

Andurand Ventures Limited

[Registered No: 06820074]

Annual report and financial statements

For the year ended 31 August 2019



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Company information

Directors

Hakon Haugnes

Banker

HSBC
76-78 Kings Road
London
SW3 4TZ

Registered office

100 Brompton Road
London
SW3 1ER

Director's report

The director presents his report with the financial statements of Andurand Ventures Limited ("the Company") for the year ended 31 August 2019.

Director

The Director during the year and up to the date of approval of this report was:

Hakon Haugnes (appointed 8 September 2016)

Results and dividends

The Company's profit for the year ended 31 August 2019 was \$242,568 (2018: \$906,454). The director does not propose a dividend for the year ended 31 August 2019 (2018: \$nil). The Company's statement of financial position as detailed on page 8 shows a satisfactory position. Net assets as at 31 August 2019 amounted to \$3,349,518 (2018: \$3,106,950).

Principal activity, review of business and future developments

The principal activity of the Company in the year ended 31 August 2019 was that of providing administrative services to Andurand Capital Management LLP (the "Partnership") and other entities within the Andurand group of entities. The director does not foresee any change to this activity going forward.

Key Performance Indicators ("KPIs")

As the Company's activities relate primarily to its role as administrative service company to the Partnership, the Company's key performance indicators are linked to those of the Partnership, which are the maintenance of an appropriate level of assets under management sufficient to ensure the continuing viability of the business.

Financial risk management

The key business risks and uncertainties affecting the Company relate to the performance of the underlying funds managed by the Partnership and the ability of the Partnership and the other entities within the Andurand Group to pay the service fees.

The Company has no significant exposure to market risk (incorporating price, interest rate or foreign exchange risk), credit or liquidity risk.

Director's report

Going concern

The Company has sufficient liquid resources and contracts for the provision of services which are expected to continue for the foreseeable future. Thus the director believes the Company will be able to meet its liabilities as they fall due at least twelve months from the date of approval of these financial statements.

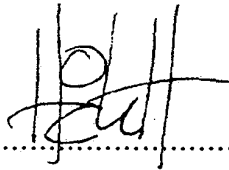
The director has assessed the going concern status of the Company and concluded that there are no material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. Accordingly the financial statements are prepared on the going concern basis.

The director is satisfied that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Small company provision

The report of the director has been prepared taking advantage of the small companies' exemption provided by section 415A of the Companies Act 2006.

This report was approved by the Director:


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Hakon Haugnes

1 May 2020

Statement of director's responsibilities in respect of the financial statements

The director is responsible for preparing his report and the financial statements in accordance with the 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) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 results of the Company for that period. In preparing those financial statements, the director is required to:

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 2006. The Director 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 of Comprehensive Income

for the year ended 31 August 2019

Registered No: 06820074

		2019	2018
	Notes	\$	\$
Turnover	3	2,813,612	3,490,636
Administrative expenses	4	(2,495,360)	(2,360,883)
Operating profit/(loss)	7	318,252	1,129,753
Taxation	8	(75,684)	(223,299)
Retained profit/ (Loss) for the year		242,568	906,454

All amounts are in respect of continuing activities.

There were no other items of comprehensive income for the current year or prior year other than those included in the Statement of Comprehensive Income above.

The notes on pages 12 to 18 form part of these financial statements.

Statement of Financial Position

as at 31 August 2019

Registered No: 06820074

		2019	2019	2018	2018
		\$	\$	\$	\$
	Notes				
Fixed assets					
Tangible assets	9		726,326		982,671
Current assets					
Debtors	10	1,800,228		2,198,931	
Cash at bank and in hand		1,362,137		878,074	
		<u>3,162,365</u>		<u>3,077,005</u>	
Creditors: amounts falling due within one year	11	(547,868)		(940,134)	
Net current assets			2,614,497		2,136,871
Total assets less current liabilities			<u>3,340,823</u>		<u>3,119,543</u>
Provisions for liabilities and charges	12		8,695		(12,593)
Net assets			<u>3,349,518</u>		<u>3,106,950</u>
Capital and reserves					
Called up share capital	13		-		-
Profit and loss account			3,349,518		3,106,950
Equity shareholders' funds			<u>3,349,518</u>		<u>3,106,950</u>

For the financial year ending 31 August 2019 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

No shareholders have required the Company to obtain an audit of its financial statements for the period in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of the financial statements.

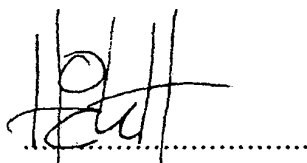
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Statement of Financial Position

as at 31 August 2019

Registered No: 06820074

These financial statements were approved and authorised for issue by the director on
1 May 2020 and are duly signed by:

A handwritten signature in black ink, appearing to read 'H. Haugnes', is written over a horizontal dotted line.

