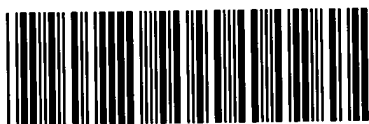


**ACANTHUS CAPITAL LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

FRIDAY



\*L73SIJDK\*

LD6

13/04/2018

#20

COMPANIES HOUSE

---

## ACANTHUS CAPITAL LIMITED

---

### COMPANY INFORMATION

---

|                             |                                                                                                                           |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------|
| <b>Directors</b>            | Mr A D'Amico<br>Mr D Wilkinson                                                                                            |
| <b>Registered number</b>    | 09125604                                                                                                                  |
| <b>Registered office</b>    | 10-12 Blandford Street<br>London<br>W1U 4AZ                                                                               |
| <b>Independent auditors</b> | Wise & Co<br>Chartered Accountants and Statutory Auditors<br>Wey Court West<br>Union Road<br>Farnham<br>Surrey<br>GU9 7PT |

---

## ACANTHUS CAPITAL LIMITED

---

### CONTENTS

---

|                                                  | Page           |
|--------------------------------------------------|----------------|
| <b>Strategic Report</b>                          | <b>1 - 3</b>   |
| <b>Directors' Report</b>                         | <b>4 - 5</b>   |
| <b>Independent Auditors' Report</b>              | <b>6 - 8</b>   |
| <b>Statement of Income and Retained Earnings</b> | <b>9</b>       |
| <b>Statement of Financial Position</b>           | <b>10</b>      |
| <b>Notes to the Financial Statements</b>         | <b>11 - 22</b> |

---

## ACANTHUS CAPITAL LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### Introduction

The business of Acanthus was established in the late 1990s and today Acanthus is a highly recognised financial advisor working on a Europe-wide scope. The Company is based in London and is authorised and regulated by the Financial Conduct Authority (FRN: 630983). Acanthus' specialty is to advise European mid-market funds in their fundraising strategy, execution and investor development process.

#### Business review

##### Competitive position

Our market position is strong given our focus, long standing track record, branding and reputation:

1. We have a sharp focus on the European Mid-Market and are recognised as a key player in this segment;
2. We have been pursuing this strategy for over 15 years and have successfully advised over 30 clients. A number of those have sought our advice more than once;
3. Our sourcing is well diversified, as it comes from investors, lawyers, fund administrators and client referrals.

During the year the team has kept Acanthus' profile at the forefront of the industry by continuing to foster strong media relationships, participating at international private equity conferences and actively marketing. Our annual proprietary publication, the Mid-Market Fundraising Review 2017, was well received and referenced by trade magazines through online and printed media providing a wide industry related exposure for the brand. Several journalists requested calls with the Acanthus team during the year, to comment on private equity related topics.

In addition, Acanthus staff chaired panels at Super Return International Conference in Berlin and at the C5 Annual Central and Eastern Europe Private Equity Conference in London.

During 2017 we maintained our sponsorship and support to the European Venture Philanthropy Association (EVPA, [www.evpa.eu.com](http://www.evpa.eu.com)) in its mission of prompting the concept of venture philanthropy and increasing philanthropic giving in Europe, providing further positive coverage of the Acanthus brand to a wider diverse audience as well as contributing to other charities.

##### Clients

Our business is long-term in nature, with fundraising taking up to 18 months or more, and payments schedule over several years.

During 2017 the business developed steadily, acquiring mandates from new clients as well as returning clients. In addition, significant work was carried out in 2017 on new and existing client mandates whose revenues are expected to come to fruition in 2018.

As regards new business development, the origination was strong in 2017 with 7 client mandates launched, a record for the business.

##### Systems

During 2017, Acanthus continued to invest in its internal IT systems, sourcing cloud based solutions to provide business continuity and increase efficiencies; embracing new technology and communication methods has given us freedom of movement and mobile working whilst providing a personal approach to client management especially at the crucial stages. These combined enhancements have transformed the way we work with, manage and retain our clients and the directors aim to continue this practice.

---

## ACANTHUS CAPITAL LIMITED

---

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### Principal risks and uncertainties

Acanthus runs its business with a strong emphasis on risk management through sound planning and decision making, managing professional contractual agreements, acquiring expert advice and nurturing and retaining talent. The directors consider the main risks to be: economic, financial, reputational and Brexit.

##### Economic risk

The economic outlook in the European Mid-Market is gaining strength and continues to improve steadily since the 2007-2008 crisis, with fundraising activities increasing year on year. The early indications are that 2017 did better than 2016 in fundraising terms.

