

# GuardCap Asset Management Limited

Registered Number: 4667528

Annual Report and Financial Statements  
for the year ended 31 December 2015

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## Corporate information

### Registered Number

4667528

### Directors

G. Mayroudis (Chairman)

S A R Bates

B P Matthews (Resigned 27 May 2015)

### Secretary

B P Matthews (Resigned 27 May 2015)

A Koshutova (Appointed 2 November 2015)

### Auditors

KPMG LLP

15 Canada Square

London E14 5GL

### Bankers

C Hoare & Co.

37 Fleet Street

London EC4P 4DQ

Bank of Scotland plc

600 Gorgie Road

Edinburgh EH11 3XP

### Solicitors

Dickson Minto WS

16 Charlotte Square

Edinburgh EH2 4DF

### Registered Office

11 Charles II Street

London SW1Y 4NS (From 8 December 2015)

25 Hill Street

London W1J 5LW (Until 8 December 2015)

## Directors' report

The directors present their report on the affairs of GuardCap Asset Management Limited (the "Company") for the year ended 31 December 2015.

### Directors

The directors who served during the year and up to the date of this report are shown on page 2.

### Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

### Future developments

The directors' expectations around future developments in the business are discussed in the Strategic Report on page 4.

### Audit information

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

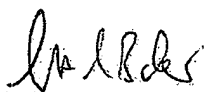
### Auditors

KPMG LLP will continue as auditor in accordance with section 487(2) of the Companies Act 2006.

### Events after the balance sheet date

There have been no significant events after the balance sheet date.

For and on behalf of the board



S.A.R. Bates  
Director  
2 March 2016

## Strategic report

### Activities and future developments

The principal activity of the Company is the provision of fund management and advisory services. The Company intends to continue with these activities.

The development of the Company's business is reflected in the profit and loss account and other comprehensive income. The directors consider the result for the year to be satisfactory for a business in a phase of rapid expansion. The directors do not envisage any material changes to the key activities of the business in the foreseeable future.

The directors use various performance metrics as management tools. The key performance indicators used in the business are: Gross Revenue per capita; the Variable Cost Ratio; and, the Fixed Cost / Gross Revenue Ratio.

### Review of the business

The business has grown quickly over the last year with several new hires and product launches. As a consequence, costs have grown faster than revenues resulting in the operating loss for the year of £1,391,115 (2014 - £645,660). However, the Directors are optimistic that investment in products and personnel combined with the continuing commitment of its parent Company, Guardian Capital LP, will bear fruit in future years.

### Capital

The directors believe the Company has a strong capital position and that there is an adequate capital buffer over and above the regulatory capital requirement.

### Principal risks and uncertainties

The Company is exposed, through its operations, to the following financial and non-financial risks.

#### *Funds under management*

The funds under management are subject to redemption by investors. While the Company continues to market its funds there is no guarantee that subscriptions will exceed redemptions.

#### *Key personnel*

The Company has a small staff making it important to reward and retain key employees and this is supported by the Company's longer term remuneration policies and benefits package.

#### *Regulation*

The Company is authorised and regulated by the Financial Conduct Authority. The Company would have to cease trading as an investment manager if its authority to conduct investment business were to be revoked. This risk is mitigated by the firm's limited activities and the quality and experience of its staff.

#### *Market risk*

The Company does not face any direct market risks because it does not take proprietary positions and does not hold financial investments other than liquid cash. However, there is an indirect exposure to the financial markets as the Company's investment management fee income is calculated based on the value of funds under management.

## Strategic report

### *Credit risk*

The Company's main exposure to credit risk is in respect of cash balances held by the Company's bankers.

### *Interest rate risk*

The Company has little interest rate risk other than on short-term cash deposits, which are maintained on a floating rate basis, and on the rent deposit.

### *Liquidity risk*

Liquidity risk is minimal as the Company maintains large cash balances.

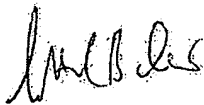
### *Currency exchange rate risk*

Although only small cash balances are maintained in foreign currencies the Company has some exposure to currency exchange rate risk because its fund management fee income is denominated in US Dollars.

