

REGISTERED NUMBER: 06015379 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
ALEXANDER DAVID SECURITIES LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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ALEXANDER DAVID SECURITIES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018**

DIRECTOR: D A H Scott

SECRETARY: Mrs S Scott

REGISTERED OFFICE: 30 Percy Street
London
W1T 2DB

REGISTERED NUMBER: 06015379 (England and Wales)

AUDITORS: Barber & Company (Statutory Auditors)
A trading name of PCM Accounting Limited
2 Jardine House
Harrobian Business Village
Bessborough Road
Harrow
Middlesex
HA1 3EX

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The board presents this strategic report and financial statements for the year ended 31st December, 2018.

FAIR REVIEW OF BUSINESS

During 2018; revenue, which includes net income from corporate finance and broking services, commissions earned on placings, retainer fees, compliance and rental income has increased to £447,558 (2017: £395,177). Expenses incurred during the same period have increased to £477,863 (2017: £454,596) and the net profit before taxation increased to 28,755 (2017: £7,755).

Corporate clients remained at 16, the Financial Conduct Authority (FCA) Appointed Representatives remained at 1 and there were 7 staff members (2017: 7), including the director.

PRINCIPAL RISKS AND UNCERTAINTIES

Pillar 3 disclosures:

The company is authorised and regulated with the FCA. The FCA is responsible in the United Kingdom for the implementation of the Capital Requirements Regulation and Directive IV (CRD IV Framework).

The company is categorised as a limited license firm by the FCA for regulatory capital requirements purposes.

CAPITAL RESOURCES

The capital resources of the business comprise Tier 1 capital only.

The company has calculated its capital needs in accordance with the relevant regulations and sufficient capital is maintained at all times.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The risk management policy reflects the FCA requirement that adequate financial resources and adequate systems and controls are necessary for the effective management of risks. The board of directors determine the company's business strategy and risk appetite in conjunction with designing and implementing a risk framework that recognises the risks that the business faces. The board also determines how those risks may be mitigated and assess on an on-going basis the controls and procedures necessary to manage those risks. The board considers the following as key risks to the company:

BUSINESS RISK

This risk represents the loss of key staff which may reduce the fee income earned by the company and hinder its ability to finance its operations and reimburse its expenses. Business risks are assessed and mitigated as part of the Internal Capital Adequacy Assessment Process ("ICAAP").

OPERATIONAL RISK

This risk covers a wide range of operational exposures from failed internal processes or external failures in systems making it difficult to operate and risk of a regulatory breach. Operational risks and how these are mitigated are assessed as part of the ICAAP.

CREDIT RISK

This risk relates to the exposure to the company's bank balance and any other debtors. This is monitored and assessed on a regular basis.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

KEY PERFORMANCE INDICATORS

The board will continue to monitor the overhead costs and fee generation capabilities of the company as well as the maintenance of resources as part of the regular business reviews.

Key performance indicators are as follows:

	<u>2018</u> <u>£</u>	<u>2017</u> <u>£</u>	<u>2016</u> <u>£</u>
Turnover	447,558	395,177	541,456
Profit / (Loss) before taxation	28,755	7,755	(114,976)
Shareholders' funds	<u>191,891</u>	<u>163,136</u>	<u>155,381</u>

ON BEHALF OF THE BOARD:

D A H Scott - Director

23 April 2019

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2018**

The director presents his report with the financial statements of the company for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an investment broker and corporate adviser.

DIRECTORS

D A H Scott has held office during the whole of the period from 1 January 2018 to the date of this report.

Other changes in directors holding office are as follows:

A F Rose - resigned 20 August 2018

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is 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 he 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, Barber & Company (Statutory Auditors), will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

D A H Scott - Director

23 April 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALEXANDER DAVID SECURITIES LIMITED

Opinion

We have audited the financial statements of Alexander David Securities Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position 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 31 December 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 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, 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, 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 this regard.

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 Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALEXANDER DAVID SECURITIES 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 Strategic Report or the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was 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 or in preparing the Report of the Director.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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. 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.

