

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

REGISTERED NUMBER 02112588

FOR THE YEAR ENDED

30 JUNE 2018



LONDON AND CAPITAL ASSET MANAGEMENT LIMITED

STRATEGIC REPORT

BUSINESS REVIEW AND PRINCIPAL ACTIVITY

London and Capital Asset Management Limited ("the Company") is a wholly owned subsidiary of London and Capital Group Limited. The Company's principal activity is the provision of advisory and investment management services. These activities are conducted through various business groups within the company and target a number of diverse clients; ranging from individuals to large institutions in different countries around the world.

The Company's main objectives going forward are to provide clients with a range of management services which include managing their wealth. I envisage achieving this by improving existing client relationships and building the AUM of the company as well as looking for new growth opportunities.

During the year the company transferred the US connected business to another company within the group, as a result the AUM decreased as well as the revenue associated with the AUM decreased.

	<u>30 June 2018</u>	<u>30 June 2017</u>	<u>Increase</u>
AUM (£bn)	1.9	2.7	-28%
Revenue (£m)	15.3	18.9	-19%

The Shareholders remain committed to continued improvement of the systems and processes within the group which will lead to further progress in the future. The parent company continues to provide infrastructure and support services for the operation of the Company.

LIKELY FUTURE DEVELOPMENTS

There are no likely developments within the near future that would materially affect the operations of the Company.

RISK MANAGEMENT

The Director considers the principal risks and uncertainties facing the Company to comprise reputational, strategic, credit and liquidity risks.

- Reputational Risk

The Director considers a loss of reputation to be the most significant risk to a business operating in this sector but that this risk would crystallise only as a consequence of a failure in managing the Company's other principal risks.

- Regulatory Risk

The Director monitors actual and pending changes in regulations in order to assess the impact on the business, and ensure that it has sufficient resources to implement any necessary changes.

- Strategic Risk

This risk results from external factors and inadequate senior management processes that could lead to a significant failure of the strategy of the Company as a whole. The risk is mitigated by a well established reporting structure for agreeing strategy, risk, planning and budgets.

- Credit Risk


Credit risk is the risk that the counterparty will be unable to pay amounts in full when due. Management monitors exposure to credit risk through regular review of credit exposure, assessing credit-worthiness of counterparties and prudent estimates of provision for doubtful debts. Due to the nature of financial assets, the Company believes that other than inter-company balances it is not exposed to any major concentration of credit risk.

- Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial requirements. To guard against this risk, assets are managed with liquidity in mind maintaining a balance of cash and cash equivalents. The maturity profile is monitored to ensure adequate liquidity is maintained.

The Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

BY ORDER OF THE BOARD


D K Freedman
Director

Date: 18 October 2018

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT

The Director is pleased to present his Report and the Audited Financial Statements of the Company for the year ended 30 June 2018.

RESULTS AND DIVIDENDS

The Company's results for the year are given in the statement of comprehensive income on page 7. The Director proposed and paid a dividend to London and Capital Group Limited of £1,050,000 (2017: £0).

DIRECTORS

The Directors in office throughout the year were as follows :

D K Freedman
A McLoughlin

Resigned 29 June 2018

REGULATION

The Company is authorised and regulated by the Financial Conduct Authority.

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its Director which was made during the year and remain in force at the date of this report.

CLOSE COMPANY

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

Each of the persons who is a Director at the date of approval of this report confirms that:


- 1) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- 2) the Director has taken all the steps that he ought to have taken in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Registered Office

Two Fitzroy Place
8 Mortimer Street
London
W1T 3JJ

BY ORDER OF THE BOARD


D K Freedman
Director

Date: 18 October 2018

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Director is responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director 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 Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Director is 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. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of London & Capital Asset Management Limited

Opinion

We have audited the financial statements of London & Capital Asset Management Limited (the 'company') for the year ended 30 June 2018 which comprise a Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 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 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the director has 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 director is 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 the audit:

- the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's 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 material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities Statement set out on page 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends 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.

