Registered number: 06850198

Lofoten Asset Management Limited

Directors' report and audited financial statements

For the year ended 30 September 2017

Lofoten Asset Management Limited

Contents

Company information

Directors	Willem P Vinke Hugh S K Knowles
Company secretary	Throgmorton Secretaries LLP
Registered number	06850198
Registered office	4th Floor Reading Bridge House George Street Reading RG1 8LS
Independent auditors	Gerald Edelman Chartered Accountants & Statutory Auditor 73 Cornhill London EC3V 3QQ
Bankers	C Hoare & Co 37 Fleet Street London EC4P 4DQ

Strategic report
For the year ended 30 September 2017

The directors present their strategic report for Lofoten Asset Management Limited (the "company") for the year ended 30 September 2017.

Review of business

Turnover has decreased by £7,396,473 (2016: increased by £8,992,233) which represents a decrease of 59.6% over 2016 (2016: 262.5% increase over 2015). Profit for the financial year ended 2017 decreased by 67.7% (2016: increased by 312.3%) mainly as a result of the decrease (2016: increase) in revenue.

During the year, the company invested in Lofoten Asset Management LLC (the "LLC"), a company incorporated and registered in the United States, which is a wholly owned subsidiary of Lofoten Asset Management Limited.

Principal risks and uncertainties

The principal risks and uncertainties affecting the business relate to the performance of the underlying funds managed by the company. The company is not exposed to any significant credit, liquidity, foreign exchange or cash flow risk.

Key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 12 December 2017 and signed on its behalf.

Hugh S K Knowles
Director

Directors' report
For the year ended 30 September 2017

The directors present their annual report and the audited financial statements for the company for the year ended 30 September 2017.

Principal activity

The principal activity of the company is providing investment management and advisory services. The directors do not anticipate any change in the nature of this activity going forward.

Results and dividends

The profit for the financial year, after taxation, amounted to £2,847,116 (2016: £8,821,527).

During the year, interim dividends totalling £1,500,000 (2016: £7,979,000) were proposed and paid.

During the year, final dividends totalling £1,350,000 (2016: £1,065,000) were proposed but not paid.

Future developments

The company has no significant future developments.

Directors

The directors who served during the year and up to the date of this report were:

Willem P Vinke
Hugh S K Knowles

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been 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, Gerald Edelman, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Going concern

Having reviewed the company's financial forecasts and expected future cash flows, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements for the year ended 30 September 2017.

Pillar 3 risk disclosure

Details of the company's Pillar 3 disclosures, required under Chapter 11 of the Financial Conduct Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU") are available as Appendix 1 to these financial statements. These disclosures are unaudited. The directors have also performed capital requirement assessments on projected costs and note that the audited capital and reserves of the company are maintained at more than three times the Fixed Overhead Requirement and over twice the wind down analysis (total Pillar 2 capital).

Remuneration code disclosures

The Remuneration code disclosures of the company as required by the FCA Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU) 11.5.18 and SYSC 19A – Disclosure obligations in relation to the remuneration of code staff, are available as Appendix 2 to these financial statements. These disclosures are unaudited.

UK Stewardship code disclosures

The UK Stewardship code disclosures of the company, as required by the FCA Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU) COBS 2.2.3 – Disclosure of commitments to the Financial Reporting Council's Stewardship Code, are available on the company's website at www.lofotenam.com. These disclosures are unaudited.

This report was approved by the board on 12 December 2017 and signed on its behalf.

Hugh S K Knowles
Director

Directors' responsibilities statement

For the year ended 30 September 2017

The directors are responsible for preparing the strategic report, the directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgments 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 company will continue in business.

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.

Independent auditors' report
to the shareholders of Lofoten Asset Management Limited (continued)

Opinion
We have audited the financial statements of Lofoten Asset Management Limited (the 'company') for the year ended 30 September 2017 set out on pages 8 to 21. 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 30 September 2017 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 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 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.

Independent auditors' report
to the shareholders of Lofoten Asset Management Limited (continued)

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 Directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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 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.

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.

