

REGISTERED NUMBER: 08269312 (England and Wales)

**ANCHURA PARTNERS SERVICES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

ANCHURA PARTNERS SERVICES LIMITED (REGISTERED NUMBER: 08269312)

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FOR THE YEAR ENDED 31 MARCH 2017**

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ANCHURA PARTNERS SERVICES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017**

Directors: P A Ford
B G Dean

Registered office: 69-85 Tabernacle Street
London
EC2A 4RR

Registered number: 08269312 (England and Wales)

ANCHURA PARTNERS SERVICES LIMITED (REGISTERED NUMBER: 08269312)**BALANCE SHEET
31 MARCH 2017**

| | Notes | 2017 | | 2016 | |
|--|-------|------------------|-------------------------|------------------|-------------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 4 | | 1,500,000 | | 1,700,000 |
| Current assets | | | | | |
| Debtors | 5 | 1,078,274 | | 2,316,192 | |
| Cash at bank | | 341,533 | | 1,336,919 | |
| | | <u>1,419,807</u> | | <u>3,653,111</u> | |
| Creditors | | | | | |
| Amounts falling due within one year | 6 | <u>703,441</u> | | <u>2,348,211</u> | |
| Net current assets | | | <u>716,366</u> | | <u>1,304,900</u> |
| Total assets less current liabilities | | | <u><u>2,216,366</u></u> | | <u><u>3,004,900</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 7 | | 990 | | 989 |
| Share premium | 8 | | 1,999,000 | | 1,999,000 |
| Capital redemption reserve | 8 | | 76 | | 76 |
| Retained earnings | 8 | | <u>216,300</u> | | <u>1,004,835</u> |
| Shareholders' funds | | | <u><u>2,216,366</u></u> | | <u><u>3,004,900</u></u> |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 28 September 2017 and were signed on its behalf by:

P A Ford - Director

ANCHURA PARTNERS SERVICES LIMITED (REGISTERED NUMBER: 08269312)

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

1. Statutory information

Anchura Partners Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the Company's accounting policies

(i) Assessing indicators and impairment

In assessing whether there have been any indicators or impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience or recoverability. There have been no indicators or impairments identified during the current financial year.

Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities with the next financial year are addressed below.

(i) Recoverability of receivables

The Company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the aging of the receivables, past experience and recoverability, and the credit profile of individual or groups of customers.

(ii) Determining residual values and useful economic life of goodwill

The Company amortises goodwill over the estimated useful life. The estimation of the useful life is based on historical performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management.

Judgement is applied by management when determining the residual value for goodwill. When determining the residual value management aim to assess the amount that the company would currently obtain for the disposal of the goodwill.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost

less any accumulated amortisation and any accumulated impairment losses.

ANCHURA PARTNERS SERVICES LIMITED (REGISTERED NUMBER: 08269312)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at that date the transaction took place. Where this is not possible to determine, income and expense items are translated using an average exchange rate for the period.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities are reported in profit or loss.

Pension costs and other post-retirement benefits

The company contributes to employees personal pension schemes, as per the employees' individual contracts of employment, and are charged to the profit and loss account in the period to which they relate.

ANCHURA PARTNERS SERVICES LIMITED (REGISTERED NUMBER: 08269312)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies - continued

Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds both basic and complex financial instruments which comprise cash and cash equivalents, trade and other receivables, equity investments derivative financial instruments, trade and other payables, convertible loan notes and loans and borrowings. The company has chosen to apply the provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instruments in full.

Financial assets - classified as basic financial instruments

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

(ii) Trade and other receivables

Trade and other receivables are initially recognised at the transaction price, including any transaction costs, and subsequently measured at amortised cost including the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment.

At the end of each reporting period, the Company assesses whether there is objective evidence that a receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised immediately in profit or loss.

(iii) Trade and other payables and loans and borrowings

Trade and other payables and loans and borrowings are initially measured at the transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the discounted amount of the cash expected to be paid.

(iv) Compound financial instruments

The derivative financial instrument is presented as a financial asset or financial liability depending on whether it is in favourable or unfavourable position for the Company at the reporting date.

(v) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Going concern

These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the

directors have carefully considered these risks including an assessment on uncertainty on future trading projection for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on assessment, the directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations and external debt liabilities.

In addition, the Company's assets are assessed for recoverability on a regular basis, and the directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubts upon the Company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

ANCHURA PARTNERS SERVICES LIMITED (REGISTERED NUMBER: 08269312)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017****3. Employees and directors**

The average number of employees during the year was 14 .