Use of our 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.


Lorraine Bay, *Senior Statutory Auditor*

For and on behalf of Moore Stephens LLP, Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

22 October 2018

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018

		Year ended 30 June 2018	Year ended 30 June 2017
	Notes	£	£
Revenue	(2)	15,254,239	18,861,841
Administrative expenses		<u>(14,762,158)</u>	<u>(18,811,495)</u>
Operating profit / (loss)		492,081	50,346
Net finance costs		<u>11,167</u>	<u>(50,347)</u>
Profit / (loss) before tax	(3)	503,248	(1)
Tax expense	(4)	<u>(77,029)</u>	<u>-</u>
Profit / (loss) after tax		426,219	(1)
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income		<u>426,219</u>	<u>(1)</u>

The notes on pages 10 to 17 form an integral part of these financial statements.

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018

		Share Capital	Capital Contribution Reserve	Retained Earnings	Total Equity
	Notes	£	£	£	£
As at 30 June 2016		65,000	-	2,405,069	2,470,069
Profit / (loss) for the year		-	-	(1)	(1)
Other comprehensive income / (loss)		-	-	-	-
Total comprehensive income		-	-	(1)	(1)
Share based payments			-	-	-
Transfer of capital contribution		-	-	-	-
Dividend paid	(14)	-	-	-	-
As at 30 June 2017		65,000	-	2,405,068	2,470,068
Profit / (loss) for the year		-	-	426,219	426,219
Other comprehensive income / (loss)		-	-	-	-
Total comprehensive income / (loss)		-	-	426,219	426,219
Transfer of capital contribution		-	-	-	-
Dividend Paid	(14)	-	-	(1,050,000)	(1,050,000)
As at 30 June 2018		65,000	-	1,781,287	1,846,287

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018
REGISTERED NUMBER 02112588

		As at 30 June 2018	As at 30 June 2017
	Notes	£	£
Non-current assets			
Investments	(7)	1	1
Total non-current assets		<u>1</u>	<u>1</u>
Current assets			
Trade and other receivables	(8)	6,662,708	2,949,671
Cash and cash equivalents	(11)	97,076	2,100,904
Total current assets		<u>6,759,784</u>	<u>5,050,575</u>
Total assets		<u>6,759,785</u>	<u>5,050,576</u>
Current liabilities			
Trade and other payables	(9)	(4,356,978)	(2,049,938)
Provisions	(13)	(556,520)	(530,570)
Total current liabilities		<u>(4,913,498)</u>	<u>(2,580,508)</u>
Total liabilities		<u>(4,913,498)</u>	<u>(2,580,508)</u>
Net assets		<u>1,846,287</u>	<u>2,470,068</u>
CAPITAL AND RESERVES			
Called up share capital	(12)	65,000	65,000
Retained earnings		1,781,287	2,405,068
SHAREHOLDERS' FUNDS		<u>1,846,287</u>	<u>2,470,068</u>

The financial statements were approved by the Board and authorised for issue on
and signed on their behalf by:


D K Freedman
Director

The notes on pages 10 to 17 form an integral part of these financial statements.

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1) ACCOUNTING POLICIES

a) Statement of compliance

London and Capital Asset Management is a private limited company incorporated in England and limited by shares. The Registered Office is Two Fitzroy Place, 8 Mortimer Street, London, W1T 3JJ, UK.

The Company's financial statements have been prepared in accordance with the Financial Reporting Standard 102 issued by the Financial Reporting Council. They are presented in Pounds Sterling (GBP), the Company's functional currency.

b) Basis of preparation

The Director has taken the guidance issued by The Financial Reporting Council in April 2016 as best practice for the Company and has conducted a thorough review of the business and its cash flows. The Company has considerable Assets under Management on which it earns fees and continues to successfully generate new business from different sectors. The Company's forecast and projections show that the Company has sufficient working capital to meet its day-to-day requirements for the foreseeable future. As a consequence, the Directors believes that the Company is well placed to manage its business risks successfully. Accordingly the Director continues to adopt the going concern basis in preparing the annual report and accounts.

c) Revenue

For policies impacted by the Retail Distribution Review, the Company recognises legacy commission received on a renewal and indexation commission basis.