##### Financial risk

The financial risk is managed through strategic planning, adapting to economics conditions and closely managing the business finances. The risk of fraud is low: Acanthus raises closed-end investments funds with limited liquidity for professional clients from institutional investors who carry out extensive independent due diligence. Also, because of the Alternative Investment Funds Marketing Directive (AIFMD), all EU clients (the core of our business) are regulated. Finally, we monitor the currency risk closely, stipulating forward trading contracts when appropriate and maintaining a balance between EU clients (paying in euros) and UK clients (paying in sterling).

##### Reputational risk

This risk is minimised through regular and timely communications, by acting swiftly to mitigate any potential risk and by keeping staff trained and well informed on client and regulatory requirements.

##### Brexit risk

The directors recognise and closely monitor the uncertainty, risks and developments relating to Brexit, ready to adapt the business model to mitigate the risks and identify capitalising opportunities. To assist the directors have contracted compliance consultants to ensure the business is compliant with any regulatory changes.

#### Key performance indicators

##### Financial key performance indicators

The turnover of the company in 2017 was 40% higher than in 2016. Taking into account the long-term nature of our business, and the normal fluctuations in turnover in a success-based business, the directors are satisfied with the level of revenues generated, because:

- (a) Revenues generated in 2017 came both from mandates started or completed in previous years (where no work was required in 2017) and from mandates started and completed in 2017
- (b) Significant work was carried out in 2017 on new and existing client mandates whose revenues are coming to fruition in 2018.

##### Other key performance indicators

A crucial non-financial performance indicator for the business is the origination of new mandates. In 2017, origination was strong with 7 client mandates launched, which is a historic record for the business. One of those is a repeat client while the remaining 6 are new: they are two country/regional funds (Portugal and Hungary), two sector funds (healthcare and food) and two private debt funds.

---

**ACANTHUS CAPITAL LIMITED**

---

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

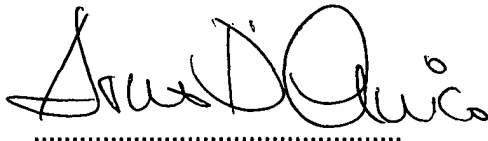
---

**Outlook for 2018**

The prospect for 2018 and beyond continue to be solid for Acanthus with a strong fundraising pipeline, an increasingly diverse client base and robust long-term alignment with the investor community. During 2018 we expect to generate revenues from (1) client mandates completed in previous years, (2) client mandates launched in 2017, (3) client mandates launched in 2016, with (4) a potential upside provided by certain ongoing client mandates. In addition, Acanthus has launched in Q1 2018 a new advisory mandate from a returning client based in Spain. During 2018, Acanthus will also continue to maintain a strong relationship with clients where work was completed in previous years, in the aim of securing mandates from them when new fundraising efforts will be required, in 2019/2020.

Separately, in the coming year efforts will be made to further improve internal processes and embrace new technology and communication methods to increase efficiencies allowing focused activities on our core business and addressing any regulatory changes ahead.

This report was approved by the board and signed on its behalf by:



.....  
**Mr A D'Amico**  
Director

Date: 12 / 3 / 2018

---

## ACANTHUS CAPITAL LIMITED

---

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

---

The directors present their report and the financial statements for the year ended 31 December 2017.

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

#### Results and dividends

The profit for the year, after taxation, amounted to £351,424 (2016 - £310,654).

Dividends totalling £305,000 have been paid in the year.

#### Directors

The directors who served during the year were:

Mr A D'Amico  
Mr D Wilkinson

#### Strategic report

The company has chosen in accordance with s414C(11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments.

---

**ACANTHUS CAPITAL LIMITED**

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

---

**Disclosure of information to auditors**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

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



**Mr A D'Amico**  
Director

Date: 12/3/2018



---

## ACANTHUS CAPITAL LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ACANTHUS CAPITAL LIMITED

---

#### Opinion

We have audited the financial statements of Acanthus Capital Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, 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 Financial Reporting Standard 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 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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

---

## ACANTHUS CAPITAL LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ACANTHUS CAPITAL LIMITED (CONTINUED)

---

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.

#### **Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **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 Directors' Report.

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

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

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 4, 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.

