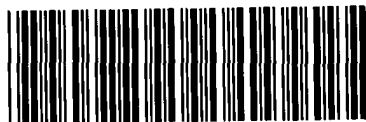


Company Registration No. 06015379 (England and Wales)

ALEXANDER DAVID SECURITIES LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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# ALEXANDER DAVID SECURITIES LIMITED

## COMPANY INFORMATION

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Directors	Mr D Scott
Company number	06015379
Registered office	30 Percy Street London W1T 2DB
Auditors	Welbeck Associates 30 Percy Street London W1T 2DB

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# ALEXANDER DAVID SECURITIES LIMITED

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# ALEXANDER DAVID SECURITIES LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The Director presents the strategic report and financial statements for the year ended 31 December 2017.

### Fair review of the business

During 2017, revenue, which includes net income from corporate finance and broking services, commissions earned on placings, retainer fees, compliance and rental income had decreased to £395,177 (2016: £541,456). Expenses also decreased to £542,696 (2016: £584,687) resulting in a profit for the year of £7,755 (2016: (£114,976)).

Corporate clients remained at 16. The FCA Appointed Representatives remained 1 over the period. There were 7 staff (2016: 8), including directors.

### Principal risks and uncertainties

#### Pillar 3 disclosures

The Company is authorised and regulated with the Financial Conduct Authority (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 business 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 prudential risks. The directors of the company determine its business strategy and risk appetite in conjunction with designing and implementing a risk framework that recognises the risks that the business faces. Directors also determine how those risks may be mitigated and assess on an on-going basis the controls and procedures necessary to manage those risks. The directors 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.

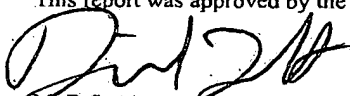
### Key performance indicators

The director 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.

The key performance indicators were as follows:

	<u>2017</u>	<u>2016</u>
Turnover	£395,177	£541,456
Profit/(loss) before tax	£7,755	(£114,976)
Shareholders' funds	£163,136	£155,381

This report was approved by the board on 28 September 2018 and signed on its behalf

  
Mr D Scott  
Director

# ALEXANDER DAVID SECURITIES LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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The Director presents his report and financial statements for the year ended 31 December 2017.

### Principal activities

The principal activity of the company continued to be that of an investment broker and corporate adviser.

### Future developments

The company will continue to carry out its business activities in 2018. Firstly, we will continue to operate our corporate finance business with an emphasis on debt offerings in the UK, Ireland and Gibraltar. In addition we have a number of debt and equity listings for clients and fund prospects from Asia and Africa. The UK, West Africa, Taiwan, Malaysia and Japan will continue to be developing markets in our corporate pipeline.

As for 2018, the Director is optimistic as to the outlook for the coming year, with the UK economy, market placings and the Company work in progress running at higher levels than at the time last year's accounts were published.

### Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The director did not recommend payment of a final dividend.

### Directors

The following directors have held office since 1 January 2017:

Mr D Scott

Mr A F Rose (resigned 20 August 2018)

Mr A Bull (resigned 26 October 2017)

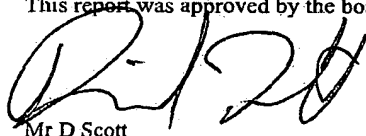
### Auditors

Welbeck Associates have indicated their willingness to continue in office and in accordance with Section 489 of the Companies Act 2006, a resolution proposing that Welbeck Associates be appointed as auditor of the Company will be put to the Annual General Meeting.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

This report was approved by the board of directors on 28 September 2018 and signed on behalf of the board by:



Mr D Scott  
Director

# ALEXANDER DAVID SECURITIES LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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### Directors' responsibility statement

The directors are responsible for preparing the Annual 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 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

# ALEXANDER DAVID SECURITIES LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF ALEXANDER DAVID SECURITIES LIMITED

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#### Opinion

We have audited the financial statements of Alexander David Securities Limited (the 'company') for the year ended 31 December 2017 which comprise the Income Statement, the Statement of Financial Position, Statement of Changes in Equity, the Statement of Cash Flows 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 FRS 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 2017 and of its loss 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 our audit:

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

# ALEXANDER DAVID SECURITIES LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF ALEXANDER DAVID SECURITIES LIMITED

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#### 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 and the Director's Report.

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.

