

Registration number: 09954672

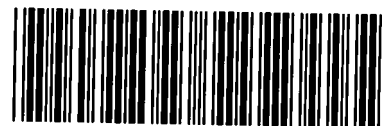
Arion Investment Management Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2017

Mercer & Hole
Chartered Accountants
Fleet Place House
2 Fleet Place
London
EC4M 7RF

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Arion Investment Management Limited

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Arion Investment Management Limited

Company Information

Directors	Gerardo Tarricone Giorgio Viva Kevin Rodgers Richard Arnim Reinert
Registered office	253 Gray's Inn Road London WC1X 8QT
Auditors	Mercer & Hole Chartered Accountants Fleet Place House 2 Fleet Place London EC4M 7RF

Arion Investment Management Limited

Strategic Report for the Year Ended 31 December 2017

The directors present their strategic report and the financial statements of Arion Investment Management Limited ("Arion" or "the Company") for the year ended 31 December 2017.

Principal activity

The principal activity of the company is the provision of investment management services, consultancy services, trading execution services, advisory services and administrative services to Professional clients ("Professional" as defined by the UK Financial Conduct Authority).

Fair review of the business

Arion Investment Management Limited is an investment management firm. Arion does not risk its own capital in the financial markets. Arion does not have regulatory permission to take proprietary trading risk and does not take such risk. Accordingly, the risks that Arion faces are more limited in scope than for other types of regulated firms.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2017	2016
Net assets	£	66,917	66,585
Loss before tax	£	(49,668)	(33,415)

Pillar 3 Disclosure Statement

Arion Investment Management Limited ("Arion" or "the Company") is authorised and regulated by the UK Financial Conduct Authority ("FCA") as BIPRU investment firm. As a BIPRU firm Arion is subject to rules set out in the third European Capital Adequacy Directive ("CRD III") and is not required to follow the rules of the fourth European Capital Adequacy Directive ("CRD IV").

The FCA capital adequacy framework consists of three Pillars:

Pillar 1 sets out the minimum capital amount that meets the Firm's credit, market and operational risk;

Pillar 2 requires the Firm to assess whether its Pillar 1 capital is adequate to meet its risks and is subject to annual review by the FCA (the ICAAP as set out below); and

Pillar 3 requires disclosure of specified information about the underlying risk management controls, capital position and remuneration. This document is Arion's Pillar 3 disclosure statement.

As required by the rules of the FCA the Company has undertaken an 'Internal Capital Adequacy Assessment Process' ("ICAAP"). The ICAAP is reviewed annually or whenever there is a material change to the business, whichever is sooner. The most recent ICAAP review was undertaken as at 31 December 2017 during the early part of 2018. The ICAAP process considered the risks that the Company is exposed to and the controls that exist to mitigate those risks. It further considered whether additional capital was required to meet the risks that the Company faces including, as required by the FCA rules, the potential cost of closing the Company down in the unlikely event that such action was necessary. The Company's Pillar capital requirement is the higher of the base capital requirement of EUR 50,000, the sum of the credit risk and market risk requirements and the fixed overhead requirement. Currently the base capital requirement is in excess of the alternative capital requirements and thus the capital requirement is EUR 50,000 or GBP 44,000. The company has assessed that its capital requirement under Pillar 2 is GBP 48,000. This is higher than the requirement under Pillar 1 as it allows for potential changes in the GBP/EUR exchange rate.

Arion Investment Management Limited

Strategic Report for the Year Ended 31 December 2017

Risk Management

The Company is an asset manager and does not risk its own capital in the financial markets. The Company does not have regulatory permission to take proprietary trading risk and does not take such risk. Accordingly, the risks that the Company faces are more limited in scope than for other types of regulated firms. The risks and controls detailed below are, in accordance with the BIPRU rules, risks that the Company faces in respect of its own activities. The risk management processes and controls for monies managed by the Company are not part of these disclosures.

Capital

The capital of the Company is in the form of share capital. All of the capital of the company is Tier 1 capital. As at 31 December 2017 the Company had Tier 1 capital of £66,917 made up of share capital of £150,000 less the losses to 31 December 2017 of £83,083.

Principal risks and uncertainties

The Company has identified and performed an assessment of the key risks that may impact its business. The Company is an investment manager and does not undertake proprietary trading. The material risks to the Company largely fall within the "Business Risk" and "Operational Risk" categories.

Market risk

For the purposes of these disclosures, market risk is the risk value of, or income arising from, the Company's assets and liabilities varying as a result of changes in the market price of financial assets, changes in exchange rates or changes in interest rates.