---

**ACANTHUS CAPITAL LIMITED**

---

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ACANTHUS CAPITAL LIMITED  
(CONTINUED)**

---

**Auditors' 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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.

*Turner*

Treena Turner FCA (Senior Statutory Auditor)  
for and on behalf of

**Wise & Co**

Chartered Accountants and Statutory Auditors

Wey Court West

Union Road

Farnham

Surrey

GU9 7PT

Date: *14 March 2018*

**ACANTHUS CAPITAL LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

|                                                 | Note | 2017<br>£      | 2016<br>£        |
|-------------------------------------------------|------|----------------|------------------|
| Turnover                                        | 4    | 977,190        | 687,303          |
| Cost of sales                                   |      | (58,514)       | (54,265)         |
| <b>Gross profit</b>                             |      | <b>918,676</b> | <b>633,038</b>   |
| Administrative expenses                         |      | (633,341)      | (758,988)        |
| <b>Operating profit/(loss)</b>                  | 5    | <b>285,335</b> | <b>(125,950)</b> |
| Income from participating interests             |      | 150,000        | 524,444          |
| Interest receivable and similar income          | 8    | 30             | 21               |
| <b>Profit before tax</b>                        |      | <b>435,365</b> | <b>398,515</b>   |
| Tax on profit                                   | 9    | (83,941)       | (87,861)         |
| <b>Profit after tax</b>                         |      | <b>351,424</b> | <b>310,654</b>   |
| Retained earnings at the beginning of the year  |      | 265,150        | 99,442           |
|                                                 |      | 265,150        | 99,442           |
| Profit for the year                             |      | 351,424        | 310,654          |
| Dividends declared and paid                     |      | (305,000)      | (144,946)        |
| <b>Retained earnings at the end of the year</b> |      | <b>311,574</b> | <b>265,150</b>   |

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 11 to 22 form part of these financial statements.

**ACANTHUS CAPITAL LIMITED**  
**REGISTERED NUMBER: 09125604**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

|                                                | Note | 2017<br>£      | 2016<br>£      |
|------------------------------------------------|------|----------------|----------------|
| <b>Fixed assets</b>                            |      |                |                |
| Tangible assets                                | 11   | 1,176          | 2,588          |
| Investments                                    | 12   | 20,000         | 20,000         |
|                                                |      | <u>21,176</u>  | <u>22,588</u>  |
| <b>Current assets</b>                          |      |                |                |
| Debtors: amounts falling due within one year   | 13   | 438,061        | 386,000        |
| Cash at bank and in hand                       | 14   | 40,280         | 21,344         |
|                                                |      | <u>478,341</u> | <u>407,344</u> |
| Creditors: amounts falling due within one year | 15   | (147,943)      | (124,782)      |
| <b>Net current assets</b>                      |      | <u>330,398</u> | <u>282,562</u> |
| <b>Total assets less current liabilities</b>   |      | <u>351,574</u> | <u>305,150</u> |
| <b>Net assets</b>                              |      | <u>351,574</u> | <u>305,150</u> |
| <b>Capital and reserves</b>                    |      |                |                |
| Called up share capital                        | 17   | 40,000         | 40,000         |
| Profit and loss account                        | 18   | 311,574        | 265,150        |
|                                                |      | <u>351,574</u> | <u>305,150</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....  
**Mr A D'Amico**  
 Director

Date: 12/3/2018

The notes on pages 11 to 22 form part of these financial statements.

---

## ACANTHUS CAPITAL LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### 1. General information

Acanthus Capital Limited is a limited liability company incorporated in England and Wales. The Registered Office is disclosed on the Company Information page and the principal activity is disclosed in the Strategic Report.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The accounts are presented in GBP rounded to the nearest £

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Disclosure exemptions adopted

The company, being a subsidiary of Acanthus Capital (Holdings) Limited, whose consolidated financial statements are publicly available, has taken advantage of the following disclosure exemptions:

- (a) the requirement to provide a statement of cash flows;
- (b) the requirement to disclose key management personnel compensation in total.

##### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

---

## ACANTHUS CAPITAL LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

---

## 2. Accounting policies (continued)

### 2.4 Tangible fixed assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

|                  |                                           |
|------------------|-------------------------------------------|
| Office equipment | - 25% - 50% straight line basis per annum |
|------------------|-------------------------------------------|

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

### 2.5 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

### 2.6 Debtors

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

### 2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic

---

## ACANTHUS CAPITAL LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

---

## 2. Accounting policies (continued)

### 2.8 Financial instruments (continued)

financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

### 2.9 Creditors

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

### 2.10 Foreign currency translation

#### Functional and presentation currency

The Company's functional and presentational currency is GBP.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

### 2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

### 2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.



---

## ACANTHUS CAPITAL LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### 2. Accounting policies (continued)

##### 2.13 Pensions

###### Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.14 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

##### 2.15 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

In the application of the Company's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based upon historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements.