4. Intangible fixed assets

| | Goodwill £ |
|--------------------------------------|-----------------------|
| Cost | |
| At 1 April 2016 and 31 March 2017 | <u>2,000,000</u> |
| Amortisation | |
| At 1 April 2016 | 300,000 |
| Charge for year | <u>200,000</u> |
| At 31 March 2017 | <u>500,000</u> |
| Net book value | |
| At 31 March 2017 | <u>1,500,000</u> |
| At 31 March 2016 | <u>1,700,000</u> |

5. Debtors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|-------------------|-------------------|
| Trade debtors | 659,278 | 1,919,708 |
| Amounts owed by group undertakings | 308,892 | 141,383 |
| Other debtors | <u>110,104</u> | <u>255,101</u> |
| | <u>1,078,274</u> | <u>2,316,192</u> |

6. Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|-------------------|-------------------|
| Trade creditors | 421,345 | 497,164 |
| Amounts owed to group undertakings | 113,383 | 190,163 |
| Taxation and social security | 119,023 | 694,918 |
| Other creditors | <u>49,690</u> | <u>965,966</u> |
| | <u>703,441</u> | <u>2,348,211</u> |

7. Called up share capital**Allotted, issued and fully paid:**

| Number: | Class: | Nominal value: | 2017 £ | 2016 £ |
|----------------|-------------------|---------------------------|-------------------|-------------------|
| 960 | Ordinary | £1 | 960 | 960 |
| 30 | Ordinary Alphabet | £1 | 30 | 29 |
| (2016 - 29) | | | <u>990</u> | <u>989</u> |

During the year the company issued 1 Ordinary N Share for cash at par.

ANCHURA PARTNERS SERVICES LIMITED (REGISTERED NUMBER: 08269312)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017****8. Reserves**

| | Retained earnings £ | Share premium £ | Capital redemption reserve £ | Totals £ |
|---------------------|------------------------------------|--------------------------------|---|---------------------|
| At 1 April 2016 | 1,004,835 | 1,999,000 | 76 | 3,003,911 |
| Profit for the year | 252,008 | - | - | 252,008 |
| Dividends | <u>(1,040,543)</u> | - | - | <u>(1,040,543)</u> |
| At 31 March 2017 | <u>216,300</u> | <u>1,999,000</u> | <u>76</u> | <u>2,215,376</u> |

9. Contingent liabilities

In 2014 Anchura Partners Services Limited (APSL) signed an Asset Purchase Agreement with Anchura Partners LLP ("AP") regarding the purchase by APSL of the business previously conducted by AP. As part of this transaction, APSL agreed to certain indemnities and warranties. In 2015, AP became party to a legal process with one of its former partners. Pursuant to the indemnities given APSL could have an exposure in relation to this legal process.

The outcome of this legal process is not likely to be known until the second half of the financial year 2017/18.

Given the nature of this process, at this point in time the directors of APSL are unable to exclude the possibility that APSL's financial position may be affected and therefore feel it would be prejudicial to APSL's legal position to estimate any likely financial effect. As a result, no disclosure has been made in these financial statements for this contingent liability.

ANCHURA PARTNERS SERVICES LIMITED (REGISTERED NUMBER: 08269312)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

10. Related party disclosures

Transactions with key management personnel

During the year, dividends of £206,750 were paid to key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, including the directors of the company.

Transactions with group companies

During the year the company was charged management fees by fellow group companies as follows:

Anchura (Group) Limited £474,112 (2016: £208,224)
Andamio Resourcing Limited £237,451 (2016: £314,976)
Anchura Partners USA Inc £514,114 (2016: £236,373)

During the year the company charged management fees to fellow group companies as follows:

Assent Partners Limited £523,614 (2016: £51,860)
Anchura Partners USA Inc £nil (2016: £80,260)
Andamio Resourcing Limited £72,300 (2016: £nil)

Included within debtors: amounts falling due within one year are the following amounts owed by group undertakings:

Anchura (Group) Limited £213,105 (2016: £81,573)
Anchura Partners USA Inc £7,671 (2016: £58,278)
Assent Partners Limited £88,116 (2016: £1,532)
Andamio Resourcing Limited £nil (2016: £nil)

Included within creditors: amounts falling due within one year are the following amounts owed to group undertakings:

Andamio Resourcing Limited £111,340 (2016: £190,163)
Assent Partners Limited £nil (2016: £ nil)
Andamio Resourcing USA £2,043 (2016 £ nil)

The above companies are related by virtue of being members of the same group.

11. Ultimate controlling party

The company is a 80% owned subsidiary of Anchura (Group) Limited, a company incorporated in England and Wales.

The ultimate controlling party is P A Ford.