Adviser payments are accounted for on an accrual basis representing amounts receivable for services provided. Revenue is measured at the fair value of the consideration received or receivable.

d) Taxation

Current Tax, including United Kingdom corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date.

Full provision is made for deferred tax arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computation. Deferred tax assets are recognised to the extent that they are regarded as recoverable and it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

e) Expenses

Expenses are accounted for on an accruals basis. The parent company historically makes a charge to its subsidiaries on an annual basis which is comprised of a recharge of all pre-tax profits of the Company. Effective of January 2018 the parent company recharges costs + 5% to the subsidiaries.

f) Exemption from preparing a cash-flow statement

The Company is exempt from the requirements of FRS 102 [Section 1 paragraph 1.12 (d)] to prepare a cash-flow statement. The exemption applies because the Company is the wholly-owned subsidiary of London and Capital Group Limited, which prepares publicly available consolidated financial statements that include the Company.

g) Investments

Investments in subsidiary undertakings are shown at cost less impairment.

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1) ACCOUNTING POLICIES (continued)

h) Exemption from preparing consolidated financial statements

In accordance with section 400 of the Companies Act 2006 the Company is not required to prepare consolidated financial statements on the grounds that it is a wholly owned subsidiary of a parent undertaking, London and Capital Group Limited, established under the law of an EU member state.

i) Trade and other receivables

Short term trade receivables 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.

j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and investments in money market instruments which are readily convertible, being those with original maturities of three months or less.

Cash and cash equivalents held in foreign currency are revalued based on the relevant exchange rates at the reporting dates.

k) Financial assets and liabilities

Initial recognition and measurement

Financial instruments are recognised in the Statement of Financial Position when we become party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value. A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

A financing transaction is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument, however the Company typically does not enter into such arrangements.

Classification

All financial instruments are classified as 'basic' in accordance with Chapter 11 of FRS 102.

Subsequent measurement

Debt instruments (including trade accounts receivable or payable) are measured at amortised cost, using the effective interest method. As all trade receivables and trade payables are expected to be received or paid within 12 months, they are recognised at an undiscounted amount owed by the customer or to the supplier, which is normally the invoice amount less any payments made on account.

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

1) ACCOUNTING POLICIES (continued)

l) Critical accounting estimates and judgements

In preparing of the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates. When preparing the financial statements the only area of critical judgements management identified related to those around provisions (refer to note 13).

m) Foreign currencies

Transactions in foreign currencies are recorded at the rate effective for sterling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange effective at the year end date. All differences are taken to profit or loss.

2) REVENUE

Turnover was derived from the principal activity of investment management and is earned from the United Kingdom, Europe, the United States of America and the Caribbean.

The Company has only one class of business and operates in the geographic segments mentioned above.

Prior period adjustment

Management has assessed the substance of the agreement with its introducers and determined that introducer fees were incorrectly being classified as cost to the company and should have been excluded from revenue. As a result the prior period revenue and costs have been adjusted to ensure that the current year and prior year are comparable. The prior period introducers fees were assessed and it was noted that as a result of the release of a provision from the 2016 financial year the total expense to be reclassified amounted to a negative expense of £18,924 as a result the adjustment is as follows increase revenue by £18,924 and increase expenses by £18,924. The adjustment has a nil impact on the profit and loss and a nil impact on the balance sheet of the group.

3) PROFIT / (LOSS) BEFORE TAX

	Year ended 30 June 2018	Year ended 30 June 2017
Profit on ordinary activities before taxation is stated after charging/(crediting) :	£	£
Auditor's remuneration - fees for the audit of the Company's accounts	-	-
Corporations tax filing fees	1,350	
Exchange losses	<u>(10,038)</u>	<u>50,780</u>

The Auditor's remuneration is incurred by the parent company, London and Capital Group Limited, however the cost for the calculation and submission of the corporations tax has been incurred by the company and reflected above.