---

ACANTHUS CAPITAL LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

---

**4. Turnover**

The whole of the turnover is attributable to the principal activity.

Analysis of turnover by country of destination:

|                        | 2017<br>£      | 2016<br>£      |
|------------------------|----------------|----------------|
| United Kingdom         | -              | 89,189         |
| Rest of European Union | 364,966        | 425,656        |
| Rest of World          | 612,224        | 172,458        |
|                        | <u>977,190</u> | <u>687,303</u> |

**5. Operating profit/(loss)**

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

|                                       | 2017<br>£     | 2016<br>£      |
|---------------------------------------|---------------|----------------|
| Depreciation of tangible fixed assets | 1,412         | 3,411          |
| Exchange differences                  | 9,137         | 59,620         |
| Other operating lease rentals         | 72,531        | 73,500         |
| Defined contribution pension cost     | 7,915         | 11,524         |
|                                       | <u>91,005</u> | <u>148,055</u> |

**6. Auditors' remuneration**

|                                                                                                                     | 2017<br>£     | 2016<br>£     |
|---------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | 6,015         | 5,645         |
| <b>Fees payable to the Company's auditor and its associates in respect of:</b>                                      |               |               |
| Taxation compliance services                                                                                        | 890           | 695           |
| Other services relating to taxation                                                                                 | -             | 2,855         |
| All other services                                                                                                  | 10,915        | 8,150         |
|                                                                                                                     | <u>11,805</u> | <u>11,700</u> |

---

ACANTHUS CAPITAL LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

---

7. Employees

Staff costs were as follows:

|                                     | 2017<br>£      | 2016<br>£      |
|-------------------------------------|----------------|----------------|
| Wages and salaries                  | 334,500        | 317,250        |
| Social security costs               | 35,703         | 46,080         |
| Cost of defined contribution scheme | 7,915          | 11,524         |
|                                     | <u>378,118</u> | <u>374,854</u> |

The average number of employees during the year was 4 (2016: 5).

8. Interest receivable

|                           | 2017<br>£ | 2016<br>£ |
|---------------------------|-----------|-----------|
| Other interest receivable | <u>30</u> | <u>21</u> |

9. Taxation

|                                     | 2017<br>£     | 2016<br>£     |
|-------------------------------------|---------------|---------------|
| <b>Corporation tax</b>              |               |               |
| Current tax on profits for the year | 83,941        | 87,861        |
| <b>Total current tax</b>            | <u>83,941</u> | <u>87,861</u> |

---

ACANTHUS CAPITAL LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

---

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - *higher than*) the standard rate of corporation tax in the UK of 19% (2016 - 20%). The differences are explained below:

|                                                                                                            | 2017<br>£ | 2016<br>£ |
|------------------------------------------------------------------------------------------------------------|-----------|-----------|
| Profit on ordinary activities before tax                                                                   | 435,365   | 398,515   |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2016 - 20%) | 82,719    | 79,703    |
| Effects of:                                                                                                |           |           |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                  | -         | 8,711     |
| Capital allowances for year in excess of depreciation                                                      | 146       | 830       |
| Change in corporation tax rate                                                                             | 1,076     | -         |
| Group relief                                                                                               | -         | (1,383)   |
| Total tax charge for the year                                                                              | 83,941    | 87,861    |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

---

ACANTHUS CAPITAL LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

---

10. Dividends

|                                  | 2017<br>£      | 2016<br>£      |
|----------------------------------|----------------|----------------|
| Dividends paid on equity capital | <u>305,000</u> | <u>144,946</u> |

11. Tangible fixed assets

|                                     | Office<br>equipment<br>£ |
|-------------------------------------|--------------------------|
| <b>Cost or valuation</b>            |                          |
| At 1 January 2017                   | 9,646                    |
| At 31 December 2017                 | <u>9,646</u>             |
| <b>Depreciation</b>                 |                          |
| At 1 January 2017                   | 7,058                    |
| Charge for the year on owned assets | 1,412                    |
| At 31 December 2017                 | <u>8,470</u>             |
| <b>Net book value</b>               |                          |
| At 31 December 2017                 | <u>1,176</u>             |
| At 31 December 2016                 | <u>2,588</u>             |

---

ACANTHUS CAPITAL LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

---

12. Fixed asset investments

|                          | Unlisted<br>investments<br>£ |
|--------------------------|------------------------------|
| <b>Cost or valuation</b> |                              |
| At 1 January 2017        | 20,000                       |
| At 31 December 2017      | <u>20,000</u>                |
| <b>Net book value</b>    |                              |
| At 31 December 2017      | <u>20,000</u>                |
| At 31 December 2016      | <u>20,000</u>                |

