

Knox Capital Company Limited

Annual Report and Financial Statements

Year Ended 31 May 2018

Knox Capital Company Limited

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Knox Capital Company Limited

Company Information

Directors J C S Chenevix-Trench
A L De Normann
K J Steele

Registered office 22 Chancery Lane
London
WC2A 1LS

Solicitors 670881

Bankers 08531026

Auditors Dixon Wilson
22 Chancery Lane
London
WC2A 1LS

Knox Capital Company Limited

Directors' Report Year Ended 31 May 2018

The directors present their report and the financial statements for the year ended 31 May 2018.

Directors of the company

The directors who held office during the year were as follows:

J C S Chenevix-Trench

A L De Normann

K J Steele

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

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

Approved by the Board on 21 September 2018 and signed on its behalf by:

.....
A L De Normann
Director

Knox Capital Company Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; and
- 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.

Knox Capital Company Limited

Independent Auditor's Report to the Members of Knox Capital Company Limited

Opinion

We have audited the financial statements of Knox Capital Company Limited (the 'company') for the year ended 31 May 2018, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, 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 Section 1A '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 May 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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. 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.

Knox Capital Company Limited

Independent Auditor's Report to the Members of Knox Capital Company Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Knox Capital Company Limited

Independent Auditor's Report to the Members of Knox Capital Company Limited

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Steven Wakefield (Senior Statutory Auditor)
For and on behalf of Dixon Wilson, Statutory Auditor
22 Chancery Lane
London
WC2A 1LS

21 September 2018

Knox Capital Company Limited

Profit and Loss Account Year Ended 31 May 2018

	Note	2018 £	2017 £
Turnover		182,810	164,890
Administrative expenses		<u>(118,268)</u>	<u>(94,042)</u>
Operating profit		<u>64,542</u>	<u>70,848</u>
Profit before tax	<u>5</u>	64,542	70,848
Taxation		<u>(12,414)</u>	<u>(14,962)</u>
Profit for the financial year		<u>52,128</u>	<u>55,886</u>

The notes on pages 10 to 15 form an integral part of these financial statements.

Knox Capital Company Limited

(Registration number: 08531026)

Balance Sheet as at 31 May 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	6	3,104	1,319
Current assets			
Debtors	7	58,221	56,826
Cash at bank and in hand		181,975	129,214
		240,196	186,040
Creditors: Amounts falling due within one year	8	(30,716)	(27,242)
Net current assets		209,480	158,798
Total assets less current liabilities		212,584	160,117
Provisions for liabilities	9	(590)	(251)
Net assets		211,994	159,866
Capital and reserves			
Called up share capital		13,000	13,000
Share premium reserve		117,000	117,000
Profit and loss account		81,994	29,866
Total equity		211,994	159,866

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the Board on 21 September 2018 and signed on its behalf by:

.....

A L De Normann

Director

The notes on pages 10 to 15 form an integral part of these financial statements.

Knox Capital Company Limited

Statement of Changes in Equity Year Ended 31 May 2018

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2017	13,000	117,000	29,866	159,866
Profit for the year	-	-	52,128	52,128
Total comprehensive income	-	-	52,128	52,128
At 31 May 2018	13,000	117,000	81,994	211,994

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 June 2016	13,000	117,000	(26,020)	103,980
Profit for the year	-	-	55,886	55,886
Total comprehensive income	-	-	55,886	55,886
At 31 May 2017	13,000	117,000	29,866	159,866

The notes on pages 10 to 15 form an integral part of these financial statements.

Knox Capital Company Limited

Notes to the Financial Statements Year Ended 31 May 2018

1 General information

The company is a private company limited by share capital incorporated in England & Wales.

The address of its registered office is:

22 Chancery Lane
London
WC2A 1LS
United Kingdom

The principal place of business is:

83 Marylebone High Street
London
W1U 4QW

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

Prior period errors

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of portfolio management services to customers. Turnover is recognised as the related services are supplied to customers. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

Tax

All tax is recognised in and relates to items of income and expense included in profit or loss.

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 taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised in respect of unused tax losses only to the extent that they are more likely than not to be recovered.

Knox Capital Company Limited

Notes to the Financial Statements Year Ended 31 May 2018

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, Fittings and Equipment	Straight line over 5 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Knox Capital Company Limited

Notes to the Financial Statements Year Ended 31 May 2018

Financial instruments

Financial assets and liabilities are recognised when the company becomes party to the contractual provisions of the relevant instrument. All of the company's financial instruments are cash or basic debt instruments. Such financial instruments are measured initially at the transaction price and subsequently at amortised cost. Financial assets are considered for objective evidence of impairment at the end of each reporting period and any impairment is recognised in profit and loss.