### *Operational risk*

The Company is exposed to operational risks which may arise from loss of revenue or unexpected increases in operating expenditure.

For and on behalf of the board:



S A R Bates  
Director  
2 March 2016

## **Statement of directors' responsibilities in respect of the annual report and financial statements**

The directors are responsible for preparing the Directors' Report, the Strategic 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper 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.

## **Independent auditor's report to the members of GuardCap Asset Management Limited**

We have audited the financial statements of GuardCap Asset Management Limited for the year ended 31 December 2015 which comprise the Profit and loss account and other comprehensive income, Balance sheet, Statement of changes in equity, Statement of cash flows and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is in accordance with 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 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 set out on page 6, 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**

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, the Strategic Report and the financial statements to identify material inconsistencies with the audited financial statements and to identify information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 December 2015 and of the loss for the year then ended;
- have been properly prepared in accordance with 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.

## **Independent auditor's report to the members of GuardCap Asset Management Limited**

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report and the Strategic 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.

*Sinead O'Reilly*

Sinead O'Reilly  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London E14 5GL  
2 March 2016

**Profit and loss account and other comprehensive income  
for the year ended 31 December 2015**

	Notes	2015 £	2014 £
Turnover	2	676,365	761,087
Gains on investments held at fair value through profit and loss	7	43,148	—
Administrative expenses		(2,200,343)	(1,590,954)
Operating loss	3	(1,480,830)	(829,867)
Property and services income		84,452	180,978
Interest receivable		5,263	3,229
<b>Loss on ordinary activities before tax</b>		<b>(1,391,115)</b>	<b>(645,660)</b>
Tax on profit on ordinary activities	5	—	—
<b>Loss and total comprehensive income for the year</b>		<b>(1,391,115)</b>	<b>(645,660)</b>

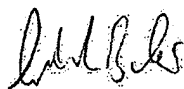
The Company's property and services income ceased during the year.

## Balance sheet

at 31 December 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible fixed assets	6	153,620	6,904
Investments held at fair value through profit and loss	7	9,964,640	–
		<u>10,118,260</u>	<u>6,904</u>
<b>Current assets</b>			
Debtors	8	386,287	322,535
Cash and cash equivalents	9	460,487	920,695
		<u>846,774</u>	<u>1,243,230</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	10	(684,957)	(320,087)
<b>Net current assets</b>		<u>161,817</u>	<u>923,143</u>
<b>Total net assets</b>		<u>10,280,077</u>	<u>930,047</u>
<b>Capital and reserves</b>			
Share capital	11	12,191,145	1,450,000
Profit and loss account	12	(1,911,068)	(519,953)
		<u>10,280,077</u>	<u>930,047</u>

The financial statements on pages 9 to 21 were approved and authorised for issue by the Directors on 2 March 2016.



S A R Bates  
Director

## Statement of changes in equity for the year ended 31 December 2015

	<i>Called up share capital</i> £	<i>Profit &amp; loss account</i> £	<i>Total equity</i> £
At 1 January 2014	200,000	125,707	325,707
Transactions with owners, recognised directly in equity: new shares issued	1,250,000	–	1,250,000
Loss and total comprehensive income for the year	–	(645,660)	(645,660)
<b>At 31 December 2014</b>	<b>1,450,000</b>	<b>(519,953)</b>	<b>930,047</b>
Transactions with owners, recognised directly in equity: new shares issued	10,741,145	–	10,741,145
Loss and total comprehensive income for the year	–	(1,391,115)	(1,391,115)
<b>At 31 December 2015</b>	<b>12,191,145</b>	<b>(1,911,068)</b>	<b>10,280,077</b>