---

**ACANTHUS CAPITAL LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

---

**13. Debtors**

|                                    | <b>2017</b>    | <b>2016</b>    |
|------------------------------------|----------------|----------------|
|                                    | <b>£</b>       | <b>£</b>       |
| Trade debtors                      | <b>4,471</b>   | -              |
| Amounts owed by group undertakings | <b>55,495</b>  | <b>45,000</b>  |
| Other debtors                      | <b>104,079</b> | <b>298,949</b> |
| Prepayments and accrued income     | <b>274,016</b> | <b>42,051</b>  |
|                                    | <b>438,061</b> | <b>386,000</b> |

**14. Cash and cash equivalents**

|                          | <b>2017</b>   | <b>2016</b>   |
|--------------------------|---------------|---------------|
|                          | <b>£</b>      | <b>£</b>      |
| Cash at bank and in hand | <b>40,280</b> | <b>21,344</b> |
|                          | <b>40,280</b> | <b>21,344</b> |

**15. Creditors: Amounts falling due within one year**

|                              | <b>2017</b>    | <b>2016</b>    |
|------------------------------|----------------|----------------|
|                              | <b>£</b>       | <b>£</b>       |
| Trade creditors              | <b>27,485</b>  | <b>4,774</b>   |
| Corporation tax              | <b>83,941</b>  | <b>87,856</b>  |
| Other creditors              | <b>3,442</b>   | <b>3,125</b>   |
| Accruals and deferred income | <b>33,075</b>  | <b>29,027</b>  |
|                              | <b>147,943</b> | <b>124,782</b> |

---

ACANTHUS CAPITAL LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

---

16. Financial instruments

|                                                                       | 2017<br>£       | 2016<br>£      |
|-----------------------------------------------------------------------|-----------------|----------------|
| <b>Financial assets</b>                                               |                 |                |
| Financial assets that are debt instruments measured at amortised cost | 194,829         | 384,549        |
|                                                                       | <u>194,829</u>  | <u>384,549</u> |
| <b>Financial liabilities</b>                                          |                 |                |
| Financial liabilities measured at amortised cost                      | (30,927)        | (7,899)        |
|                                                                       | <u>(30,927)</u> | <u>(7,899)</u> |

Financial assets measured at amortised cost comprise unlisted investments, trade debtors, amounts owed by group undertakings, other debtors and cash.

Financial liabilities measured at amortised cost comprise trade creditors and other creditors.

17. Share capital

|                                           | 2017<br>£     | 2016<br>£     |
|-------------------------------------------|---------------|---------------|
| <b>Allotted, called up and fully paid</b> |               |               |
| 40,000 Ordinary shares of £1 each         | 40,000        | 40,000        |
|                                           | <u>40,000</u> | <u>40,000</u> |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

18. Reserves

**Profit and loss account**

This reserve represents the accumulative distributable reserve of the company.

19. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,915 (2016: £11,524). Contributions totalling £Nil (2016: £Nil) were payable to the fund at the balance sheet date.



---

## ACANTHUS CAPITAL LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

---

#### 20. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

|                                              | 2017<br>£      | 2016<br>£      |
|----------------------------------------------|----------------|----------------|
| Not later than 1 year                        | 81,600         | 81,600         |
| Later than 1 year and not later than 5 years | 50,232         | 131,832        |
|                                              | <u>131,832</u> | <u>213,432</u> |

#### 21. Related party transactions

Acanthus Capital Limited is a designated Member of Acanthus Partners LLP.

During the year Acanthus Capital Limited received a profit share of £150,000 (2016: £524,444) from Acanthus Partners LLP.

At the year end Acanthus Capital Limited was owed £74,579 (2016: £298,192) by Acanthus Partners LLP.

Acanthus Capital Limited is a designated Member of Acanthus Advisers LLP.

During the year Acanthus Capital Limited received a profit share of £Nil (2016: £Nil) from Acanthus Advisers LLP.

At the year end Acanthus Capital Limited was owed £13 (2016: £13) by Acanthus Advisers LLP.

Acanthus Capital Limited is a 100% subsidiary of Acanthus Capital (Holdings) Limited.

During the year dividends of £305,000 (2016: £144,946) were paid to Acanthus Capital (Holdings) Limited.

At the year end Acanthus Capital Limited was owed £55,495 (2016: £45,000) by Acanthus Capital (Holdings) Limited.

#### 22. Controlling party

The parent undertaking is Acanthus Capital (Holdings) Limited.

Mr D'Amico is the ultimate controlling party.