Hemen Doshi FCCA (Senior Statutory Auditor)
for and on behalf of

12 December 2017

Chartered Accountants
Statutory Auditor

Statement of comprehensive income
For the year ended 30 September 2017

	Note	2017 £	2016 £
Turnover	4	5,021,533	12,418,006
Cost of sales	5	(401,224)	(2,976)
Gross profit		**4,620,309**	**12,415,030**
Administrative expenses		(1,096,711)	(1,397,065)
Other operating income		12,629	-
Operating profit	6	**3,536,227**	**11,017,965**
Other interest receivable and similar income	9	20,000	8,944
Interest payable and similar expenses		(1,117)	-
Profit before taxation		**3,555,110**	**11,026,909**
Tax on profit	10	(707,994)	(2,205,382)
Profit after taxation		**2,847,116**	**8,821,527**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**2,847,116**	**8,821,527**

All amounts relate to continuing operations for both the current and prior years.

The notes on pages 12 to 21 form an integral part of these financial statements.

Statement of financial position

For the year ended 30 September 2017

Registered number: 06850198

	Note	2017 £	2016 £
Fixed assets			
Tangible fixed assets	11	92,125	23,434
Current assets			
Debtors	12	1,486,265	597,831
Cash and cash equivalents	13	1,251,941	3,143,906
		2,738,206	3,741,737
Creditors: amounts falling due within one year	14	(1,828,736)	(2,760,692)
Net current assets		**909,470**	**981,045**
Total assets less current liabilities		**1,001,595**	**1,004,479**
Capital and reserves			
Called up share capital	16	10,100	10,100
Retained earnings		991,495	994,379
		1,001,595	**1,004,479**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 December 2017.

Hugh S K Knowles
Director

The notes on pages 12 to 21 form an integral part of these financial statements.

Statement of changes in equity
For the year ended 30 September 2017

	Called up share capital £	Retained earnings £	Total equity £
At 1 October 2015	10,100	1,216,852	1,226,952
Profit for the financial year	-	8,821,527	8,821,527
Dividends (note 17)	-	(9,044,000)	(9,044,000)
At 30 September 2016	**10,100**	**994,379**	**1,004,479**
Profit for the financial year	-	2,847,116	2,847,116
Dividends (note 17)	-	(2,850,000)	(2,850,000)
At 30 September 2017	**10,100**	**991,495**	**1,001,595**

The notes on pages 12 to 21 form an integral part of these financial statements.

Statement of cash flows
For the year ended 30 September 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit before taxation		3,555,110	11,026,909
Adjustments for:			
Depreciation of tangible fixed assets	11	14,800	10,042
Loss on disposal of fixed assets	6	4,609	-
Interest receivable and similar income	9	(20,000)	(8,944)
Interest payable and similar expenses		1,117	-
(Increase)/decrease in debtors		(868,434)	28,379
(Decrease)/increase in creditors		(176,462)	140,192
Foreign exchange gains	6	(4,316)	(348,663)
Interest paid		(1,117)	-
Tax paid		(1,748,488)	(1,354,079)
Net cash (utilised)/generated from operating activities		**756,819**	**9,493,836**
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(88,100)	(25,887)
Interest received and similar income		-	8,944
Net cash utilised from investing activities		**(88,100)**	**(16,943)**
Cash from financing activities			
Dividends paid		(2,565,000)	(8,234,381)
Net cash utilised from financing activities		**(2,565,000)**	**(8,234,381)**
Net (decrease)/increase in cash and cash equivalents		**(1,896,281)**	**1,242,512**
Cash and cash equivalents at the beginning of period		3,143,906	1,552,731
Foreign exchange gains	6	4,316	348,663
Cash and cash equivalents at the end of period	13	**1,251,941**	**3,143,906**

The notes on pages 12 to 21 form an integral part of these financial statements.

1. General information

Lofoten Asset Management Limited is a private company limited by shares registered in England and Wales. The registered office is 4th Floor, Reading Bridge House, George Street, Reading, RG1 8LS. The company's principal place of business is Suite 5, Claridge House, 28-36 Davies Street, London W1K 4ND.

2. Accounting policies

2.1. Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and 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 company management to exercise judgement in applying the company's accounting policies (note 3).

The company has taken exemption under section 405 (2) of the Companies Act 2006 to not prepare consolidated group accounts on the grounds that it is not material for the purpose of giving a true and fair view.

The following principal accounting policies have been applied:

2.2. Going concern

The company is a regulated entity. As such, the company is required to maintain sufficient capital under the regulations of the Financial Conduct Authority, which it continues to do. The company believes it is appropriate to prepare the financial statements on a going concern basis because it is the intention to continue to run the business as such, there are short term and multi-year financial plans that indicate the company will continue to operate as a going concern and a reasonable expectation that those plans can be implemented.