## Statement of cash flows

for the year ended 31 December 2015

	2015 £	2014 £
<b><i>Cash flows from operating activities</i></b>		
Operating loss	(1,480,830)	(829,867)
Depreciation of tangible fixed assets	9,239	5,024
Gains on disposals of tangible fixed assets	(69)	—
Increase in operating debtors and prepayments	(63,035)	(12,014)
Increase in operating creditors and accruals	373,510	147,816
Property and services income	84,452	180,978
Property deposits	(9,357)	(73,827)
Gains on investments held at fair value through profit and loss	(43,148)	—
Taxation paid	—	26,489
Net cash flow from operating activities	<u>(1,129,238)</u>	<u>(555,401)</u>
<b><i>Cash flows from investing activities</i></b>		
Interest received	5,263	3,229
Receipts from disposals of tangible fixed assets	1,511	—
Payments to acquire tangible fixed assets	(157,397)	(9,256)
Payments to acquire investments	(9,921,492)	—
Net cash flow from investing activities	<u>(10,072,115)</u>	<u>(6,027)</u>
<b><i>Cash flows from financing activities</i></b>		
Share capital issued	10,741,145	1,250,000
Net cash flow from financing activities	<u>10,741,145</u>	<u>1,250,000</u>
<b><i>Cash and cash equivalents and movements therein</i></b>		
(Decrease)/Increase in cash and cash equivalents	(460,208)	688,572
Cash and cash equivalents at beginning of year	920,695	232,123
Cash and cash equivalents at end of year	<u>460,487</u>	<u>920,695</u>
 Cash and cash equivalents at end of year comprise the following:		
Cash at bank	160,487	297,489
Short term deposits	300,000	623,206
	<u>460,487</u>	<u>920,695</u>

## Notes to the financial statements for the year ended 31 December 2015

### 1. Accounting policies

#### **Statement of compliance**

GuardCap Asset Management Limited is a limited liability company incorporated in England. The Registered Office is 11 Charles II Street, London SW1Y 4NS.

The Company's financial statements have been prepared in compliance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland for the year ended 31 December 2015.

The Company transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2015. An explanation of how the transition to FRS 102 has affected the reported financial position and financial performance is given in note 17.

#### **Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are denominated in Sterling which is the functional currency of the company and rounded to the nearest pound.

#### **Foreign currency**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences arising from translation are recognised in the profit and loss account.

#### **Revenue recognition**

Fee income net of expenses cap rebates is recognised on an accruals basis when it becomes receivable. Property and services income which represents sublease and licence income plus associated occupancy charges are credited to the profit and loss account as they become receivable. Interest income is recognised on an accruals basis when it becomes receivable.

## Notes to the financial statements for the year ended 31 December 2015

### 1. Accounting policies (continued)

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are:

- Leasehold property – the term of the lease
- Office equipment - 3 to 5 years
- Furniture and fittings - from purchase until in the end of the lease

#### *Basic financial instruments*

##### *Trade and other debtors and creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. Any losses arising from impairment are recognised in the profit and loss account and other comprehensive income.

##### *Cash and cash equivalents*

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

#### *Other financial instruments*

##### *Investments*

Investments comprise investments in undertakings for collective investments in transferable securities which are measured at fair value. Changes in fair value are recognised in profit or loss. Fair value is determined by market value.

#### *Expenses*

##### *Operating leases*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

## Notes to the financial statements for the year ended 31 December 2015

### 1. Accounting policies (continued)

#### *Expenses (cont'd)*

##### *Pensions*

Defined contributions made by the Company to the personal pension schemes of employees are charged to the profit and loss account as they accrue.

##### *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associates, branch, joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### *Related party transactions*

Related party transactions are disclosed in the notes to the financial statements.

