

**REGISTERED NUMBER: 04795146 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MAY 2018  
FOR  
ELCOT CAPITAL MANAGEMENT LIMITED**

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FOR THE YEAR ENDED 31ST MAY 2018**

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**ELCOT CAPITAL MANAGEMENT LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST MAY 2018**

<b>DIRECTORS:</b>	M A Vogel H Carrington
<b>SECRETARY:</b>	H Carrington
<b>REGISTERED OFFICE:</b>	6 Queripel House 1 Duke Of York Square SW3 4LY
<b>REGISTERED NUMBER:</b>	04795146 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Andrew Fox
<b>AUDITORS:</b>	George Hay & Company Chartered Accountants & Statutory Auditors 83 Cambridge Street Pimlico London SW1V 4PS

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MAY 2018**

The directors present their report with the financial statements of the company for the year ended 31st May 2018.

**PRINCIPAL ACTIVITY**

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

**DIVIDENDS**

The directors do not recommend a dividend is paid in respect of the year ended 31st May 2018.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st June 2017 to the date of this report.

M A Vogel  
H Carrington

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MAY 2018**

**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.

**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.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31ST MAY 2018**

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

<b>Capital Item</b>	<b>£'000</b>
Tier 1 capital less innovative tier 1 capital	832
Total tier 2, innovative tier 1 and tier 3 capital	-
Deductions from tier 1 and tier 2 capital	10
Total capital resources, net of deductions	822

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.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 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;

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.

**STATEMENT AS TO 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**

The auditors, George Hay & Company, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

M A Vogel - Director

16th August 2018

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ELCOT CAPITAL MANAGEMENT LIMITED**

### **Opinion**

We have audited the financial statements of Elcot Capital Management Limited (the 'company') for the year ended 31st May 2018 which comprise the Statement of Income and Retained Earnings, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st May 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 Auditors' 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 the provisions available for small entities, in the circumstances set out in note eight to the financial statements, 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 this regard.

### **Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ELCOT CAPITAL MANAGEMENT LIMITED**

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

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 material misstatements in the Report of the Directors.

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

### **Auditors' 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 a Report of the Auditors 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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 a Report of the Auditors 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.

Andrew Fox (Senior Statutory Auditor)  
for and on behalf of George Hay & Company  
Chartered Accountants  
& Statutory Auditors  
83 Cambridge Street  
Pimlico  
London  
SW1V 4PS

16th August 2018



STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31ST MAY 2018

	Notes	2018 £	2017 £
<b>TURNOVER</b>		3,143,433	2,287,648
Administrative expenses		(2,822,387)	(2,215,084)
<b>OPERATING PROFIT</b>	4	321,046	72,564
Interest receivable and similar income		8,037	1,016
<b>PROFIT BEFORE TAXATION</b>		329,083	73,580
Tax on profit		(64,099)	(17,100)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		264,984	56,480
Retained earnings at beginning of year		357,737	301,257
<b>RETAINED EARNINGS AT END OF YEAR</b>		622,721	357,737

The notes form part of these financial statements

**BALANCE SHEET**  
**31ST MAY 2018**

	Notes	2018 £	2017 £
<b>FIXED ASSETS</b>			
Tangible assets	5	-	980
<b>CURRENT ASSETS</b>			
Debtors	6	268,836	183,670
Cash at bank		<u>3,165,476</u>	<u>2,114,827</u>
		3,434,312	2,298,497
<b>CREDITORS</b>			
Amounts falling due within one year	7	<u>(2,601,591)</u>	<u>(1,731,740)</u>
<b>NET CURRENT ASSETS</b>		<u>832,721</u>	<u>566,757</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>832,721</u>	<u>567,737</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		210,000	210,000
Retained earnings		<u>622,721</u>	<u>357,737</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>832,721</u>	<u>567,737</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 16th August 2018 and were signed on its behalf by:

M A Vogel - Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MAY 2018**

**1. STATUTORY INFORMATION**

Elcot Capital Management Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Turnover**

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

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.  
Fixtures and fittings - 20% on cost

**Financial instruments**

The company only enters into basic financial transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit and loss.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MAY 2018

2. ACCOUNTING POLICIES - continued

**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.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 6 (2017 - 6) .

4. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	<u>980</u>	<u>2,353</u>

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
<b>COST</b>	
At 1st June 2017 and 31st May 2018	<u>46,461</u>
<b>DEPRECIATION</b>	
At 1st June 2017	45,481
Charge for year	<u>980</u>
At 31st May 2018	<u>46,461</u>
<b>NET BOOK VALUE</b>	
At 31st May 2018	<u>-</u>
At 31st May 2017	<u>980</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	216,246	131,545
Other debtors	10,232	8,342
Lease deposit	32,043	32,043
Prepayments	<u>10,315</u>	<u>11,740</u>
	<u>268,836</u>	<u>183,670</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MAY 2018

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade creditors	307	709
Tax	64,300	17,101
Social security and other taxes	10,268	7,868
Other creditors	2,266,000	1,413,955
Accrued expenses	260,716	292,107
	<u>2,601,591</u>	<u>1,731,740</u>

8. **APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES**

In common with many other businesses of our size and nature we use our auditors to help prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

9. **ULTIMATE CONTROLLING PARTY**

The company is under the control of its directors.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.