2.3. Turnover

Turnover, stated net of value added tax, represents investment, management, and advisory fees, recognised on an accruals basis, and performance fees recognised when the fees crystallise. All turnover in the year arose from continuing activities performed in the United Kingdom.

2.4. Interest income

Interest income earned has been recognised on an accruals basis in the statement of comprehensive income.

2.5. Cost of sales

Cost of sales, which is stated net of value added tax, represents rebates arising on management and performance fees payable during the year. Management fee rebates payable are recognised on an accruals basis and performance fee rebates payable are accrued when the underlying income crystallises. All cost of sales in the year arose from continuing activities performed in the United Kingdom.

2.6. Expenses

Expenses incurred have been recognised on an accruals basis in the statement of comprehensive income.

2. Accounting policies (continued)

2.7. Operating leases

Operating leases are those leases where the company has use of an asset but where significantly all risks and rewards of ownership remain with the lessor and the lease term is not expected to a significant portion of the useful life of the asset.

Rentals payable under operating leases are charged to the statement of comprehensive income on a straight line basis over the term of the lease. Any incentives to enter into an operating lease are credited to the statement of comprehensive income as a reduction of the rental expense on a straight line basis over the term of the lease.

2.8. Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in note 19 as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.9. Other operating income

Other operating income which is stated net of value added tax, represents rental income receivable on the sublet of land and buildings, and is recognised on an accruals basis in the statement of comprehensive income.

2.10. Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

The estimated useful lives range as follows:

Leasehold improvements	- Over the term of the lease
Office equipment	- 4 years straight line
Computer equipment	- 3 years straight line
Artwork	- 4 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the statement of comprehensive income.

2. Accounting policies (continued)

2.11. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment, except where repayable on demand.

2.12. Investments in subsidiaries

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.13. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.14. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, except where repayable on demand.

2.15. 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.

2.16. Foreign exchange

The company's functional currency is Pound Sterling. Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Gains and losses arising on translation are included in the statement of comprehensive income for the period.

2. Accounting policies (continued)

2.17. Taxation

The tax expense for the year comprises current and deferred tax and is recognised in the statement of comprehensive income.

Current tax
Current tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax
Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.18. Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors may be required to make judgements and estimates that could impact the amounts reported for assets and liabilities as at the statement of financial position date and the amounts reported for revenue and expenses during the year.

The directors have not been required to use a significant degree of judgement in determining the timing and value of amounts recognised in the financial statements.

The directors are not aware of any significant sources of estimation uncertainty in the preparation of the financial statements.

4. Turnover

	2017	2016
	£	£
Management fees	4,961,194	4,522,965
Performance fees	60,339	7,895,041
	5,021,533	12,418,006

Turnover is derived from management and performance fees earned on funds under management during the year. The company's turnover has been derived from its principal activity wholly undertaken in the United Kingdom.

5. Cost of sales

	2017	2016
	£	£
Rebates	401,224	2,976

6. Operating profit

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Depreciation of tangible fixed assets	14,800	10,042
Operating lease rentals payable	39,501	-
Operating lease rentals receivable	(12,629)	-
Auditor's remuneration:		
- fees payable to auditor for the audit of the financial statements	8,850	8,850
Loss on disposal of tangible fixed assets	4,609	-
Foreign exchange gains	(4,316)	(348,663)

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £	2016 £
Wages and salaries	476,626	1,182,670
Social security costs	57,162	156,383
Other pension costs	3,300	-
	537,088	1,339,053

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Investment activities	5	5

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	109,073	19,966
Pension contributions to money purchase pension schemes	638	-
	109,711	19,966

During the current and prior year, retirement benefits were accruing to the directors in respect of defined contribution pension schemes.

9. Interest receivable and similar income

	2017 £	2016 £
Interest on bank deposits	-	2,761
Other interest income	20,000	6,183
	20,000	8,944

10. Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profit for the current period	702,447	2,205,382
Prior year adjustment	5,547	
	707,994	2,205,382

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Profit before taxation	3,555,110	11,026,909
Expected tax charge based on the standard rate of corporation tax in the UK of 19.5% (2016: 20%)	693,247	2,205,382
Expenses not deductible for tax purposes	10,793	501
Permanent capital allowances in excess of depreciation	(1,544)	50
Capital items expensed	-	140
Other tax adjustments	(49)	(691)
Prior year adjustment	5,547	-
Total tax charge for year	707,994	2,205,382

