ended 31 December 2017

22 Related Party Transactions (Continued)

On the 12 December 2016, the Company entered into two separate loan agreements with two of its Directors. The terms of the loans were identical with each Director providing the Company with €1,500,000 at an interest rate of 3%, with the loan being repayable in 7 years. The balance as at 31 December 2017 is disclosed in Note 17.

All balances due from related parties are non - interest bearing.

23 Ultimate Parent Company

The Company's immediate and ultimate parent and controlling party is Orion Capital Managers LLP, a Limited Liability Partnership incorporated in the United Kingdom, registered at 2 Cavendish Square, London, United Kingdom, in which the Directors each have a one-third interest. Orion Capital Managers LLP acquired 100% of the share capital of the Company on 21 December 2011. This is also the smallest and largest group in which the results of the Company are consolidated.

24 Events after the end of the reporting period

Since the end of the financial year, the Directors are not aware of any other matter or circumstance not otherwise dealt with in this report or the Financial Statements, which has significantly or may significantly affect the operations of the Company or require an adjustment to be made.