## Notes to the financial statements for the year ended 31 December 2015

### 2. Turnover and other income

Turnover represents fund management and advisory services provided during the year and arising from continuing activities. The geographical analysis of turnover is:

	2015	2014
	£	£
Cayman Islands	586,727	698,869
United States of America	51,423	53,663
Canada	33,021	8,555
Republic of Ireland	5,194	—
	<u>676,365</u>	<u>761,087</u>

### 3. Operating loss

The operating loss is stated after charging:

	2015	2014
	£	£
Auditor's remuneration		
Audit services	11,896	16,500
CASS	6,000	—
Depreciation	9,239	5,024
Operating lease rentals - land and buildings	238,396	219,439

### 4. Information regarding directors and employees

	2015	2014
	£	£
Directors' emoluments	<u>75,000</u>	<u>110,000</u>
The highest paid director	<u>75,000</u>	<u>65,000</u>
Employee costs		
Wages and salaries	1,005,775	538,052
Social security costs	128,655	59,624
Other pension costs	22,493	4,500
	<u>1,156,923</u>	<u>602,176</u>

	2015	2014
	Number	Number
The average number of employees was		
Fund management	6	4
Marketing	1	1
Administration	2	2
	<u>9</u>	<u>7</u>

## Notes to the financial statements for the year ended 31 December 2015

### 5. Tax on profit on ordinary activities

	2015 £	2014 £
<b>Total tax expense/(income) recognised in the profit and loss account and other comprehensive income and equity</b>		
Current tax: UK Corporation Tax at 20.25% (2014 - 21.49%)	(310,435)	(122,271)
Deferred tax	310,435	122,271
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of the current tax charge for the year</b>		
The difference between the tax assessed for the period and the standard rate of corporation tax is explained as follows:		
Loss on ordinary activities before taxation	(1,391,115)	(645,660)
Standard rate of corporation tax in the UK	20.25%	21.49%
Loss on ordinary activities multiplied by the standard rate of corporation tax	(281,701)	(138,752)
Expenses not deductible for tax purposes	366	4,929
Capital allowances in excess of depreciation	(30,375)	(1,362)
Other short term timing differences	1,275	12,914
	(310,435)	(122,271)
Losses for which no deferred tax asset was recognised	310,435	122,271
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements for the year ended 31 December 2015

### 5. Tax on profit on ordinary activities (cont'd)

#### Deferred tax

	2015 £	2014 £
Net book value of fixed assets eligible for capital allowances	153,620	6,904
Written down value for Corporation Tax purposes	8,079	9,595
Timing difference related to fixed assets	(145,541)	2,691
Tax losses carried forward	2,144,667	611,649
Other timing differences	—	60,092
Total timing differences	1,999,126	674,432

The standard rate of UK Corporation Tax at the balance sheet date was 20% (2014 - 21%) but reductions to 19% effective from 1 April 2017 and 18% effective from 1 April 2020 were substantively enacted on 26 October 2015. The total timing differences multiplied these standard rates of UK Corporation Tax are:

Corporation Tax rate	Deferred tax asset	
%	2015 £	2014 £
21%		141,631
20%	399,825	
19%	379,834	
18%	359,843	

The deferred tax asset arising from short term timing differences has not been recognised in the balance sheet because its realisation is uncertain.

### 6. Tangible fixed assets

	Cost £	Depreciation £	Net book value £
<b>Office equipment, fixtures and fittings</b>			
At beginning of year	75,398	(68,494)	6,904
Additions	157,397	(9,239)	
Disposals	(52,600)	51,158	
At end of year	180,195	(26,575)	153,620

## Notes to the financial statements for the year ended 31 December 2015

### 7. Investments held at fair value through profit and loss

	2015	2014
	£	£
<i>Investment in GuardCap UCITS Funds plc - Global Equity Fund USD I Class</i>		
At beginning of year	—	—
Additions at cost	9,921,492	—
Gain from fair value adjustment	43,148	—
At end of year	<u>9,964,640</u>	<u>—</u>

The Company is the investment manager and promoter of GuardCap UCITS Funds plc which is an Undertaking for Collective Investment in Transferable Securities registered in the Republic of Ireland.

The fair value adjustment has been calculated using an unadjusted quoted price for identical assets and liabilities in an active market.

