

**ELCOT CAPITAL MANAGEMENT LIMITED**

**Company No. 04795146**

**STATEMENT OF ACCOUNTS**

**FOR THE YEAR ENDED**

**31<sup>ST</sup> MAY 2015**

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## **ELCOT CAPITAL MANAGEMENT LIMITED**

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# **ELCOT CAPITAL MANAGEMENT LIMITED**

## **COMPANY INFORMATION**

**DIRECTORS:**

M. A. Vogel  
H.R. Carrington

**SECRETARY:**

H. R. Carrington

**REGISTERED OFFICE:**

6 Queripel House  
1 Duke of York Square  
London  
SW3 4LY

**REGISTERED NUMBER:**

04795146

**AUDITORS:**

George Hay & Company  
Chartered Accountants,  
Registered Auditors,  
83 Cambridge Street,  
Pimlico  
LONDON  
SW1V 4PS

## ELCOT CAPITAL MANAGEMENT LIMITED

### DIRECTORS' REPORT

The directors have pleasure in presenting their report and financial statements for the year ended 31<sup>st</sup> May 2015.

#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (UK GAAP).

Company law requires the directors to prepare financial statements for each financial year which 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 policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 which 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.

#### Principal activities and business review

The principal activity of the company throughout the year was as investment management advisers regulated by the Financial Conduct Authority.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

#### Results and dividend

The results of the company for the year are set out on page 8.

The directors do not recommend a dividend is paid in respect of the year ended 31<sup>st</sup> May 2015.

#### Directors and their interests

The directors who served the company during the year together with their interests in the shares of the company, at the end of the year were as follows:

	Ordinary shares of £1 each	
	2015	2014
M. A. Vogel	164,220	164,220
H. R. Carrington	4,200	4,200

**ELCOT CAPITAL MANAGEMENT LIMITED**

**DIRECTORS' REPORT - CONTINUED**

**Post balance sheet events**

No post balance sheet events have occurred since 31<sup>st</sup> May 2015 which require reporting or disclosing in the accounts.

**Statement of disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors**

George Hay and Company will continue in office in accordance with Companies Act 2006 s487(2).

By Order of the Board

  
**M. A. VOGEL**  
**Director**

Date: 7<sup>th</sup> September 2015

6 Queripel House  
1 Duke of York Square  
London SW3 4LY

**ELCOT CAPITAL MANAGEMENT LIMITED**  
**CAPITAL REQUIREMENTS DIRECTIVE PILLAR 3 DISCLOSURE**

**Background**

The Capital Requirements Directive ('the Directive') of the European Union created a revised regulatory capital framework across Europe governing how much capital financial services firms must retain. In the United Kingdom, this is being implemented by our regulator, the Financial Conduct Authority ('FCA') who has created rules and guidance specifically through the creation of the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ('BIPRU').

The FCA framework consists of three 'Pillars':

- Pillar 1 sets out the minimum capital requirements that we need to retain to meet our credit, market and operational risk;
- Pillar 2 requires us, and the FCA, to take a view on whether we need to hold additional capital against firm-specific risks not covered by Pillar 1; and
- Pillar 3 requires us to develop a set of disclosures which will allow market participants to assess key information about our underlying risks, risk management controls and capital position.

The rules in BIPRU 11 set out the provision for Pillar 3 disclosure. This must be done in accordance with a formal disclosure document. The disclosure of this document meets our obligation with respect to Pillar 3.

The rules provide that we may omit one or more of the required disclosures if we believe that the information is immaterial. Materiality is based on the criterion that the omission or misstatement of any information would be likely to change or influence the decision of a reader relying on that information. Where we have considered a disclosure to be immaterial, we have stated this in the document.

In addition, we may also omit one or more of the required disclosures where we believe that the information is regarded as proprietary or confidential. In our view, proprietary information is that which, if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers, suppliers and counterparties. Where we have omitted information for either of these two reasons we have stated this in the relevant section and the reasons for this.