#### Responsibilities of director

As explained more fully in the Director's Responsibilities Statement, 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Jonathan Bradley-Hoare (Senior Statutory Auditor)**

**for and on behalf of Welbeck Associates**

**Chartered Accountants and Statutory Auditor**

30 Percy Street

London

W1T 2DB

28 September 2018

# ALEXANDER DAVID SECURITIES LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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		2017	2016
	Notes	£	£
Turnover		395,177	541,456
Cost of sales		<u>-</u>	<u>-</u>
<b>Gross profit</b>		395,177	541,456
Administrative expenses		(542,696)	(584,687)
Other operating income		<u>187,000</u>	<u>68,167</u>
<b>Operating profit/(loss)</b>	<b>4</b>	39,481	24,936
Loss on investments	<b>5</b>	(31,726)	(139,912)
Interest payable and similar charges		<u>-</u>	<u>-</u>
<b>Profit/(loss) before taxation</b>		7,755	(114,976)
Taxation	<b>6</b>	<u>-</u>	<u>-</u>
<b>Profit/(loss) for the financial year</b>		<u>7,755</u>	<u>(114,976)</u>
<b>Total comprehensive income/(expense) for the year</b>		<u><u>7,755</u></u>	<u><u>(114,976)</u></u>

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The income statement has been prepared on the basis that all operations are continuing operations.

There are no items of other comprehensive income

The notes on pages 10-16 form part of these financial statements.

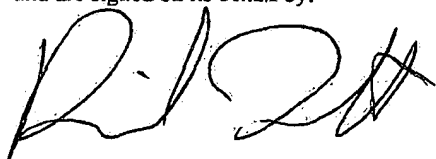
# ALEXANDER DAVID SECURITIES LIMITED

## STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2017

<b>Current assets</b>				
Investments	7	344,594	428,396	
Debtors	8	113,197	168,177	
Cash at bank and in hand		22,527	10,429	
Cash held for clients		-	193,066	
		<u>480,318</u>	<u>800,068</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(317,182)</u>	<u>(644,687)</u>	
<b>Net current liabilities</b>			<u>163,136</u>	<u>155,381</u>
<b>Total assets less current liabilities</b>			<u>163,136</u>	<u>155,381</u>
<b>Capital and reserves</b>				
Called up share capital	11	3,891,644	3,891,644	
Profit and loss account		<u>(3,728,508)</u>	<u>(3,736,263)</u>	
<b>Total equity</b>			<u>163,136</u>	<u>155,381</u>

The financial statements were approved by the board of directors and authorised for issue on 28 September 2018 and are signed on its behalf by:



Mr D Scott  
Director

Company Registration No. 06015379

The notes on pages 10-16 form part of these financial statements.

# ALEXANDER DAVID SECURITIES LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

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	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2016</b>	<u>3,891,644</u>	<u>(3,621,287)</u>	<u>270,357</u>
<b>Period ended 31 December 2016:</b>			
Total comprehensive loss for the year	<u>-</u>	<u>(114,976)</u>	<u>(114,976)</u>
<b>Balance at 31 December 2016</b>	3,891,644	(3,736,263)	155,381
<b>Period ended 31 December 2017:</b>			
Total comprehensive profit for the year	<u>-</u>	<u>7,755</u>	<u>7,755</u>
<b>Balance at 31 December 2017</b>	<u>3,891,644</u>	<u>(3,728,508)</u>	<u>163,136</u>

The notes on pages 10-16 form part of these financial statements.

# ALEXANDER DAVID SECURITIES LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
<b>Operating activities</b>			
Cash (used in)/generated by operations	17	(233,044)	143,805
Interest paid		<u>-</u>	<u>-</u>
<b>Net cash (outflow)/inflow from operating activities</b>		<u>(233,044)</u>	<u>143,805</u>
<b>Investing activities</b>			
Proceeds from disposal of fixed asset investments		<u>52,076</u>	<u>(78,101)</u>
<b>Net cash generated from/(used in) investing activities</b>		<u>52,076</u>	<u>(78,101)</u>
Net (decrease)/increase in cash and cash equivalents		(180,968)	65,704
Cash and cash equivalents at beginning of year		<u>203,495</u>	<u>137,791</u>
<b>Cash and cash equivalents at end of year</b>	18	<u>22,527</u>	<u>203,495</u>

The notes on pages 10-16 form part of these financial statements.

# ALEXANDER DAVID SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

#### Company information

Alexander David Securities Limited is a private company limited by shares incorporated in England and Wales. The registered office is 30 Percy Street, London, W1T 2DB.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents amounts receivable for corporate advisory fees, fund management fees, commissions 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 stated after trade discounts and value added tax.