The Company does not take proprietary trading risk. The Company's risk management activities are on behalf of clients and the Company's own money is not at risk. The only market risks that the Company potentially faces are: risks related to the short term investment of surplus cash belonging to the Company and currency risk due to the mismatch of the currencies in which income is earned and the currencies in which costs are incurred.

For capital adequacy purposes, in accordance with the rules, the Company monitors its current exposure due to amounts held and receivable in currencies other than sterling. The directors consider potential future exposures as part of their overall risk monitoring.

Credit risk

Credit risk refers to the potential risk that the Company's bankers or customers fail to meet their obligations as they fall due.

The Company has credit risk on its clients for fees earned but not received. The Company has appropriate policies to monitor this exposure on an ongoing basis.

The Company also has credit exposure to its bankers and monitors this risk regularly.

Liquidity risk

The Company's liquidity policy is to maintain sufficient liquid resources to cover cash flow imbalances and fluctuations in fees received/receivable. The Company maintains cash balances at its bankers to cover liquidity risk.

Arion Investment Management Limited

Strategic Report for the Year Ended 31 December 2017

Operational risk

Operational risk is the risk of loss arising from failed or inadequate internal processes or systems, human error or other factors. The risk is managed by the directors who have responsibility for putting in place appropriate controls for the business. The Company documents the risks that it is exposed to and the compensating controls in its ICAAP.

Business risk

Business risk is the risk that the Company may not be able to carry out its business plan and could therefore suffer losses if its income falls. This is a risk that all businesses face. The directors continuously monitor income and expenditure levels and adjust their plans accordingly.

Concentration risk

Concentration risk is the risk that the Company is overly dependent upon any one customer or any one group of connected customers either in terms of income dependency or in terms of credit risk. Currently the only such exposure is to the Company's bankers.

Pension obligation risk

The Company has no defined benefit schemes and thus has no pension obligation risk.

Interest rate risk

The Company is not exposed to interest rate risk.

Residual risk

Residual risk is any risk not covered by the specific risk categories outlined above.

The directors do not consider that there are any residual risks that require the Company to maintain any additional capital.

Overall Capital Summary	£,000
Capital	
Total Tier 1 Capital	67
Pillar 1 Capital requirement	44
Additional requirement under Pillar 2	4
Total Capital requirement	48
Capital surplus	19
Capital adequacy percentage	140%

Arion Investment Management Limited

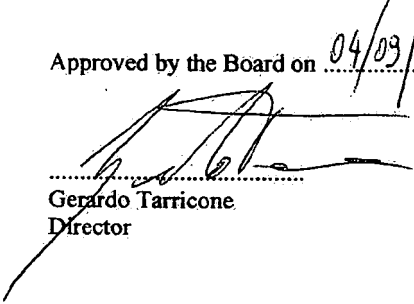
Strategic Report for the Year Ended 31 December 2017

Remuneration disclosures

Under the Remuneration Code (the "Remuneration Code"), the Company, as is standard for an investment management firm, is classified as a Proportionality Level three firm. Proportionality Level three firms are permitted to disapply many of the technical requirements of the Remuneration Code and proportionately apply the Remuneration Code's rules and principles in establishing the Company's policy.

During the year ended 31 December 2017 the Company had five code staff members. The Company has only one business area which is its investment management business.

Approved by the Board on 04/03/2018 and signed on its behalf by:



Gerardo Tarricone
Director

Arion Investment Management 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 of the company

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

Gerardo Tarricone

Giorgio Viva

The following directors were appointed after the year end:

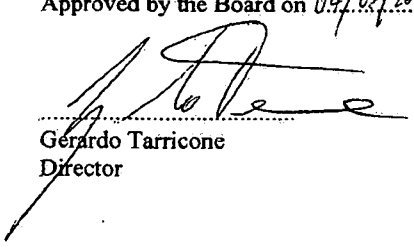
Kevin Rodgers (appointed 1 June 2018)

Richard Arnim Reinert (appointed 1 May 2018)

Disclosure of information to the auditors

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

Approved by the Board on 04/09/2018 and signed on its behalf by:



Gerardo Tarricone
Director

Arion Investment Management Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 and in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 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.

Arion Investment Management Limited

Independent Auditor's Report to the Members of Arion Investment Management Limited

Opinion

We have audited the financial statements of Arion Investment Management Limited (the 'company') for the year ended 31 December 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Arion Investment Management Limited

Independent Auditor's Report to the Members of Arion Investment Management Limited

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.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 7], 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.