**Scope and application of the requirements**

Elcot Capital Management Limited is authorised and regulated by the FCA and has permission to provide discretionary investment management and investment advisory services on behalf of professional clients and eligible counterparties.

The Firm has 2 individual Directors. The Firm is subject to unconsolidated reporting.

## ELCOT CAPITAL MANAGEMENT LIMITED

### CAPITAL REQUIREMENTS DIRECTIVE PILLAR 3 DISCLOSURE - Continued

#### Risk management

Elcot Capital Management Limited is a Private Company Limited by Shares. The Directors of the Firm determine its business strategy and risk appetite along with designing and implementing a risk management framework that recognizes the risks that the business faces. They also determine how those risks may be mitigated and assess on an ongoing basis the arrangements to manage those risks. The Directors meet on a regular basis and discuss current projections for profitability and regulatory capital management, business planning and risk management. The Directors manage the Firm's risks through a framework of policy and procedures having regard to relevant laws, standards, principles and rules (including FCA principles and rules) with the aim to operate a defined and transparent risk management framework. These policies and procedures are updated as required.

The Firm is small with an operational infrastructure appropriate to its size. It carries no market risk, other than foreign exchange risk on its accounts receivable in foreign currency, and credit risk from management and performance fees receivable. The Firm follows the standardised approach to market risk and the simplified standard approach to credit risk. The Firm is subject to the Fixed Overhead Requirement and is not required to calculate an operational risk capital charge.

The main features of the Firm's capital resources for regulatory purposes are as follows:

Capital item	£'000
Tier 1 capital less innovative tier 1 capital	512
Total tier 2, innovative tier 1 and tier 3 capital	-
Deductions from tier 1 and tier 2 capital	12
Total capital resources, net of deductions	500

As discussed above the firm is a limited licence firm and as such its capital requirements are the greater of:

Base capital requirement of €50,000; or  
The sum of its market and credit risk requirements; or  
Its Fixed Overhead Requirement.

It is the Firm's experience that the Fixed Overhead Requirement establishes its capital requirements and hence market and credit risks are considered not to be material. The Firm has not omitted any disclosures on the grounds of confidentiality.

Approved for issue: 7<sup>th</sup> September 2015



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELCOT CAPITAL MANAGEMENT LIMITED**

We have audited the financial statements of Elcot Capital Management Limited for the year ended 31<sup>st</sup> May 2015 which comprise the Profit and Loss Account, the Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards of 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 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material 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<sup>st</sup> May 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ELCOT CAPITAL MANAGEMENT LIMITED - CONTINUED**

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

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we required for our audit.

A handwritten signature in black ink, appearing to read "Andrew Fox", followed by a large, stylized flourish.

**Andrew Fox**  
**Senior statutory auditor**  
For and on behalf of  
**George Hay & Company**  
**Chartered Accountants**  
**Statutory Auditors**

83 Cambridge Street  
Pimlico  
London SW1V 4PS

Date: 7<sup>th</sup> September 2015

**ELCOT CAPITAL MANAGEMENT LIMITED**  
(Company Number: 04795146)

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MAY 2015**

	Notes	2015 £	2014 £
<b>TURNOVER</b>	2	<b>916,592</b>	739,342
Administrative expenses		<b>(900,828)</b>	(719,761)
<b>OPERATING PROFIT</b>	3	<b>15,764</b>	19,581
Interest receivable		<u><b>1,822</b></u>	<u>1,600</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>17,586</b>	21,181
Taxation	4	<b>(3,738)</b>	(3,931)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>13,848</b>	17,250
Retained profit brought forward		<u><b>287,798</b></u>	<u>270,548</u>
Retained profit carried forward		<b>£ 301,646</b>	<b>£ 287,798</b>

Turnover and operating profit derive wholly from continuing operations.

There were no recognised gains or losses in the current period other than those recorded in the profit and loss account.

