

Cortland EMEA Limited
REPORT AND FINANCIAL STATEMENTS
For the year ended
31 December 2016



Company Registration No. 08933747

Cortland EMEA Limited

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For the year ended 31 December 2016

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Cortland EMEA Limited
STRATEGIC REPORT
For the year ended 31 December 2016

The directors present their Strategic Report for the year to 31 December 2016.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is acting as an intermediate holding company to a group of three wholly-owned subsidiaries, which were incorporated on 20 October 2014 as providers of financial services to clients in the UK and Europe, including third party and outsourced services to investment managers and commercial lenders. The three subsidiary companies commenced operations during the year ended 31 December 2015.

MONITORING AND MANAGING RISK

The principal risks to which the business is exposed are summarised below:

- Foreign Exchange Risk – arising from administrative and other expenses and remittance of funds in currencies other than the functional currency (GBP), principally US Dollars. It is not the group's policy to hedge such foreign exchange exposures and therefore the group is exposed to exchange rate movements.
- Liquidity Risk – The cash position of the group is monitored continually and funds are remitted by group companies to ensure that the group has adequate resources to cover its operational and capital adequacy requirements.

KEY PERFORMANCE INDICATORS

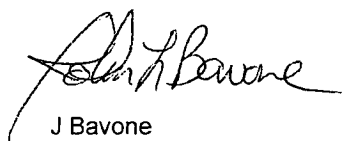
The directors use the following measures to judge performance:

- Profit and loss of the group – see income statement on page 6
- Number of clients – at the year end there were 20 clients

FUTURE DEVELOPMENTS

The group is still in a state of start-up and the business continues to grow. The aims are to continue to grow the number of clients.

By order of the Board



J Bavone
Director
26 April 2017

Cortland EMEA Limited
DIRECTORS' REPORT
Year ended 31 December 2016

The directors present their report and the audited financial statements of the group for the year ended 31 December 2016.

RESULTS FOR THE YEAR

The financial results for the year ended 31 December 2016 are set out on page 6.

DIRECTORS

J Ritchie
K Williams (resigned 30 March 2017)
L Cornevin
J Bavone (appointed 30 March 2017)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

Each of the directors confirms that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.


AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

STRATEGIC REPORT

The group has chosen, in accordance with Companies Act 2006, s. 414C(11), to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 in its strategic report on page 1.

On behalf of the Board



J Bavone
Director

26 April 2017

REGISTERED OFFICE

The Broadgate Tower
Third Floor
20 Primrose Street
London
EC2A 2RS

Cortland EMEA Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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. The directors have elected under company law to prepare the group and company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The financial statements are required by law and IFRS adopted by the EU to present fairly the financial position of the group and company and the financial performance of the group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 the company and of the profit or loss of the group for that year.

In preparing the financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. for the group financial statements, state whether they have been prepared in accordance with IFRSs adopted by the EU and for the company financial statements state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the company financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the 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 the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORTLAND EMEA LIMITED

Opinion on financial statements

We have audited the group and parent company financial statements on pages 6 to 20. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion

- the financial statements give a true and fair view of the state of the group's and the parent's affairs as at 31 December 2016 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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, based on the work undertaken in the course of our audit, the Strategic report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Strategic Report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Respective responsibilities of directors and auditor

As more fully explained in the Statement of Directors' Responsibilities 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORTLAND EMEA LIMITED

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.



David Fenton (Senior Statutory Auditor)
for and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

Date: 26 April 2017

Cortland EMEA Limited

CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

CONSOLIDATED INCOME STATEMENT	Notes	2016 £	2015 £
CONTINUING OPERATIONS			
REVENUE		285,668	36,234
Administrative expenses		(517,634)	(461,008)
OPERATING LOSS	2	(231,966)	(424,774)
Investment income		52	58
Interest payable and similar charges		(30)	-
LOSS BEFORE		(231,944)	(424,716)
Tax charge	4	-	-
LOSS FOR THE YEAR		(231,944)	(424,716)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	2016 £	2015 £
Loss for the year		(231,944)	(424,716)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	10	(231,944)	(424,716)