Hakon Haugnes

Director

The notes on pages 12 to 18 form part of these financial statements.

Statement of Cash Flows

for the year ended 31 August 2019

	2019	2018
	\$	\$
Cash flows from operating activities		
Profit before tax	318,252	1,129,753
Adjustments for:		
Depreciation	299,559	304,100
Taxation	(93,666)	(223,299)
Decrease in trade and other receivables	398,703	(587,995)
Increase/(decrease) in trade and other payables	(395,569)	298,438
Reduction in Long Term Liabilities	-	(613,224)
Net cash generated from/(used in) operating activities	527,279	307,772
Cash flows from investing activities		
Purchase of tangible assets	(43,216)	(144,557)
Net cash from/(used in) investing activities	(43,216)	(144,557)
Net increase in cash and cash equivalents	484,063	163,215
Cash and cash equivalents at 1 September	878,074	714,858
Cash and cash equivalents at 31 August	1,362,137	878,074

The notes on pages 12 to 19 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 August 2019

	Retained earnings	Share Capital	Total Equity
	\$	\$	\$
At 1 September 2018	3,106,950	-	3,106,950
Comprehensive income for the year			
Profit for the year	242,568	-	242,568
At 31 August 2019	3,349,518		3,349,518

Notes to the financial statements

for the year ended 31 August 2019

I. Accounting policies

Company information

Andurand Ventures Limited is a limited liability company incorporated and domiciled in England and Wales. The business address and registered office is 100 Brompton Road, London, SW3 1ER.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with Financial Reporting Standard 102 1A ("FRS 102 1A"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and with the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

Revenue

Revenue is recognised on an accruals basis and when the Company is legally entitled to it.

Expenses

Expenses are recognised on an accruals basis.

Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Fixtures and fittings	-	over the period of the lease years
Computer equipment	-	over 3 years
Land and buildings	-	over 10 years

Deferred taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Notes to the financial statements

for the year ended 31 August 2019

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the commencement of the month during which the transaction arises. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

The functional and reporting currency is considered by the Director to be USD \$ as this is the currency of the economic environment in which the Company operates and generates net cash flows.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term. The benefits of any rent free periods are spread over the term of the lease.

Pension costs

The Company makes pension contributions on behalf of the employees to a defined contribution scheme. Contributions are charged to the profit and loss account as they accrue.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the period.

Useful economic lives of non-financial assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilization and the physical condition of the assets. Note 9 contains details of the carrying amount of the non-financial assets, and note 1 has the details of the estimated useful economic lives for each class of asset.

Impairment of debtors

The Partnership makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. Note 10 contains details of the net carrying amount of the debtors and any associated impairment provision.

Notes to the financial statements

for the year ended 31 August 2019

3. Turnover

Turnover is attributable to the supply of accounting and administrative services, net of value added tax, provided in the UK. During the year ended 31 August 2019 fees of \$2,699,813 (2018: \$3,373,304) were earned from Andurand Capital Management LLP, a partnership incorporated in the UK, and \$113,799 (2018: \$116,850) from other entities in the Andurand Group that are based in the UK and Malta.

4. Administrative expenses

Administrative expenses include rent, staff costs, depreciation, office expenses, IT expenses, professional fees and foreign exchange gains and losses.

5. Director

The director did not receive any remuneration for his services to the Company for the year ended 31 August 2019 (2018: \$nil).

6. Staff costs

	2019 \$	2018 \$
Wages and salaries	468,142	489,178
Social security costs	51,643	57,557
Other pension costs	30,260	29,147
	<u>550,045</u>	<u>575,882</u>
	2019 Number	2018 Number
Average number of employees during the year were as follows:		
Administration	5	5
Director	<u>1</u>	<u>1</u>
	<u>6</u>	<u>6</u>

7. Operating profit

Operating profit is stated after charging:

	2019 \$	2018 \$
Operating lease rentals – buildings and service charge	625,199	352,031
Depreciation – owned assets	<u>299,559</u>	<u>304,100</u>

Notes to the financial statements

for the year ended 31 August 2019

8. Taxation

	2019 \$	2018 \$
Current year tax charge	96,971	234,451
Prior year adjustment	-	(3,550)
Total current tax for the period	<u>96,971</u>	<u>230,901</u>
Deferred tax	(22,770)	(5,477)
Deferred tax adjustment	1,482	(2,125)
Total deferred tax for the period	<u>(21,289)</u>	<u>(7,602)</u>
Total tax charge	<u>75,684</u>	<u>223,299</u>