Arion Investment Management Limited

Independent Auditor's Report to the Members of Arion Investment Management Limited

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.



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Andrew Crook BA ACA (Senior Statutory Auditor)
For and on behalf of Mercer & Hole, Statutory Auditor

Fleet Place House
2 Fleet Place
London
EC4M 7RF

Date: 25 September 2018

Arion Investment Management Limited

Profit and Loss Account for the Year Ended 31 December 2017

		Year ended 31 December 2017 £	Period ended 31 December 2016 £
Turnover	4	107,000	-
Administrative expenses		<u>(156,503)</u>	<u>(33,415)</u>
Operating loss	5	<u>(49,503)</u>	<u>(33,415)</u>
Interest payable and similar expenses	6	<u>(165)</u>	<u>-</u>
		<u>(165)</u>	<u>-</u>
Loss before tax		<u>(49,668)</u>	<u>(33,415)</u>
Loss and total comprehensive income for the financial year		<u><u>(49,668)</u></u>	<u><u>(33,415)</u></u>

The profit and loss has been prepared on the basis that all operations are continuing operations.

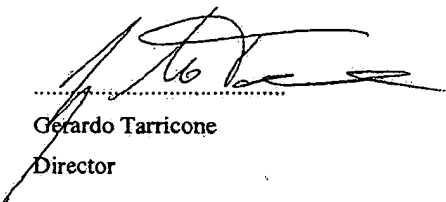
The company has no recognised gains or losses for the year other than the results above.

Arion Investment Management Limited

(Registration number: 09954672)
Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	8	10,917	4,092
Current assets			
Debtors	9	25,288	20,345
Cash at bank and in hand		<u>50,094</u>	<u>46,048</u>
		75,382	66,393
Creditors: Amounts falling due within one year	10	<u>(19,382)</u>	<u>(3,900)</u>
Net current assets		<u>56,000</u>	<u>62,493</u>
Net assets		<u>66,917</u>	<u>66,585</u>
Capital and reserves			
Called up share capital	12	150,000	100,000
Profit and loss account	13	<u>(83,083)</u>	<u>(33,415)</u>
Total equity		<u>66,917</u>	<u>66,585</u>

Approved and authorised by the Board on 06/09/2018 and signed on its behalf by:


Gerardo Tarricone
Director

Arion Investment Management Limited

Statement of Changes in Equity for the Year Ended 31 December 2017

	Share capital £	Profit and loss account £	Total £
At 1 January 2017	100,000	(33,415)	66,585
Loss and total comprehensive income for the year	-	(49,668)	(49,668)
New share capital subscribed	50,000	-	50,000
At 31 December 2017	<u>150,000</u>	<u>(83,083)</u>	<u>66,917</u>
	Share capital £	Profit and loss account £	Total £
Loss and total comprehensive income for the year	-	(33,415)	(33,415)
New share capital subscribed	100,000	-	100,000
At 31 December 2016	<u>100,000</u>	<u>(33,415)</u>	<u>66,585</u>

Arion Investment Management Limited

Statement of Cash Flows for the Year Ended 31 December 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Loss for the year		(49,668)	(33,415)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	2,703	241
Finance costs	6	165	-
		<u>(46,800)</u>	<u>(33,174)</u>
Working capital adjustments			
Increase in trade debtors	9	(4,943)	(20,345)
Increase in trade creditors	10	15,482	3,900
Net cash flow from operating activities		<u>(36,261)</u>	<u>(49,619)</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(9,528)	(4,333)
Cash flows from financing activities			
Interest paid	6	(165)	-
Proceeds from issue of ordinary shares, net of issue costs		50,000	100,000
Net cash flows from financing activities		<u>49,835</u>	<u>100,000</u>
Net increase in cash and cash equivalents		4,046	46,048
Cash and cash equivalents at 1 January		46,048	-
Cash and cash equivalents at 31 December		<u>50,094</u>	<u>46,048</u>

The notes on pages 15 to 22 form an integral part of these financial statements.

Arion Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

1 General information

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

The address of its registered office is:

253 Gray's Inn Road

London

WC1X 8QT

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

These financial statements have been prepared on a going concern basis, using the historical cost convention.

The presentation currency of these financial statements is sterling, which is also the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

Going concern

This basis is considered appropriate as the controlling party has indicated his willingness in writing to provide the necessary support to enable the Company to meet its liabilities as they fall due for a period of at least 12 months from the date of signature of these financial statements. The accounts do not include adjustments should this basis prove not to be appropriate.