Cortland EMEA Limited
STATEMENTS OF CHANGES IN EQUITY
For the year ended 31 December 2016

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ATTRIBUTABLE TO OWNERS OF THE COMPANY	Share capital £	Share premium £	Retained earnings £	Total £
Balance at 31 December 2014	1,000	-	(202,270)	(201,270)
Total comprehensive income for the period	-	-	(424,716)	(424,716)
Transaction with owners				
Issue of shares	336	330	-	666
Balance at 31 December 2015	1,336	330	(626,986)	(625,320)
Total comprehensive income for the year	-	-	(231,944)	(231,944)
Balance at 31 December 2016	1,336	330	(858,930)	(857,264)

COMPANY STATEMENT OF CHANGES IN EQUITY

ATTRIBUTABLE TO OWNERS OF THE COMPANY	Share capital £	Share premium £	Retained earnings £	Total £
Balance at 31 December 2014	1,000	-	(202,270)	(201,270)
Total comprehensive income for the period	-	-	(459,415)	(459,415)
Transaction with owners				
Issue of shares	336	330	-	666
Balance at 31 December 2015	1,336	330	(661,685)	(660,019)
Total comprehensive income for the year	-	-	(222,631)	(222,631)
Balance at 31 December 2016	1,336	330	(884,316)	(882,650)

Cortland EMEA Limited

BALANCE SHEETS

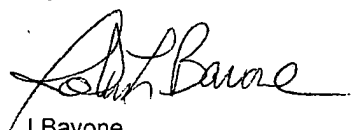
31 December 2016

Company Registration No. 08933747

	Notes	Group 2016	Company 2016	Group 2015 £	Company 2015 £
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	5	-	-	316	316
Investments in group companies	6	-	468,000	-	468,000
		<u>-</u>	<u>468,000</u>	<u>316</u>	<u>468,316</u>
CURRENT ASSETS					
Trade and other receivables	7	92,434	9,000	24,271	26,742
Cash and cash equivalents	8	543,277	34,780	419,918	96,294
		<u>635,711</u>	<u>43,780</u>	<u>444,189</u>	<u>123,036</u>
TOTAL ASSETS		<u>635,711</u>	<u>511,780</u>	<u>444,505</u>	<u>591,352</u>
CAPITAL AND RESERVES					
Called up share capital	9	1,336	1,336	1,336	1,336
Share premium	10	330	330	330	330
Retained earnings	10	(858,930)	(884,316)	(626,986)	(661,685)
EQUITY ATTRIBUTABLE TO OWNERS		<u>(857,264)</u>	<u>(882,650)</u>	<u>(625,320)</u>	<u>(660,019)</u>
CURRENT LIABILITIES					
Trade and other payables	11	1,492,975	1,394,430	1,069,825	1,251,371
TOTAL EQUITY AND LIABILITIES		<u>635,711</u>	<u>511,780</u>	<u>444,505</u>	<u>591,352</u>

The financial statements on pages 6 to 20 were approved and authorised for issue by the Board of Directors on 26 April 2017

Signed on behalf of the Board of Directors


J Bavone
Director
26 April 2017

Cortland EMEA Limited
CASH FLOW STATEMENTS
For the year ended 31 December 2016

		Group 2016	Company Year ended 31 December 2016	Group 2015 £	Company Year ended 31 December 2015 £
	Notes				
CASH USED IN OPERATING ACTIVITIES	13(a)	(172,104)	(208,247)	(417,674)	(424,298)
INVESTING ACTIVITIES					
Interest received		52	52	58	58
Purchase of tangible fixed assets		-	-	(421)	(421)
Investments in subsidiary companies		-	-	-	(216,000)
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES		52	52	(363)	(216,363)
FINANCING ACTIVITIES					
Issue of preference share capital		-	-	216,000	216,000
Issue of ordinary share capital		-	-	666	666
Interest paid		(30)	-	-	-
Loan from parent company		295,441	146,681	472,974	472,974
NET CASH GENERATED FROM FINANCING ACTIVITIES		295,411	146,681	689,640	689,640
NET INCREASE IN CASH AND CASH EQUIVALENTS	13(b)	123,359	(61,514)	271,603	48,979
Cash and cash equivalents at the beginning of the year		419,918	96,294	148,315	47,315
Cash and cash equivalents at the end of the year		543,277	34,780	419,918	96,294

