

Registered number: 03280320

DELCAP ASSET MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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DELCAP ASSET MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	J B C Delori P R Burke F A Hufkens
Company secretary	J B C Delori
Registered number	03280320
Registered office	5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD
Independent auditors	Sopher + Co LLP Chartered Accountants & Statutory Auditors 5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD

DELCAP ASSET MANAGEMENT LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 22

DELCAP ASSET MANAGEMENT LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

Delcap Asset Management Ltd is an investment office providing investment management and advisory services to private clients. The Company is regulated by the Financial Conduct Authority in the UK and has a FSMA registered branch in Belgium.

Business review

In the current year, the company reported a profit before tax of £551,373 (2017 - £1,049,449).

Management, performance, negotiation and monitoring fees of £3,547,509 (2017 - £3,300,702) have been generated throughout the year. This is based on the growth of the business and the increased activity of the firm.

The company operates a branch office in Belgium. The results of the branch are consolidated within these financial statements.

The results for the period and the financial position at the period end were considered satisfactory by the directors who expect continued growth in income for the foreseeable future.

Principal risks and uncertainties

Overview

The board of directors is responsible for determining the level of risk acceptable to the Company. This is subject to a regular review. The Company seeks to mitigate its risk through the application of strict limits and controls, a monitoring process at operational level, and the use of insurance policies where appropriate. The Company has regular board meetings to manage all risks.

Market risk

In its discretionary business, the company is exposed as any other investment manager. Strict investment limits are applied to control risk.

Foreign currency risk

The company has a limited exposure to foreign exchange risk; its incomes are in US Dollars and Euros. The company is aware of this but currently does not hedge this exposure as a lot of the expenses are in Euros.

Liquidity risk

There is currently no liquidity risk.

Interest rate risk

The company has no debt so Interest rate risk is from its cash deposits which earn interest on what is effectively a floating rate basis.

Operational risk

Operational risk includes compliance, risk management and transaction risk. The company has strict operational procedures in these areas. A third party monitors the company's compliance regularly and reports to the Board of Directors once a quarter.

DELCAP ASSET MANAGEMENT LIMITED

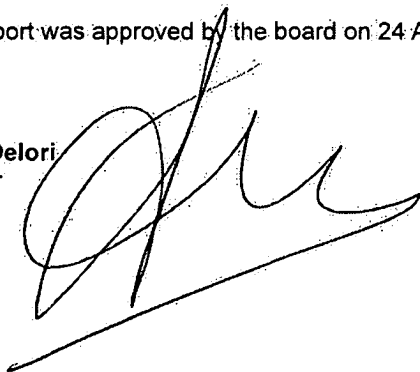
**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Financial key performance indicators

The directors consider the key performance indicators of the company to be the net asset value of the funds under management.

This report was approved by the board on 24 April 2019 and signed on its behalf.

J B C Delori
Director

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a series of loops and a long horizontal stroke at the bottom.

DELCAP ASSET MANAGEMENT LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The profit for the year, after taxation, amounted to £441,584 (2017 - £840,680).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

J B C Delori
P R Burke
F A Hufkens

Future developments

There are no plans which will significantly change the activities and risks of the Company.

Post balance sheet events

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

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.

DELCAP ASSET MANAGEMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

Auditors

The auditors, Sopher + Co LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 24 April 2019 and signed on its behalf.



J B C Deloril
Director

DELCAP ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DELCAP ASSET MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Delcap Asset Management Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity 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 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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

DELCAP ASSET MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DELCAP ASSET MANAGEMENT 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 3, 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.

DELCAP ASSET MANAGEMENT LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DELCAP ASSET MANAGEMENT
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. 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.



Sean Brennan FCCA (Senior Statutory Auditor)

for and on behalf of
Sopher + Co LLP

Chartered Accountants
Statutory Auditors

5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

24 April 2019

DELCAP ASSET MANAGEMENT LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	4	3,547,509	3,300,702
Administrative expenses		(2,999,943)	(2,254,074)
Operating profit	5	547,566	1,046,628
Interest receivable and similar income		3,842	2,965
Interest payable and expenses	9	(35)	(144)
Profit before tax		551,373	1,049,449
Tax on profit	10	(109,789)	(208,769)
Profit for the financial year		441,584	840,680

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 12 to 22 form part of these financial statements.

DELCAP ASSET MANAGEMENT LIMITED
REGISTERED NUMBER: 03280320

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	165,499	212,430
Investments	12	24,850	24,850
		<u>190,349</u>	<u>237,280</u>
Current assets			
Debtors: amounts falling due within one year	13	2,579,853	1,531,278
Bank and cash balances		1,242,793	1,509,111
		<u>3,822,646</u>	<u>3,040,389</u>
Creditors: amounts falling due within one year	14	(738,585)	(432,330)
Net current assets		<u>3,084,061</u>	<u>2,608,059</u>
Total assets less current liabilities		<u>3,274,410</u>	<u>2,845,339</u>
Provisions for liabilities			
Deferred tax	15	(16,415)	(28,928)
Net assets		<u><u>3,257,995</u></u>	<u><u>2,816,411</u></u>
Capital and reserves			
Called up share capital	16	113,802	113,802
Profit and loss account		3,144,193	2,702,609
		<u><u>3,257,995</u></u>	<u><u>2,816,411</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 April 2019.