Net finance costs included the abovementioned foreign exchange losses, and some interest costs in relation to bank accounts held by the Company.

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

4) TAX EXPENSE

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Total tax expense		
Current tax	77,029	-
Deferred tax	-	-
	<u>77,029</u>	<u>-</u>

Reconciliation of tax expense included in profit and loss and the tax assessed for the period at average rate of corporation tax in the UK :

Profit on ordinary activities before tax	<u>503,248</u>	<u>(1)</u>
Profit on ordinary activities multiplied by the average corporation tax rate in the UK (19.0%) (2017: 19.8%)	95,617	-
Effects of:		
Non-trade loan relationship credits per accounts	(214)	(87)
Adjustments to tax charge for non-deductible expenses	2,934	-
Utilisation of losses	(9,734)	87
Group relief	(11,574)	-
Current tax charge for the period	<u>77,029</u>	<u>-</u>

The applicable tax rate in the United Kingdom changed from 20% to 19% on 1 April 2017 and therefore effected the prior financial year. During the current financial year the applicable tax rate was 19%.

The Company has carried forward tax losses amounting to £52,363 (2017: £52,363) which have been offset against the taxable profits in the current year. Any deferred tax asset in respect of these carried forward losses is not recognised in the financial statements due to the uncertainty of future taxable profits against which to utilise the losses (2017: same).

5) DIRECTORS' REMUNERATION

The Company Directors are all paid through the parent company, London and Capital Group Limited, and recharged to the Company. As a result the emoluments of the highest paid Director were nil (2017: nil) and the Company made no contributions (2017: nil) to a defined contribution scheme on the Director's behalf.

The aggregate compensation of all key management staff for the year was also nil (2017: nil), with all key management staff also being employed by the Company's parent company.

6) STAFF COSTS

All staff are paid by the ultimate parent company, London and Capital Group Limited, and therefore all costs are disclosed in the financial statements of that company.

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

7) INVESTMENTS

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Investments in subsidiaries	1	1
	<u>1</u>	<u>1</u>

The Company has investments in the following subsidiary undertakings:

Company	Registered	Principal Activity	Holding	% Owned
London and Capital Satellites Fund Management Ltd	Cayman Islands	Dormant	Ordinary Shares	100%
London and Capital Satellites SPC	Cayman Islands	Dormant	Indirect management voting rights only	100%

Due to a divestment in the operations of the London and Capital Group, all subsidiary holdings of the company are now dormant or dissolved, with none operating during the current period.

London and Capital Satellites SPC is controlled by London and Capital Satellites Fund Management Limited, which holds the majority of management voting rights in that entity. As the company owns 100% of the ordinary shares of London and Capital Satellites Fund Management Limited, it is deemed the company has control over both entities.

As control is exercised through the the holding of management shares for voting rights only, the Company does not participate in the profit and reserves of London and Capital Satellites SPC.

Please note that the above Companies were unaudited as of this date.

8) TRADE AND OTHER RECEIVABLES

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Amounts owed from group undertakings	4,552,975	116,529
Prepayments and accrued income	2,059,121	2,833,142
Other debtors	50,612	-
	<u>6,662,708</u>	<u>2,949,671</u>

9) TRADE AND OTHER PAYABLES

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Trade payables	92,297	78,658
Amounts owed to group undertakings	2,752,583	1,556,105
Taxation and social security	77,028	-
Accruals and revenue received in advance	100,738	290,128
Other payables	1,334,332	125,047
	<u>4,356,978</u>	<u>2,049,938</u>

Provisions have been shown separately from trade and other payables in the current and comparative figures in the financial statements. They are presented separately within note 13.