1 ACCOUNTING POLICIES

Summary of significant accounting policies

1.1 Statement of Compliance – Basis of Preparation

Cortland EMEA Limited is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The registered office is The Broadgate Tower, Third Floor, 20 Primrose Street, London, EC2A 2RS.

The company and its subsidiaries have adopted International Financial Reporting Standards ("IFRS") and the International Financial Reporting Interpretations Committee ("IFRIC") interpretations as adopted by the European Union ("EU") in the preparation of its financial statements and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

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

The financial statements are prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the directors have taken into account relevant available information about the future including profit and cash forecasts for the next two financial years and the assumptions on which they are based. After reviewing this information, the directors consider that it is appropriate to prepare the financial statements on a going concern basis.

The results of the company and its subsidiaries are included in the consolidated financial statements of Cortland Capital Market Services LLC which are publically available from 225 West Washington Street, 21st Floor, Chicago, IL 60606, USA.

In the current year, the company and its subsidiaries have adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the IFRIC of the IASB that are relevant to its operations and effective for annual reporting periods beginning on 1 January 2016, all of which were endorsed by the EU.

The same accounting policies, presentation and methods of computation are followed as were applied in the preparation of the company and its subsidiaries' financial statements for the period ended 31 December 2015.

Interpretations early adopted by the company

There were no standards or interpretations early adopted by the company and its subsidiaries in 2016.

The following standards and interpretations became applicable for 2016 but had no effect on the financial statements:

- IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective 1 January 2016)
- IFRS 10 and IFRS 12 Investment Entities: Applying the Consolidation Exception (effective 1 January 2016)
- IFRS 11 Accounting for Acquisitions of Interests in Joint Operations (effective 1 January 2016)
- IAS 1 Disclosure Initiative (effective 1 January 2016)
- IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation (effective 1 January 2016)
- IAS 27 Equity Method in Separate Financial Statements (effective 1 January 2016)

1 ACCOUNTING POLICIES (CONTINUED)

1.1 Statement of Compliance – Basis of Preparation (continued)

The company and its subsidiaries have elected not to adopt in 2016 any standards or interpretations in advance of their effective application dates:

- IFRS 15 Revenue from contracts with customers (effective 1 January 2018)
- IAS 7 Disclosure Initiative (effective 1 January 2017)
- IAS 12 Recognition of Deferred Tax assets for unrealised losses (effective 1 January 2017)
- IFRS 9 Financial Instruments (effective 1 January 2018)
- IFRS 2 Classification & measurement of share based payment transactions (effective 1 January 2018)
- IFRS 16 Leases (effective for periods commencing 1 January 2019)

1.2 Foreign currency transactions

The financial statements are presented in the currency of the primary economic environment in which the company operates (its functional currency). For the purposes of the financial statements, the results and financial position of the company are expressed in sterling, which is the functional currency of the company.

In preparing the financial statements, transactions expressed in currencies other than the functional currency (foreign currencies) are translated at rates of exchange approximating to those ruling at the date of the transaction. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at rates ruling at the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the profit or loss before tax for the period.

1.3 Critical accounting judgements and key sources of estimation uncertainty

Drawing up the financial statements in accordance with IFRS requires the management to make the necessary estimates and assessments. The management bases its estimates on past experience and other reasonable assessment criteria. These are reviewed periodically and the effects of such reviews are taken into account in the financial statements of the period concerned. Future events liable to have a financial impact on the company are also included in this.

The estimated results of this may consequently diverge from the actual results. Assessments and estimates were made, inter alia, regarding:

- depreciation of property plant and equipment;
- carrying value of investments;
- recognition of deferred tax assets.