J B C Delon
 Director

The notes on pages 12 to 22 form part of these financial statements.

DELCAP ASSET MANAGEMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	113,802	1,861,929	1,975,731
Profit for the year	-	840,680	840,680
At 1 January 2018	113,802	2,702,609	2,816,411
Profit for the year	-	441,584	441,584
At 31 December 2018	113,802	3,144,193	3,257,995

The notes on pages 12 to 22 form part of these financial statements.

DELCAP ASSET MANAGEMENT LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	441,584	840,680
Adjustments for:		
Depreciation of tangible assets	97,942	99,852
Loss on disposal of tangible assets	-	(2,321)
Interest paid	35	144
Interest received	(3,842)	(2,965)
Taxation charge	109,789	208,769
(Increase) in debtors	(96,126)	(292,106)
(Increase) in amounts owed by groups	(952,451)	(368,851)
Increase/(decrease) in creditors	397,967	(51,016)
(Decrease) in amounts owed to groups	(405)	(23,817)
Exchange difference on tangible fixed assets	(2,220)	(13,824)
Corporation tax (paid)	(213,610)	(111,021)
Net cash generated from operating activities	<u>(221,337)</u>	<u>283,524</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(48,788)	(87,957)
Sale of tangible fixed assets	-	2,321
Interest received	3,842	2,965
Net cash from investing activities	<u>(44,946)</u>	<u>(82,671)</u>
Cash flows from financing activities		
Interest paid	(35)	(144)
Net cash used in financing activities	<u>(35)</u>	<u>(144)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(266,318)</u>	<u>200,709</u>
Cash and cash equivalents at beginning of year	1,509,111	1,308,402
Cash and cash equivalents at the end of year	<u><u>1,242,793</u></u>	<u><u>1,509,111</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,242,793	1,509,111
	<u><u>1,242,793</u></u>	<u><u>1,509,111</u></u>

The notes on pages 12 to 22 form part of these financial statements.

DELCAP ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

Delcap Asset Management Limited is a limited liability company incorporated in England and Wales, with its registered office address at 5 Elstree Gate, Elstree Way, Borehamwood, Hertfordshire, WD6 1JD.

The principal activity of the company is discretionary fund and portfolio management, and investment advisory.

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 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 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax.

Income derives from:

Management fees - management fee income is included in the accounts based on the calculated fee earned.

Performance fees - for each fund, performance fee income is included in the accounts based on the date of the invoice to the customer. This reflects the uncertainty in earning the performance fee, which is dependant upon the fund's performance at the specific period.

Negotiation fees - this income is included in the accounts based on the terms of each agreement.

Monitoring fees - this income is included in the accounts based on the terms of each agreement.

DELCAP ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives. 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 profit and loss account.

Depreciation is provided on the following basis:

Long-term leasehold property	- over the remaining life of the lease
Motor vehicles	- 33% - 50% straight line
Fixtures and fittings	- 10% - 33% straight line

2.4 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.5 Valuation of investments

Investments in listed company shares are remeasured to market value at the end of each reporting period, except where the movement is immaterial. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period.

DELCAP ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.6 Basic financial instruments

Basic financial instruments include trade and other debtors, trade and other creditors, cash and bank balances, bank and related party loans.

Trade and other debtors are recognised initially at the transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade and other debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest.

Interest bearing borrowings classified as basic financial instruments are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, they are stated at amortised cost using the effective interest method. 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.

2.7 Foreign currency translation

The company's functional and presentational currency is £ Sterling.

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. Exchange gains and losses are recognised in the Statement of Comprehensive income.

The company operates a branch office in Belgium. The results of the branch are translated into sterling at the rate ruling at the balance sheet date based on the closing rate method and consolidated within these financial statements. Any exchange differences are taken to the Statement of Comprehensive Income.

2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method.

2.9 Operating leases: the Company as lessee

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

DELCAP ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- 1) The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- 2) Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

DELCAP ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

In preparing these financial statements, the directors have made the following judgments:

a) Determine whether leases entered into by the company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

b) Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

In preparing these financial statements, the directors have considered the following key sources of estimation uncertainty:

a) Tangible assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and estimated disposal values.