### 8. Debtors

	2015	2014
	£	£
Trade debtors	11,382	5,711
Group companies	39,828	—
Property deposits	151,648	150,931
Other debtors	44,698	24,524
Prepayments and accrued income	<u>138,731</u>	<u>141,369</u>
	<u>386,287</u>	<u>322,535</u>

### 9. Cash and cash equivalents

	2015	2014
	£	£
Cash at bank	160,487	297,489
Short term deposits	<u>300,000</u>	<u>623,206</u>
	<u>460,487</u>	<u>920,695</u>

## Notes to the financial statements for the year ended 31 December 2015

### 10. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	29,641	49,877
Group companies	38,110	—
Other creditors	52,389	—
Accruals and deferred income	564,817	261,570
Property deposits	—	8,640
	<u>684,957</u>	<u>320,087</u>

### 11. Share capital

	2015 £	2014 £
Allotted, called up and fully paid Ordinary Shares of £1 each		
At beginning of year	1,450,000	200,000
Allotted for cash	10,741,145	1,250,000
At end of year	<u>12,191,145</u>	<u>1,450,000</u>

Ordinary shares issued at £1 each during the year:	Date	Number
	14/04/2015	1,000,000
	22/10/2015	9,741,145
		<u>10,741,145</u>

### 12. Reserves

#### *Profit & loss account*

This reserve records the Company's accumulated profit or loss after tax and is used to provide working capital for the business and fund dividend payments to shareholders.

### 13. Other financial commitments and contingencies

	2015 £	2014 £
Land and buildings: operating leases which expire		
- within one year	17,445	—
- during years 2 to 5	885,278	167,563
- thereafter	—	—

## Notes to the financial statements for the year ended 31 December 2015

### 14. Related party transactions

	2015 £	2014 £
<b>Guardian Capital LP (parent company)</b>		
Receipts: Subscription for shares	10,741,145	1,250,000
Income: Fees earned	33,021	8,555
Debtor at reporting date	32,056	—
Debtor at reporting date (included in accrued income)	—	8,555
<b>Guardian Capital Group Limited</b>		
Expenses: Recharged operations expenses	39,603	—
Creditor at reporting date	38,110	—
<b>GuardCap UCITS Funds plc</b>		
Income: Fees earned	5,194	—
Payments: purchase of shares	9,921,492	—
Investment balance at reporting date	9,964,640	—
Debtor at reporting date	7,772	—
<b>Zephyr Management LP (former parent company)</b>		
Payments: Property deposit contribution repaid	—	128,000

### 15. Parent undertaking and controlling party

The Company's immediate parent undertaking is Guardian Capital LP (a limited partnership formed under and governed by the laws of the Province of Ontario, Canada) which is a wholly owned subsidiary of Guardian Capital Group Limited (a limited company formed under and governed by the laws of the Province of Ontario, Canada).

### 16. Events after the balance sheet date

There have been no significant events after the balance sheet date.

### 17. Transition to FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015.

The transition to FRS 102 has had no impact on capital or reserves.

There have been no changes in accounting policies as a result of transitioning to FRS 102.

## Supplementary unaudited information

### **Capital adequacy**

The application of the Capital Requirements Directive requires the company to make disclosures about its capital resources and requirements. The disclosure requirements (Pillar 3) are to complement the minimum capital requirements (Pillar 1) and the assessed requirement (Pillar 2) and are intended to encourage market discipline by allowing the market participants to assess key pieces of information on risk exposures and risk assessment processes of the company.

The company will continue to make these disclosures annually as Supplementary Information in the financial statements. The following disclosures are in accordance with BIPRU 11 and are based on the position as at the balance sheet date.

### **Capital resources**

The company's capital, comprising share capital and reserves, totals £10,280,000 (2014 - £930,000) and is all Tier one.

### **Capital requirement**

The company's capital requirement is greater than its base capital requirement of €50,000 and has been analysed as follows:

	2015 Pillar 1 £000s	2015 Pillar 2 £000s	2014 Pillar 1 £000s	2014 Pillar 2 £000s
Credit Risk	838	838	33	25
Market Risk	4	4	6	—
Operational Risk	—	—	—	—
Fixed overhead requirement	500	500	330	525
Capital requirement	842	842	330	550