There is a significant probability that the estimates and assessments will bring about an adjustment in the value of the assets and liabilities in future financial years.

1 ACCOUNTING POLICIES (CONTINUED)

1.4 **Basis of consolidation**

The consolidated financial statements include the financial statements of the company and all of the entities controlled by the company (its subsidiaries) made up to 31 December 2016. A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

The company has not presented its own income statement and statement of comprehensive income as permitted by Section 408 of the Companies Act 2006. The loss of the company for the year was £222,631 (2015: £459,415).

1.5 **Revenue recognition**

Revenue represents the fair value of the consideration received or receivable in respect of services provided in the normal course of business, net of discounts, value added tax and other sales related taxes. Sales of services are recognised when the services have been provided, services invoiced in advance are treated as deferred income and income is accrued where services have been provided but not yet invoiced.

Interest income is accrued on a time-apportioned basis. Dividend income is accounted for when received.

1.6 **Operating profit or loss**

Operating profit or loss is arrived at after deducting all administrative expenses, but before investment income and finance costs.

1.7 **Taxation**

The tax credit or expense represents the sum of the current tax expense and deferred tax.

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using the applicable rate for the year in which the taxable profits are earned.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax is charged or credited in the income statement, except where it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is provided on temporary timing differences arising on investments in subsidiary companies, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Cortland EMEA Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2016

1 ACCOUNTING POLICIES (CONTINUED)

1.8 Property, plant and equipment

Property, plant and equipment is initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost of each asset to its residual value on a straight line basis over its expected useful life as follows:

Computer equipment	25% per annum
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Residual value is calculated on the basis of prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

1.9 Investments

Investments in subsidiary companies are measured at cost, less provision for impairment.

1.10 Leased assets and obligations

Rentals payable under operating leases are charged to the income statement on a straight line basis over the lease term.

1.11 Share based payments

The group issues equity-settled share based payments to certain employees. Equity-settled share based payments are measured at fair value at the date of the grant and the fair value, if material, is expensed either at the date of issue or on a straight line basis over the vesting period, as appropriate.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instruments.

Financial assets

The classification of financial assets depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade debtors, loans, and other debtors that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Cortland Capital Market Services Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 December 2016

1 ACCOUNTING POLICIES (CONTINUED)

1.12 Financial instruments (continued)

Financial liabilities and equity instruments

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 its liabilities.

Equity instruments issued by the company are recorded at the proceeds received, net of direct issuance costs.

2 OPERATING LOSS	Year ended 31 December 2016 £	Year ended 31 December 2015 £
The operating loss is stated after charging/(crediting):		
Foreign exchange gains	(2,743)	(14,010)
Operating lease rentals - land and buildings	44,806	34,483
Fees payable to the auditor for the audit of the company's accounts	7,000	7,000
Fees payable to the auditor for the audit of the subsidiary companies	9,500	3,700
Fees payable to the auditor for non-audit services	14,520	33,250

Fees payable to the auditor for non-audit services includes £3,250 (year ended 31 December 2015: £15,350) for tax compliance services, £1,320 (year ended 31 December 2015: £5,200) for tax advisory services and £9,000 (year ended 31 December 2014: £12,700) for other services.- To update

3 DIRECTORS' REMUNERATION

The average number of persons employed by the group during the year, who were also directors, was 3 (2015: 3).

	31 December 2016 £	31 December 2015 £
Directors' remuneration	257,833	239,400
Employer's National Insurance contributions	32,907	30,375
	<u>290,740</u>	<u>269,775</u>

Key management is defined as senior management with the authority and responsibility for planning, directing and controlling the company's activities, including directors and non-executive directors of the company.

The company had no employees apart from the directors and no employee costs apart from the directors' remuneration shown above.

Cortland EMEA Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 December 2016

4 TAXATION

(a) Income tax charge for the year

No corporation tax is provided in these financial statements due to the loss for the year.