**ELCOT CAPITAL MANAGEMENT LIMITED**  
(Company Number: 04795146)

**BALANCE SHEET AT 31<sup>ST</sup> MAY 2015**

	Notes	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	5		6,079		4,321
<b>CURRENT ASSETS</b>					
Debtors	6	169,063		156,119	
Cash at bank and in hand		<u>556,646</u>		<u>599,674</u>	
		725,709		755,793	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	7	<b>(220,142)</b>		<b>(262,316)</b>	
<b>NET CURRENT ASSETS</b>			<b><u>505,567</u></b>		<b><u>493,477</u></b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>£ <u>511,646</u></b>		<b>£ <u>497,798</u></b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	8		210,000		210,000
Profit and loss account			<u>301,646</u>		<u>287,548</u>
<b>SHAREHOLDERS' FUNDS</b>	9		<b>£ <u>511,646</u></b>		<b>£ <u>497,798</u></b>

These accounts were approved by the Board on: 7<sup>th</sup> September 2015

  
M. A. VOGEL  
Director

**ELCOT CAPITAL MANAGEMENT LIMITED**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31<sup>ST</sup> MAY 2015**

	Notes	£	2015 £	£	2014 £
<b>NET CASH INFLOW / (OUTFLOW) FROM OPERATING ACTIVITIES</b>	10		<b>(37,895)</b>		<b>177,746</b>
<b>CAPITAL EXPENDITURE</b>					
Payments to acquire fixed assets		<u><b>3,525</b></u>		<u><b>4,714</b></u>	
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>			<b>(3,525)</b>		<b>(4,714)</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Interest received		<u><b>1,822</b></u>		<u><b>1,600</b></u>	
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			<b>1,822</b>		<b>1,600</b>
Taxation (paid) / recovered			<u><b>(3,430)</b></u>		<u><b>(3,192)</b></u>
<b>INCREASE / (DECREASE) IN CASH</b>	11		<b>£ (43,028)</b>		<b>£ 171,440</b>

**ELCOT CAPITAL MANAGEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MAY 2015**

**1. Accounting policies**

**Accounting basis and standards**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting and reporting standards.

**Depreciation**

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each asset over its expected useful life as follows:

Computer equipment	- 33% straight line p.a.
Fixtures and fittings	- 20% straight line p.a.

**Deferred taxation**

Deferred taxation is accounted for in accordance with the requirements of FRS 19.

**Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

**2. Turnover**

Turnover is attributable to the one principal activity of the company and represents fees received in respect of investment fund management advice.

**3. Operating profit**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
The operating profit is stated after charging:		
Auditors' remuneration	<b>2,500</b>	2,500
Depreciation - owned tangible fixed assets	<b><u>1,767</u></b>	<u>393</u>

**ELCOT CAPITAL MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MAY 2015 - CONTINUED**

**3. Operating profit - continued**

**Employee information**

The average number of persons employed by the company (including directors) during the year was 6.

	2015	2014
Administration	<u>6</u>	<u>5</u>
Their total remuneration was:		
Wages and salaries	397,083	318,167
Social security costs	49,448	37,551
Pension costs	<u>56,900</u>	<u>45,520</u>
	<b>£ 503,431</b>	<b>£ 401,238</b>

**Directors' emoluments**

	2015 £	2014 £
Aggregate emoluments	<b>£ 286,900</b>	<b>£ 255,520</b>
Highest paid director		
Aggregate emoluments	<b>£ 165,000</b>	<b>£ 130,520</b>

**4. Taxation**

	2015 £	2014 £
Analysis of charge in period:-		
UK corporation tax	3,738	3,723
Overprovision in prior years	<u>-</u>	<u>208</u>
Tax charge	<b>£ 3,738</b>	<b>£ 3,931</b>