Current taxation

The current taxation charge for the year is different from the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 \$	2018 \$
Profit on ordinary activities before taxation	318,250	1,129,753
Theoretical tax at UK Corporation tax rate of 19% (2018: 19%)	60,468	214,653
Effect of:		
Depreciation in excess capital allowances	35,991	6,090
Expenses not deductible for tax purposes	513	107
Depreciation relating to non-qualifying assets	-	13,567
Prior year adjustment to deferred tax	1,482	(2,125)
Deferred tax movement	(22,770)	(5,477)
Capital Item expensed	-	34
Corporation tax prior year adjustments	-	(3,550)
Current tax charge	<u>75,684</u>	<u>223,299</u>

Notes to the financial statements

for the year ended 31 August 2019

9. Tangible fixed assets

	Land and Buildings	Computer equipment	Fixtures and fittings	Total
	\$	\$	\$	\$
Cost:				
At 1 September 2018	45,264	622,072	2,369,960	3,037,296
Additions	-	39,867	3,349	43,216
At 31 August 2019	45,264	661,939	2,373,309	3,080,512
Depreciation:				
At 1 September 2018	25,607	443,833	1,585,185	2,054,624
Charge for the year	4,523	101,438	193,599	299,559
At 31 August 2019	30,130	545,271	1,778,784	2,354,184
Net book value at 31 August 2019	15,134	116,668	594,525	726,328
Net book value at 31 August 2018	19,657	178,239	784,775	982,671

10. Debtors: amounts falling due within one year

	2019	2018
	\$	\$
Trade debtors	586,561	1,014,702
Other debtors	603,253	603,253
Prepayments and accrued income	569,099	564,177
Accrued income	32,462	482
VAT	8,854	-
Taxes and social security	-	16,317
	1,800,228	2,198,931

Included within other debtors is an amount of \$603,253 (2018: \$603,253) which relates to the rental deposit for office space.

11. Creditors: amounts falling due within one year

	2019	2018
	\$	\$
Trade creditors	445,965	387,088
Other taxes and social security	9,668	-
Corporation Tax	35,182	31,180
Accruals and deferred income	11,138	9,252
Loan	45,914	487,097
VAT	-	25,517
	547,868	940,134

Notes to the financial statements

for the year ended 31 August 2019

12. Provisions for liabilities and charges

Deferred tax is provided as follows:

	2019 \$	2018 \$
Deferred tax provided		
Accelerated capital allowances	<u>(8,695)</u>	<u>12,593</u>

The movement in the provision is as follows:

At 1 September 2018	12,593	20,195
Charge/(credit) for the year/period	(22,770)	(5,479)
Adjustment for change in tax rate	1,482	3
Adjustment	-	(2,125)
At 31 August 2019	<u>(8,695)</u>	<u>12,593</u>

13. Called up share capital

	2019 \$	2018 \$
Authorised, share capital:		
100 Ordinary shares of \$ 0.01 each	<u>1</u>	<u>1</u>
Allotted, called up and fully paid:		
2 Ordinary shares	<u>0.03</u>	<u>0.03</u>

14. Related party transactions

During the year ended 31 August 2019, service charges amounting to \$2,813,612 were raised to entities (2018: \$3,490,636) in which Pierre Andurand, a Shareholder of the Company, was a member, shareholder, or shareholder in the parent company, as follows:

Andurand Capital Management LLP, a limited liability partnership incorporated in England and Wales was charged by the Company for service charges amounting to \$2,699,813 (2018: \$3,373,304). At 31 August 2019 \$nil (2018: \$829,663) was owed to the Company by Andurand Capital Management LLP.

Andurand Capital Management Ltd, a company registered in Malta was charged by the Company for service charges amounting to \$60,000 (2018: \$60,000). At 31 August 2018 \$nil (2018: \$62,883) was owed to the Company by Andurand Capital Management Ltd.

Andurance Ventures LLP, a limited liability partnership registered in England and Wales, was

Notes to the financial statements

for the year ended 31 August 2019

charged by the Company for service charges amounting to \$53,799 (2018: \$56,850). At 31 August 2018 \$32,460 (2018: \$16,785) was owed to the Company by Andurance Ventures LLP.

Andurand Capital Services Limited, a company registered in England and Wales was charged by the Company for sundry expenses amounting to \$442 (2018: \$457). At 31 August 2019 \$nil (2018: \$457) was owed to the Company by Andurand Capital Services Limited.

Andurand Capital Management LLC, a limited liability company incorporated in Delaware USA was charged by the Company for administrative services amounting to \$nil (2018: \$104,897). At 31 August 2019 \$nil (2018: \$104,897) was owed to the Company by Andurand Capital Management LLC.

15. Operating lease commitments

As at 31 August 2019, the Company was committed to making the following annual rental payments under operating leases:

	2019 \$	2018 \$
Land and buildings:		
Within one year	481,134	513,390
Between two and five years	1,007,085	1,587,994
	<u>1,488,219</u>	<u>2,101,384</u>

16. Immediate and ultimate controlling Party

Pierre Andurand is considered to be the immediate and ultimate controlling party.