11. Tangible fixed assets

	Leasehold improvement	Office equipment	Computer equipment	Artwork	Total
	£	£	£	£	£
Cost					
At 1 October 2016	15,230	3,450	17,939	6,276	42,895
Additions	59,601	19,378	7,946	1,175	88,100
Disposals	(7,445)	-	-	-	(7,445)
At 30 September 2017	67,386	22,828	25,885	7,451	123,550
Depreciation					
At 1 October 2016	7,785	506	10,441	729	19,461
Charge for period	6,694	2,381	3,862	1,863	14,800
Disposals	(2,836)	-	-	-	(2,836)
At 30 September 2017	11,643	2,887	14,303	2,592	31,425
Net book value					
At 30 September 2017	**55,743**	**19,941**	**11,582**	**4,859**	**92,125**
At 30 September 2016	7,445	2,944	7,498	5,547	23,434

12. Debtors

	2017	2016
	£	£
Due after more than one year		
Other debtors (note 21)	488,973	-
Due within one year		
Prepayments and accrued income	621,944	543,824
Director's loan account (note 22)	356,847	340
Other debtors	18,501	53,667
	1,486,265	597,831

13. Cash and cash equivalents

	2017	2016
	£	£
Cash and cash equivalents	1,251,941	3,143,906

14. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	798	-
Trade creditors	53,114	54,685
Corporation tax	361,035	1,401,529
Other taxation and social security	9,720	15,521
Proposed dividends (note 18)	1,350,000	1,065,000
Other creditors	11,638	1,009
Accruals and deferred income	42,431	222,948
	1,828,736	2,760,692

15. Financial instruments

	2017	2016
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	1,370,685	513,048
Financial liabilities		
Financial liabilities measured at amortised cost	1,454,867	1,343,642

Financial assets that are debt instruments measured at amortised cost include accrued income, director's loan, loan notes for Walnut Tree Self Storage Limited, and rent deposit.

Financial liabilities measured at amortised cost include trade creditors, accruals, proposed dividends and other creditors.

16. Share capital

Shares classified as equity

	2017	2016
	£	£
Allotted, called up and fully paid		
5,100 (2016: 5,100) Class A Ordinary shares of £1 each	5,100	5,100
5,000 (2016: 5,000) Class B Ordinary shares of £1 each	5,000	5,000
	10,100	10,100

The class A and B shares rank pari passu apart from no voting rights being attached to the class B shares.

17. Investment in subsidiary

On 23 September 2016, the company invested in a subsidiary undertaking, Lofoten Asset Management LLC, a company incorporated in the United States, whose registered office is 850 New Burton Road, Suite 201, Dover, Delaware, 19904, United States. The company owns the entire ordinary share capital of the LLC. The nature of the LLC's business is being the General Partner to the Lofoten Atlantic Equity Fund LP.

18. Dividends

	2017	2016
	£	£
Dividends declared	2,850,000	9,044,000

Interim dividends totalling £149 (2016: £790) per Class A and Class B Ordinary shares were fully paid during the year.

A final dividend of £270 per Class B Ordinary shares (2016: £213 per Class B Ordinary shares) was proposed but not paid at the year end.

19. Obligations under leases

Operating lease agreements where the company is lessee

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Land & buildings		
Within one year	120,698	-
Between two to five years	219,450	-
	340,148	-

Operating lease agreements where the company is lessor

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Land & buildings		
Within one year	25,258	-

20. Pension commitments

The company participates in a defined contribution money purchase pension plan. The pension costs charged during the year was £3,300 (2016: £Nil). At 30 September 2017, the outstanding contribution was £2,316 (2016: £Nil), which is included in other creditors (note 14).

21. Related party transactions

During the year dividends totalling £1,500,000 (2016: £4,029,000) were paid in respect of shares held by the company's directors.

During the year, the company acquired £400,000 and £36,055 of interest accrued on unsecured loan notes in Walnut Tree Self Storage Limited, a company that Willem P Vinke has a controlling interest. During the year, interest of £20,000 was charged to the statement of comprehensive income. At 30 September 2017, the amount due from Walnut Tree Self Storage Limited was £456,055 (2016: £Nil).

Key management personnel considered to be the directors and remuneration is disclosed in note 8.

22. Transactions with directors

During the year, advances totalling £1,219,231 (2016: £340) were made to Willem P Vinke, a director of the company. At the year end, a residual balance of £356,847 (2016: £340) is included within debtors as due from the director. There are no terms of interest or repayments in regard to this balance.

23. Controlling party

The company is controlled by its director, Willem P Vinke, who is the majority shareholder.