3 Staff numbers

The average number of persons employed by the company during the year was 3 (2017 - 3).

4 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	5,400	4,500
Other fees to auditors		
Taxation compliance services	1,000	1,000
All other non-audit services	3,095	5,500
	4,095	6,500

5 Profit before tax

Arrived at after charging/(crediting)

	2018 £	2017 £
Depreciation expense	599	440

Knox Capital Company Limited

Notes to the Financial Statements Year Ended 31 May 2018

6 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 June 2017	2,199	2,199
Additions	2,384	2,384
At 31 May 2018	4,583	4,583
Depreciation		
At 1 June 2017	880	880
Charge for the year	599	599
At 31 May 2018	1,479	1,479
Carrying amount		
At 31 May 2018	3,104	3,104
At 31 May 2017	1,319	1,319

7 Debtors

	2018 £	2017 £
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	10,100
Other debtors	58,221	46,726
	58,221	56,826

8 Creditors

	2018 £	2017 £
Due within one year		
Trade creditors	2,146	3,136
Taxation and social security	14,157	10,329
Other creditors	14,413	13,777
	30,716	27,242

Knox Capital Company Limited

Notes to the Financial Statements Year Ended 31 May 2018

9 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 June 2017	251	251
Additional provisions	339	339
At 31 May 2018	590	590

10 Related party transactions

Transactions with directors

Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	25,000	4,167

Other transactions with directors

During the year the directors repaid £10,100 to the company (2017 - company advanced £68,135 to the directors). At the balance sheet date the amount due from the directors was £nil (2017 - £10,100). The advances are interest free and repayable on demand. The directors are interested in a client of the company, the CCM Knox Global Balanced Fund. Investment management fees chargeable to the fund in respect of the year amount to £181,622 (2017 - £164,890). At 31 May 2018 the company had accrued income due from the fund of £18,625 (2017 - £17,382).

From April 2017 the company shares office space leased by a company under the control of a director. Costs are apportioned based on use. At 31 May 2018 the company was owed £26,290 (2017 - £27,026) in respect of amounts paid relating to obtaining the office lease, primarily a deposit.

Knox Capital Company Limited

Notes to the Financial Statements Year Ended 31 May 2018

Loans to related parties

	Directors £
2018	
At start of period	10,100
Repaid	<u>(10,100)</u>
At end of period	<u>-</u>
2017	
Advanced	<u>10,100</u>

Terms of loans to related parties

Interest free loan and repayable on demand

Loans from related parties

	Directors £
2018	
At start of period	(10,100)
Repaid	<u>10,100</u>
At end of period	<u>-</u>
2017	
At start of period	58,035
Advanced	(10,100)
Repaid	<u>(58,035)</u>
At end of period	<u>(10,100)</u>

Knox Capital Company Limited

Detailed Profit and Loss Account Year Ended 31 May 2018

Detailed Income Statement Year Ended 31 May 2018

	2018 £	2017 £
Turnover		
Investment Management Services	181,622	164,890
Other revenue	1,188	-
	182,810	164,890
General administrative expenses		
Subscriptions	(27,539)	(24,399)
Compliance Fees	(13,524)	(14,558)
FCA Fees	(1,346)	(1,308)
Bank Charges	(393)	(396)
Office Expenses	(1,150)	(443)
Insurance	(200)	(427)
Staff Costs	(837)	(110)
IT Costs	(6,054)	(14,021)
Rent	(16,720)	(9,954)
Rates	(5,451)	(4,191)
Service Charge	(2,816)	(3,418)
Utilities	(80)	(111)
Sundry	(77)	(172)
Legal Fees	-	(2,763)
Bookkeeping Fees	(1,953)	(1,242)
Accountancy - Other Services	(3,095)	(5,500)
Accountancy - Audit Services	(5,400)	(4,500)
Accountancy - Tax Services	(1,000)	(1,000)
Travel and Entertainment	(1,463)	(922)
Director's remuneration	(25,000)	(4,167)
Directors NIC (Employers)	(2,323)	-
Repairs and maintenance	(1,248)	-
	(117,669)	(93,602)
Depreciation costs		
Depreciation	(599)	(440)

Knox Capital Company Limited

Detailed Profit and Loss Account Year Ended 31 May 2018

Detailed Income Statement Year Ended 31 May 2018

	2018	2017
	£	£
Total expenses	<u>(118,268)</u>	<u>(94,042)</u>
Operating profit	<u>64,542</u>	<u>70,848</u>
Profit before tax	<u>64,542</u>	<u>70,848</u>

This page does not form part of the statutory financial statements.
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