Revenue recognition

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.

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Arion Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Asset class	Depreciation method and rate
Office equipment	Over 3 years
Computer equipment	Over 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included within creditors due within one year.

Arion Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Leases

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

3 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources but nevertheless are inherent in the production of any set of accounts. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Arion Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

4 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2017 £	2016 £
Rendering of services	<u>107,000</u>	<u>-</u>

5 Operating loss

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	2,703	241
Foreign exchange losses	240	19
Operating lease charges	<u>22,000</u>	<u>3,414</u>

6 Interest payable and similar expenses

	2017 £	2016 £
Interest expense on other finance liabilities	<u>165</u>	<u>-</u>

7 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>3,500</u>	<u>1,500</u>
Other fees to auditors		
All other assurance services	<u>200</u>	<u>-</u>

Arion Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

8 Tangible assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2017	2,533	1,800	4,333
Additions	<u>9,340</u>	<u>188</u>	<u>9,528</u>
At 31 December 2017	<u>11,873</u>	<u>1,988</u>	<u>13,861</u>
Depreciation			
At 1 January 2017	141	100	241
Charge for the year	<u>2,098</u>	<u>605</u>	<u>2,703</u>
At 31 December 2017	<u>2,239</u>	<u>705</u>	<u>2,944</u>
Carrying amount			
At 31 December 2017	<u>9,634</u>	<u>1,283</u>	<u>10,917</u>
At 31 December 2016	<u>2,392</u>	<u>1,700</u>	<u>4,092</u>

9 Debtors

	2017 £	2016 £
Other debtors	18,872	14,701
Prepayments	<u>6,416</u>	<u>5,644</u>
	25,288	20,345
Less non-current portion	<u>(11,000)</u>	<u>(11,000)</u>
Total current trade and other debtors	<u>14,288</u>	<u>9,345</u>

Details of non-current trade and other debtors

£11,000 (2016 -£11,000) of Rent deposit is classified as non current.

Arion Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

10 Creditors

	Note	2017 £	2016 £
Due within one year			
Trade creditors		7,250	-
Amounts due to related parties	14	-	900
Accruals		12,132	3,000
		<u>19,382</u>	<u>3,900</u>

11 Financial instruments

Categorisation of financial instruments

	2017 £	2016 £
Financial assets that are debt instruments measured at amortised cost	12,247	11,000
	<u>12,247</u>	<u>11,000</u>
Financial liabilities measured at amortised cost	19,382	3,900
	<u>19,382</u>	<u>3,900</u>

Financial assets measured at amortised cost comprise other debtors.

Financial liabilities measured at amortised cost comprise accruals, trade creditors and amounts due to related parties.

12 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>	<u>100,000</u>	<u>100,000</u>

New shares allotted

During the year 50,000 Ordinary shares having an aggregate nominal value of £50,000 were allotted for an aggregate consideration of £50,000. The allotment was done for capital funding purposes.

13 Reserves

Profit and loss account

The profit and loss reserve represents accumulated profits and losses available for distribution.

Arion Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

14 Related party transactions

The Company was under the control of director G. Tarricone throughout the current period. During the period, the Company received funding from G. Tarricone both in terms of capital and loan.

Transactions with key management personnel

Total compensation of key management personnel in the year amounted to £Nil.

Transactions with directors

	At 1 January 2017 £	Advances to directors £	Repayments by director £	At 31 December 2017 £
2017				
Gerardo Tarricone				
Director's Loan repayable on demand	<u>(900)</u>	<u>69,169</u>	<u>(67,022)</u>	<u>1,247</u>

Summary of transactions with entities under common control

During the year the company provided services to a company under common control.

The services provided were investment consultancy services and success/supplementary fees.

Income and receivables from related parties

	Entities under common control £
2017	
Receipt of services	<u>107,000</u>
	<u>107,000</u>
Amounts receivable from related party	<u>-</u>
	<u>-</u>
2016	
Receipt of services	<u>-</u>
	<u>-</u>
Amounts receivable from related party	<u>-</u>
	<u>-</u>

Arion Investment Management Limited

Notes to the Financial Statements for the Year Ended 31 December 2017

15 Commitments under operating leases

Operating leases

At the period-end the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than one year	22,000	22,000
Later than one year and not later than five years	<u>22,000</u>	<u>44,000</u>
	<u>44,000</u>	<u>66,000</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £22,000.
(2016 - £3,414)

16 Controlling party

The ultimate controlling party is Gerardo Tarricone, director and sole shareholder.