(b) Factors affecting the income tax charge for the year

	31 December 2016 £	31 December 2015 £
The charge for the year can be reconciled to the loss per the income statement as follows:		
Loss before taxation	(222,631)	(445,392)
Loss in ordinary activities multiplied by the standard rate of corporation tax in the UK applying to the year of 20% (year ended 31 December 2015: 20.25%)	(44,526)	(90,192)
Effects of:		
Expenses not deductible for tax purposes	212	40
Difference between depreciation and capital allowances		(64)
Adjustments to opening and closing deferred tax	12,687	
Net accounting adjustments and transfers	2,932	90,216
Tax losses not utilised	28,695	
Income tax charge	-	-

(c) Factors affecting tax charges for future years

The group and company have deferred tax assets not included in the financial statements as recovery is not sufficiently certain, calculated at a corporation tax rate of 18% (2015: 18%), as follows:

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Tax losses carried forward	140,342	140,342	111,647	111,647

The deferred tax assets are recoverable against future profits from the same trade.

Cortland EMEA Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 December 2016

5 PROPERTY, PLANT AND EQUIPMENT

Group and Company

	Computer equipment £
Cost	
At 1 January 2016	421
Disposals	(421)
At 31 December 2016	-
Accumulated depreciation	
At 1 January 2016	(105)
Elimination on disposal	105
At 31 December 2016	-
Carrying amount	
At 31 December 2016	-
At 31 December 2015	316

6 INVESTMENTS IN GROUP COMPANIES

£

Company	
Investments in subsidiary companies:	
Cost brought forward	468,000
Additions	-
Cost at 31 December 2016	468,000

The subsidiary companies at 31 December 2016 and their activities during the year were:

	Percentage of ordinary share capital held	Activity in the year
Held directly:		
Cortland Trustees Limited	100%	Provision of financial services
Cortland Capital Market Services Limited	100%	Provision of financial services
Cortland Financial Services Limited	100%	Provision of financial services

All of the subsidiary companies are incorporated in the United Kingdom and registered in England and Wales.

Cortland EMEA Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2016

7 TRADE AND OTHER RECEIVABLES

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Trade receivables	83,434	-	966	966
Due from subsidiary companies	-	-	-	2,471
Other debtors	9,000	9,000	19,229	19,229
Prepayments and accrued income	-	-	4,076	4,076
	<u>92,434</u>	<u>9,000</u>	<u>24,271</u>	<u>26,742</u>

8 CASH AND CASH EQUIVALENTS

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Cash and cash equivalents	<u>543,277</u>	<u>34,780</u>	<u>419,918</u>	<u>96,294</u>

Cash and cash equivalents represent cash held in bank deposits with a maturity of three months or less.

9 SHARE CAPITAL

	Number	2016 £	Number	2015 £
AUTHORISED, ISSUED AND FULLY PAID				
Ordinary shares of £1 each	<u>1,336</u>	<u>1,336</u>	<u>1,336</u>	<u>1,336</u>

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

The group maintains sufficient share capital in order to provide the necessary cash and other funding requirements for the day to day running of the business.

10 RESERVES

Share premium represents consideration received for shares issued above their nominal value net of transaction costs.

Profit and loss reserves represent the cumulative profit and loss net of distributions to owners.

Cortland EMEA Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2016

11 TRADE AND OTHER PAYABLES DUE WITHIN ONE YEAR

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Preference shares	216,000	216,000	216,000	216,000
Trade payables	8,758	8,740	22,641	22,641
Other tax and social security	43,852	10,278	-	-
Due to parent and subsidiary companies	1,068,415	1,124,722	772,974	978,040
Accruals and deferred income	155,950	34,690	58,210	34,690
	<u>1,492,975</u>	<u>1,394,430</u>	<u>1,069,825</u>	<u>1,251,371</u>

The preference shares have preferential dividend and capital distribution rights. Subject to consent by a special resolution of shareholders of the company, a holder of preference shares may require the company to redeem their holding of preference shares, on not less than 90 days' notice, at par plus any declared but unpaid dividends.