Christopher Horsley (Senior Statutory Auditor)
for and on behalf of Barber & Company (Statutory Auditors)
A trading name of PCM Accounting Limited
2 Jardine House
Harrobian Business Village
Bessborough Road
Harrow
Middlesex
HA1 3EX

23 April 2019

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

	Notes	31.12.18 £	31.12.17 £
REVENUE		447,558	395,177
Administrative expenses		<u>477,863</u> (30,305)	<u>454,596</u> (59,419)
Other operating income		<u>7,042</u>	<u>99,500</u>
OPERATING (LOSS)/PROFIT		(23,263)	40,081
Gain/loss on revaluation of investments		<u>52,307</u> 29,044	<u>(31,726)</u> 8,355
Interest payable and similar expenses		<u>289</u>	<u>600</u>
PROFIT BEFORE TAXATION		28,755	7,755
Tax on profit	4	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		28,755	7,755
Retained earnings at beginning of year		<u>(3,728,508)</u>	<u>(3,736,263)</u>
RETAINED EARNINGS AT END OF YEAR		<u>(3,699,753)</u>	<u>(3,728,508)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2018

	Notes	31.12.18 £	31.12.17 £
CURRENT ASSETS			
Debtors	5	148,423	113,197
Investments	6	396,901	344,594
Cash at bank		17,610	22,527
		<u>562,934</u>	<u>480,318</u>
CREDITORS			
Amounts falling due within one year	7	<u>371,043</u>	<u>317,182</u>
NET CURRENT ASSETS		<u>191,891</u>	<u>163,136</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>191,891</u>	<u>163,136</u>
CAPITAL AND RESERVES			
Called up share capital	8	3,891,644	3,891,644
Retained earnings	9	<u>(3,699,753)</u>	<u>(3,728,508)</u>
SHAREHOLDERS' FUNDS		<u>191,891</u>	<u>163,136</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 director on 23 April 2019 and were signed by:

D A H Scott - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. STATUTORY INFORMATION

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

Preparation of consolidated financial statements

The financial statements contain information about Alexander David Securities Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Going concern

The company meets its day to day working capital requirements with the support of its director, bankers and creditors. At the time of approving these financial statements, the board have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The board have taken all of these factors into account in their decision to prepare the financial statements on a going concern basis.

Turnover

Turnover represents amounts receivable for corporate advisory fees, fund management fees, commission income and other ancillary fees. It also includes the fair value of options over securities which have been received as consideration for corporate finance services rendered.

Fees for advisory engagements for which the work is substantially complete or which are at a stage where work for which separate payment is due is substantially complete, and which will become due but are not yet invoiced are recorded on a right to consideration basis. Where such fees are contingent on the outcome of a transaction they are only accounted for after the transaction has completed.

Turnover is the amount derived from ordinary activities and is stated after trade discounts and Value Added Tax.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 31 DECEMBER 2018

2. ACCOUNTING POLICIES - continued**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Investments

Investments in quoted equity instruments are carried at fair value and the changes in fair value are recognised in the profit and loss account; all other investments are measured at cost less impairment.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 7 (2017 - 7) .

4. TAXATION**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 December 2018 nor for the year ended 31 December 2017.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Trade debtors	90,282	60,609
Amounts owed by group undertakings	2,178	-
Other debtors	51,123	2,078
Prepayments and accrued income	4,840	50,510
	<u>148,423</u>	<u>113,197</u>

6. CURRENT ASSET INVESTMENTS

	31.12.18	31.12.17
	£	£
Quoted investments	371,360	239,136
Unquoted investments	25,000	80,556
Warrants to buy quoted investments	541	24,902
	<u>396,901</u>	<u>344,594</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18	31.12.17
	£	£
Trade creditors	33,325	31,306
Social security and other taxes	46,999	20,791
Other creditors	22,704	45,762
Accruals and deferred income	268,015	219,323
	<u>371,043</u>	<u>317,182</u>

Creditors at the balance sheet date include gross cost provisions in relation to the company's director amounting to £115,672.

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

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.18	31.12.17
			£	£
3,891,644	Ordinary	£1	<u>3,891,644</u>	<u>3,891,644</u>

9. RESERVES

	Retained earnings
	£
At 1 January 2018	(3,728,508)
Profit for the year	<u>28,755</u>
At 31 December 2018	<u>(3,699,753)</u>

10. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

11. ULTIMATE CONTROLLING PARTY

The ultimate parent company is Rosendale Investments Limited. Rosendale Investments Limited is incorporated in England & Wales and a copy of its financial statements is available from its registered office located at 30 Percy Street, London, W1T 2DB.

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.