#### 1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

#### Basic financial assets

Basic financial assets include investments other than those within the scope of Section 12, trade and other receivables and cash and bank balances. They are initially measured at transaction price including transaction costs. Debt instruments are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

# ALEXANDER DAVID SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies ...continued

#### **Other financial assets**

Other financial assets, which include warrants to acquire equity instruments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

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

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# ALEXANDER DAVID SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies ...continued

#### 1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.8 Leasing

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### 1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

# ALEXANDER DAVID SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover

The total turnover of the company for the year has been derived from its principal activities wholly undertaken in the United Kingdom.

### 4 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditors for the audit of the company's financial statements	12,000	8,000
Operating lease expenses	58,046	69,269

### 5 Loss on investments

	2017	2016
	£	£
(Decrease)/increase in the fair value of investments	(31,726)	143,000
Impairment of warrants	-	(282,912)
	<u>(31,726)</u>	<u>(139,912)</u>

### 6 Taxation

	2017	2016
	£	£
Total current tax	-	-
Factors affecting the tax charge for the year		
Profit/(loss) from continuing operations before taxation	7,755	(114,976)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.25% (2016: 20%)	1,493	(22,995)
Effect of revaluation of investments	6,107	-
Expenses not deductible for tax purposes	3,084	3,588
(Utilisation)/Increase of tax losses brought forwards	(10,684)	19,407
<b>Current tax charge for the year</b>	<b>-</b>	<b>-</b>

The Company has unrelieved tax losses of approximately £3,015,471 (2016: £3,102,045). The Company has not recognised a deferred tax asset in respect of these losses as there is insufficient evidence of future taxable profits.

# ALEXANDER DAVID SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 7 Current asset investments

	2017 £	2016 £
Quoted investments – at fair value	239,136	273,784
Warrants to buy quoted investments – at fair value	24,902	50,000
Other unquoted investments – at cost less impairment	<u>80,556</u>	<u>104,612</u>
	<u>344,594</u>	<u>428,396</u>

### 8 Debtors

	2017 £	2016 £
Trade debtors	60,609	73,968
Amounts owed by parent and fellow subsidiary undertakings	2,078	2,028
Prepayments and accrued income	<u>50,510</u>	<u>92,181</u>
	<u>113,197</u>	<u>168,177</u>

### 9 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	31,306	96,715
Taxes and social security costs	20,791	64,132
Directors' current accounts	-	18,135
Borrowings	19,377	-
Other creditors	26,385	227,598
Accrued directors' salaries	73,731	149,800
Accruals and deferred income	<u>145,592</u>	<u>88,307</u>
	<u>317,182</u>	<u>644,687</u>

The amounts payable are unsecured and repayable in the normal course of business.

# ALEXANDER DAVID SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 10 Pension and other post-retirement benefit commitments Defined contribution schemes

The company operated a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £1,587 (2016: £2,160).

11 Share capital	2017 £	2016 £
Allotted, called up and fully paid		
3,891,644 Ordinary shares of £1 each	3,891,644	3,891,644

### 12 Financial commitments

At 31 December 2017 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2018:

	2017 £	2016 £
Operating leases which expire:		
Within one year	10,115	12,584
Between two and five years		
	10,115	12,584

13 Directors' remuneration	2017 £	2016 £
Remuneration for qualifying services	99,800	124,800
Company pension contributions to defined contribution schemes	1,587	2,160
	101,387	126,960

### 14 Employees

Number of employees  
There were 7 employees (2016: 7) during the year including directors.

Employment costs	2017 £	2016 £
Wages and salaries	224,516	320,054
Social security costs	21,872	33,399
Other pension costs	1,587	2,160
	247,975	355,613

# ALEXANDER DAVID SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 15 Ultimate parent undertaking

The ultimate parent company is Rosendale Investments Limited. Rosendale Investments Limited is incorporated in England & Wales and the accounts are available from their registered address which is 30 Percy Street, London W1T 2DB.

### 16 Related party transactions

The company has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions between members of a wholly owned group.

### 17 Cash generated from operations

	2017 £	2016 £
Profit/(loss) for the year after tax	7,755	(114,976)
Adjustments for:		
Finance costs	-	-
Amounts written off investments	31,726	139,912
Movements in working capital:		
Decrease/(Increase) in debtors	54,980	(13,843)
(Decrease)/increase in creditors	(327,505)	132,712
<b>Cash (used in)/generated by operations</b>	<b>(233,044)</b>	<b>143,805</b>

### 18 Cash and cash equivalents

Included in the balance at the year-end is restricted cash of £Nil (2016: £193,066) that is held for professional clients.

### 19 Post balance sheet events

No significant event occurred between balance sheet date and the date of signing this report.