12 FINANCIAL INSTRUMENTS

	Group £	2016 Company £	Group £	2015 Company £
Trade and other receivables	92,434	9,000	20,195	22,666
	543,277	34,778	419,918	96,294
Trade and other payables	(1,293,173)	(1,641,125)	(1,011,615)	(1,216,681)
	<u>(657,462)</u>	<u>(1,597,347)</u>	<u>(571,502)</u>	<u>(1,097,721)</u>

The principal risks arising from the group's use of financial instruments are summarised below:

- Foreign Exchange Risk – arising from administrative and other expenses and remittance of funds in currencies other than the functional currency (GBP), principally US Dollars. It is not the company's policy to hedge such foreign exchange exposures and therefore the company is exposed to exchange rate movements.
- Liquidity Risk – The cash position of the company is monitored continually and funds remitted by group companies to ensure that the company has adequate resources to cover its operational requirements.

13 NOTES TO THE CASH FLOW STATEMENTS

(a) Cash used in operating activities

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
OPERATING ACTIVITIES				
Loss before tax	(231,944)	(222,631)	(424,716)	(459,415)
Adjustments for:				
Depreciation and disposals	316	316	105	105
Investment income	(52)	(52)	(58)	(58)
Finance costs	30	-	-	-
Increase / (decrease) in receivables	(68,163)	17,743	(24,271)	(26,742)
(Increase) / decrease in payables	127,709	(3,623)	31,266	61,812
CASH USED IN OPERATING ACTIVITIES	<u>(172,104)</u>	<u>(208,247)</u>	<u>(417,674)</u>	<u>(424,298)</u>

Cortland EMEA Limited
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31 December 2016

13 NOTES TO THE CASH FLOW STATEMENTS (CONTINUED)

(b) Analysis of changes in net cash

	31 December 2015 £	Cash movements £	31 December 2016 £
Group			
Cash and cash equivalents	419,918	123,359	543,277
Net cash	<u>419,918</u>	<u>123,359</u>	<u>543,277</u>
Company			
Cash and cash equivalents	96,294	(61,514)	34,780
Net cash	<u>96,294</u>	<u>(61,514)</u>	<u>34,780</u>

(c) Reconciliation of net cash flow movement to movement in net cash

	Group 2016 £	Company 2016 £	Group 2015 £	Company 2015 £
Increase in cash	123,359	(61,514)	271,603	48,979
Opening net cash	419,918	96,294	148,315	47,315
CLOSING NET CASH	<u>543,277</u>	<u>34,780</u>	<u>419,918</u>	<u>96,294</u>

14 OPERATING LEASE COMMITMENTS

At 31 December 2016 the group and the company were committed to making minimum lease payments under non-cancellable operating leases as follows:

	Group and company Land and buildings	
	2016 £	2015 £
Leases which expire:		
Within one year	<u>45,000</u>	<u>6,768</u>

Operating lease commitments represent rental payments due by the company for its UK office property.

Cortland EMEA Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31 December 2016

15 RELATED PARTY TRANSACTIONS

The remuneration of key management personnel, who are also directors, is as follows:

	31 December 2016 £	20 October 2014 to 31 December 2015 £
Aggregate remuneration	290,740	269,775

During the year the company received an interest free loan of £1,068,415 (year ended 31 December 2015: £689,640) from its parent company. The loan is repayable on demand.

At 31 December 2016 the company owed £1,068,415 (2015: £772,973) to Cortland Capital Market Services LLC, its parent company, £148,436 (2015: £150,000) to Cortland Trustees Limited, and £43,710 (2015: £55,066) to Cortland Financial Services Limited in respect of unpaid share capital and other transactions. At 31 December 2016 Cortland Capital Market Services Limited owed the company £135,839 (2015: £2,470)

16 CONTROLLING PARTIES

The immediate and ultimate parent company is Cortland Capital Market Services LLC, a company incorporated in the United States of America.

Cortland Capital Market Services LLC prepares consolidated financial statements which include the results of the company and its subsidiary companies. Copies of the consolidated financial statements of Cortland Capital Market Services LLC are available from 225 West Washington Street, 21st Floor, Chicago, IL 60606, USA.