4. Turnover

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	95,221	112,922
Rest of Europe	3,026,630	2,866,564
Rest of the world	425,658	321,216
	<u>3,547,509</u>	<u>3,300,702</u>

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Exchange differences	(72,671)	(56,105)
Other operating lease rentals	<u>250,191</u>	<u>262,186</u>

DELCAP ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Auditors' remuneration

Fees payable to the Company's auditor and its associates in respect of:

The audit of the Company's annual financial statements	2,000	2,000
All other services	9,450	7,900
	11,450	9,900

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	1,480,564	1,077,247
Social security costs	278,685	221,240
	1,759,249	1,298,487

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Administrative staff	6	6
Directors and management	3	3
	9	9

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	561,984	339,300

The highest paid director received remuneration of £556,984 (2017 - £334,300).

DELCAP ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	35	-
Other interest payable	-	144
	<u>35</u>	<u>144</u>

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	122,340	212,303
Adjustments in respect of previous periods	(38)	139
Total current tax	<u>122,302</u>	<u>212,442</u>
Deferred tax		
Origination and reversal of timing differences	(12,513)	(3,673)
Taxation on profit on ordinary activities	<u>109,789</u>	<u>208,769</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>551,373</u>	<u>1,049,449</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	104,761	202,019
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,431	5,852
Capital allowances for year in excess of depreciation	14,148	4,432
Adjustments to tax charge in respect of prior periods	(38)	139
Deferred tax movement	(12,513)	(3,673)
Total tax charge for the year	<u>109,789</u>	<u>208,769</u>

DELCAP ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 January 2018	56,860	82,024	563,684	702,568
Additions	-	38,531	10,257	48,788
Exchange adjustments	639	921	4,383	5,943
At 31 December 2018	57,499	121,476	578,324	757,299
Depreciation				
At 1 January 2018	47,887	24,691	417,557	490,135
Charge for the year on owned assets	6,763	22,854	68,325	97,942
Exchange adjustments	538	278	2,907	3,723
At 31 December 2018	55,188	47,823	488,789	591,800
Net book value				
At 31 December 2018	2,311	73,653	89,535	165,499
At 31 December 2017	8,972	57,332	146,126	212,430

DELCAP ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 January 2018	24,850
At 31 December 2018	<u>24,850</u>
Net book value	
At 31 December 2018	<u>24,850</u>
At 31 December 2017	<u>24,850</u>

13. Debtors

	2018 £	2017 £
Trade debtors	268,225	102,743
Amounts owed by group undertakings	1,662,986	710,535
Other debtors	111,141	32,778
Prepayments and accrued income	537,501	685,222
	<u>2,579,853</u>	<u>1,531,278</u>

14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	80,860	86,266
Amounts owed to group undertakings	-	405
Corporation tax	123,821	215,129
Other taxation and social security	-	25
Other creditors	406	10,251
Accruals and deferred income	533,498	120,254
	<u>738,585</u>	<u>432,330</u>

DELCAP ASSET MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

15. Deferred taxation

	2018 £	2017 £
At beginning of year	28,928	32,601
Charged to profit or loss	(12,513)	(3,673)
At end of year	<u>16,415</u>	<u>28,928</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	<u>16,415</u>	<u>28,928</u>

16. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
1 (2017 - 1) Ordinary A share of £1.00	1	1
1 (2017 - 1) Ordinary B share of £1.00	1	1
113,798 (2017 - 113,798) Ordinary C shares of £1.00 each	113,798	113,798
1 (2017 - 1) Ordinary D share of £1.00	1	1
1 (2017 - 1) Ordinary E share of £1.00	1	1
	<u>113,802</u>	<u>113,802</u>

The Ordinary Shares rank pari passu in all respects except that the Ordinary 'D' and 'E' shares have no right to participate in a winding up.

DELCAP ASSET MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

17. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Land and buildings		
Not later than 1 year	168,037	169,574
Later than 1 year and not later than 5 years	-	109,378
	<u>168,037</u>	<u>278,952</u>
	2018 £	2017 £
Others		
Not later than 1 year	21,170	406
Later than 1 year and not later than 5 years	6,055	-
	<u>27,225</u>	<u>406</u>

18. Related party transactions

At the Statement of Financial Position date the company was owed £1,662,986 (2017 - £710,131) by the parent company Delori Capital Partners N.V.

During the year the company made sales amounting to £1,240,013 (2017 - £1,136,901) to TowerView Fund Sicav, a company registered in Luxembourg. J B C Delori is a director of TowerView Fund Sicav. At the Statement of Financial Position date the company was owed 206,405 (2017 - £105,911) by TowerView Fund Sicav, included in trade debtors.

During the year the company paid director fees of £5,000 (2017 - £5,000) to P Burke, who is a director of the company.

During the year, the company paid remuneration of £561,984 (2017 - £334,300) to its key management personnel.

19. Controlling party

The directors consider the ultimate parent undertaking to be Delori Capital Partners N.V., a company incorporated in Belgium. Delori Capital Partners N.V. is controlled by J B C Delori, who is a director of the company.

20. Pillar 3 Disclosure

The Pillar 3 disclosure can be found on the company website: www.delcapam.com.