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

10) FINANCIAL INSTRUMENTS

	Year ended 30 June 2018	Year ended 30 June 2017
Financial Assets		
	£	£
Financial assets measured at amortised cost	6,759,784	5,050,575
	<u>6,759,784</u>	<u>5,050,575</u>

Financial assets measured at amortised cost comprised prepayments and accrued income, intercompany balances (Note 8) and cash held with bank accounts (Note 11).

Financial Liabilities

	£	£
Financial liabilities measured at amortised cost	4,356,978	2,049,938
	<u>4,356,978</u>	<u>2,049,938</u>

Financial liabilities measured at amortised cost comprised of trade payables, accruals and revenue received in advance, intercompany balances, and other payables (Note 9).

11) CASH AND CASH EQUIVALENTS

	Year ended 30 June 2018	Year ended 30 June 2017
	£	£
Balances with banks	97,076	2,100,904
	<u>97,076</u>	<u>2,100,904</u>

12) SHARE CAPITAL

	Year ended 30 June 2018	Year ended 30 June 2017
Authorised	£	£
100,000 Ordinary Shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid	£	£
65,000 Ordinary Shares of £1 each	65,000	65,000
	<u>65,000</u>	<u>65,000</u>

LONDON AND CAPITAL ASSET MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

13) PROVISIONS

	Complaints Provisions	VAT Liability Provisions	Total Provisions
	£	£	£
Carrying amount at 1 July 2017	66,000	464,570	530,570
Additional provisions raised during the year	-	17,659	17,659
Provisions reclassified to liability	-	74,291	74,291
Provisions transferred from other group entities	-	-	-
Provisions reversed/settled during the current year	(66,000)	-	(66,000)
Carrying amount at 30 June 2018	-	556,520	556,520

The Company has provided for £556,520 (2017: £464,570) in relation to a discussion with HMRC regarding legacy VAT obligations for clients. While the majority of VAT owed to HMRC is expected to be recovered from the Company's clients and therefore does not create an obligation to the Company, management estimates a portion to be irrecoverable and has therefore raised a provision for this amount. The amount and timing of the total legacy VAT obligations from clients due to HMRC has been agreed and is currently being paid, any possible penalty has not been confirmed by HMRC.

During the year an amount of £74,291 was reclassified between the provision and other payables liability. The amount was in relation to payments made to HMRC, interest due and ex-client legacy VAT liabilities that the Group was unable to recover. In the prior year, the prepayments to HMRC were offset against the provision. Now that the payment schedule for client liabilities has been agreed with HMRC the prepayments have been reclassified to net against this liability.

14) DIVIDENDS

In the current year the Board approved and paid an interim dividend of £1,050,000 to the parent company London and Capital Group Limited. No dividends were declared or paid by the Company during the prior financial year.

15) CONTINGENT LIABILITIES

The Company had no contingent liabilities at 30 June 2018 (2017: none).

16) CAPITAL COMMITMENTS

The Company had no capital commitments at 30 June 2018 (2017: none).

17) RELATED PARTY TRANSACTIONS

The Company has opted to take advantage of the FRS 102 exemption in that disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

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18) ULTIMATE PARENT COMPANY

The immediate and ultimate parent Company at 30 June 2018 was London and Capital Group Limited, a company incorporated in England and registered in England and Wales. The Company is 100% wholly owned by London and Capital Group Ltd.

A copy of the parent Company's accounts may be obtained from Two Fitzroy Place, 8 Mortimer Street, London, W1T 3JJ.

The parent undertaking of the largest and the smallest group for which the Company and Group accounts are prepared is London and Capital Group Limited.

During the year there was a share restructure of the holding company and as a result the ultimate control of the company has changed as a result of the voting rights of the parent being amended.

Mr Freedman, Mr Tait & Mr Morilla-Giner jointly control the Company as a result of directly controlling 88.32% of the voting shares of the company.

19) PILLAR 3 DISCLOSURE

The Pillar 3 disclosure is publicly available and can be obtained from the registered office.

20) EVENTS AFTER YEAR END

Management is not aware of any adjusting or non-adjusting events subsequent to the end of the reporting period and up to and including the date of authorisation of these financial statements.