Factors affecting the tax charge for the period

Tax on profit on ordinary activities at standard		
Rate of corporation tax of 20% (2014 – 20%)	3,517	4,236
Effects of		
Expenses not deductible for tax purposes	677	306
Capital allowance in excess of depreciation	(456)	(819)
Depreciation in excess of capital allowance	<u>-</u>	<u>-</u>
Current profit chargeable to tax for the year	<b>£ 3,738</b>	<b>£ 3,723</b>

**ELCOT CAPITAL MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MAY 2015 - CONTINUED**

**5. Tangible assets**

	Fixtures & Fittings £	Computer Equipment £	Total £
<b>Cost</b>			
At 1 <sup>st</sup> June 2014	42,936	16,588	59,524
Additions	<u>3,525</u>	<u>-</u>	<u>3,525</u>
At 31 <sup>st</sup> May 2015	<u>46,461</u>	<u>16,588</u>	<u>63,049</u>
<b>Depreciation</b>			
At 1 <sup>st</sup> June 2014	38,615	16,588	55,203
Charge for the year	<u>1,767</u>	<u>-</u>	<u>1,767</u>
At 31 <sup>st</sup> May 2015	<u>40,382</u>	<u>16,588</u>	<u>56,970</u>
<b>Net Book Value</b>			
At 31 <sup>st</sup> May 2015	£ <u>6,079</u>	£ <u>NIL</u>	£ <u>6,079</u>
At 31 <sup>st</sup> May 2014	£ <u>4,321</u>	£ <u>NIL</u>	£ <u>4,321</u>

**6. Debtors**

	2015 £	2014 £
Trade debtors	104,767	99,061
Other debtors	20,427	15,356
Lease deposit	32,043	32,043
Prepayments	<u>11,826</u>	<u>9,659</u>
	£ <u>169,063</u>	£ <u>156,119</u>

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

	2015 £	2014 £
Trade creditors	971	12,747
Corporation tax	4,067	3,759
Other taxation and social security	8,215	7,568
Other creditors	172,889	194,806
Accruals	<u>34,000</u>	<u>43,436</u>
	£ <u>220,142</u>	£ <u>262,316</u>

**ELCOT CAPITAL MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MAY 2015 - CONTINUED**

**8. Share capital**

	2015 £	2014 £
Allotted, issued and fully paid: 210,000 ordinary shares of £1 each	£ <u>210,000</u>	£ <u>210,000</u>

**9. Shareholders' funds**

	2015 £	2014 £
Balance on 1 <sup>st</sup> June	497,798	480,548
Profit and loss account for the year	<u>13,848</u>	<u>17,250</u>
Balance at 31 <sup>st</sup> May	£ <u>511,646</u>	£ <u>497,798</u>

**10. Reconciliation of operating loss to net  
Inflow / (outflow) from operating activities**

	2015 £	2014 £
Operating profit / (loss)	15,764	19,581
Depreciation	1,767	393
Decrease / (increase) in debtors	(12,944)	(19,811)
Increase / (decrease) in creditors	<u>(42,482)</u>	<u>177,583</u>
Net cash (outflow) / inflow from operating activities	£ <u>(37,895)</u>	£ <u>177,746</u>

**11. Analysis of the balances of cash and cash  
equivalents as shown in the balance sheet**

	2015 £	2014 £
Cash at bank at 31 <sup>st</sup> May 2014	599,674	428,234
Cash at bank at 31 <sup>st</sup> May 2015	<u>556,646</u>	<u>599,674</u>
Net cash (outflow) / inflow for the year	£ <u>(43,028)</u>	£ <u>171,440</u>



**ELCOT CAPITAL MANAGEMENT LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> MAY 2015 - CONTINUED**

**12. Other financial commitments**

At 31<sup>st</sup> May 2015 the company was committed to make the following payments under non-cancellable operating leases in the next financial year.

	Land and Buildings	
	2015	2014
Operating lease which expires		
Within 2 to 5 years	<b><u>70,335</u></b>	<b><u>68,512</u></b>
	<b><u>£ 70,335</u></b>	<b><u>£ 68,512</u></b>

**13. Control and related parties**

The company is under the control of its directors.