

**EP&F Capital Plc**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**  
**(Company No. 5168024)**

THURSDAY



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# **EP&F Capital Plc**

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# **EP&F Capital Plc**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

Lance O'Neill (Chairman)

Nigel Duxbury (Finance Director) - resigned 15<sup>th</sup> January 2016

Benjamin Edwards (Director) - appointed 15<sup>th</sup> January 2016

### **SECRETARY**

Nigel Duxbury - resigned 15<sup>th</sup> January 2016

Lance O'Neill - appointed 15<sup>th</sup> January 2016

### **REGISTERED OFFICE**

Unit 2, Petersfield Business Park

Bedford road

Petersfield

Hants

GU32 3QA

### **AUDITORS**

Nexia Smith & Williamson

25 Moorgate

London EC2R 6AY

### **SOLICITORS**

Memery Crystal

44 Southampton Buildings

London WC2A 1AP

### **PRINCIPAL BANKERS**

Lloyds TSB Bank plc

39 Piccadilly

London W1V 0AA

### **REGISTRARS**

Capita Registrars

The Registry

34 Beckenham Road

Kent BR3 4TU

# EP&F Capital Plc

## STRATEGIC REPORT

The directors present the strategic report for EP&F Capital Plc (the "Company") for the year ended 31 December 2015.

### PRINCIPAL ACTIVITIES

The Company was established to acquire or invest in businesses, which were considered to have the potential for the generation of significant growth and profitability in the short and medium terms.

### BUSINESS REVIEW

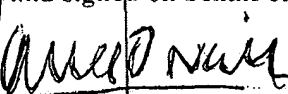
The Board of the Company has continued to look to establish, acquire or invest in businesses which are considered to have the potential for the generation of significant growth and profitability in the short and medium terms. The Board has focused on small private companies, which are looking for working capital to support their growth plans and have the potential for a listing on AIM in the short term. The Company's annual income is predominantly derived from gains on the sale of investments and interest earned.

The results for the year state a loss on ordinary activities of £179,802 which is an increase on the £38,146 loss incurred in 2014. Administrative expenses remained consistent with the previous year's total. The overall increase in this loss was due, predominantly, to the combination of the £33,318 loss on the disposal of quoted investments during the year along with the unrealised loss on quoted investments. This is reflected in the overall loss on ordinary activities during the year and is in contrast to the £62,168 profit on sales of investments in 2014.

The Company also has invested in unlisted investments which, although, more difficult to value have progressed positively through the year. Such holdings are usually valued at fair value in the accounts or at cost less impairment where the fair value cannot be measured reliably and the latter is deemed applicable.

Furthermore, the Company is exposed to equity price risk because of the equity position it holds, notwithstanding the diversification of its holdings. The board has taken steps at the end of the year to achieve a demonstrable and consistent revenue stream; these changes are highlighted in the Directors' Report.

Approved by the Board of Directors  
and signed on behalf of the Board



Lance O'Neill  
Director  
30 June 2016

# **EP&F Capital Plc**

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements of EP&F Capital Plc (the "Company") for the year ended 31 December 2015.

### **RESULTS AND DIVIDENDS**

The loss for the year, after taxation, amounted to £179,802 (2014: £38,146 loss).

The directors do not recommend the payment of a dividend (2014: £Nil).

### **DIRECTORS**

The directors of the Company who served during the year were:

Lance O'Neill	
Nigel Duxbury	(resigned 15 <sup>th</sup> January 2016)
Ben Edwards	(appointed 15 <sup>th</sup> January 2016)

### **POST BALANCE SHEET EVENT**

In January 2016 Syntaxis Capital Ltd acquired a 10.92% shareholding in the Company from Nigel Duxbury who stepped down from the board. Ben Edwards, the Managing Partner of Syntaxis Capital Ltd ("Syntaxis"), joined the board at the same time.

Syntaxis is a leading provider of mezzanine finance for mid to lower mid-market companies. It provides capital to growth orientated businesses, for expansion, in buy-outs, for balance sheet optimisation and to fund acquisitions. Since inception in 2006, it has arranged, underwritten and led mezzanine investments in transactions with an aggregate value in excess of €1.2 billion.

The Company has invested €700,000 (£540,000) by way of participation in a €2,500,000 Senior Secured 12.5% Loan Facility with attached equity participation warrants that have been issued by Syntaxis.

### **FUTURE DEVELOPMENTS**

In conjunction with the Company's new shareholder the Board will continue to look for investment opportunities that will enhance shareholder value. As the anticipated relationship and participation between the Company and Syntaxis develops shareholders will be updated accordingly.

### **RISKS**

The Company's main risks are liquidity risk and credit risk and investments in small entities.

The Board ensures that prudent investment provides sufficient cash to meet working capital requirements.

The Board regularly reviews the credit rating of relevant counter parties.

## EP&F Capital Plc

### DIRECTORS' REPORT (continued)

#### DISCLOSURE OF INFORMATION TO THE AUDITORS

In the case of each person who was a director at the time this report was approved:

- as far as that director was aware there was no relevant available information of which the Company's auditors were unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

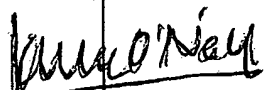
This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

#### AUDITORS

A resolution to re-appoint the auditors, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

The company's registration number is 5168024.

Approved by the Board of Directors  
and signed on behalf of the Board



Lance O'Neill

Secretary  
30 June 2016

Registered number 5168024

# **EP&F Capital Plc**

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

### **DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EP&F CAPITAL PLC**

We have audited the financial statements of EP&F Capital Plc for the year ended 31 December 2015 which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, the Cash Flow Statement, and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EP&F CAPITAL PLC  
(continued)**

**Matters on which we are required to report by exception**

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.

*Nexia Smith & Williamson*

Andrew Bond  
Senior Statutory Auditor, for and on behalf of  
**Nexia Smith & Williamson**  
Statutory Auditor  
Chartered Accountants

25 Moorgate  
London  
EC2R 6AY

30 June 2015

# EP&F Capital Plc

## STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £
<b>Turnover from continuing operations</b>		-	-
<b>Cost of sales</b>		-	-
<b>Gross profit</b>		-	-
Administrative expenses		(107,126)	(103,513)
(Loss)/Profit on disposal of investments		(33,318)	62,168
		(140,444)	(41,345)
Unrealised loss on revaluation of investments		(41,144)	-
Interest receivable and investment income	5	1,786	3,199
<b>Loss on ordinary activities before taxation</b>		(179,802)	(38,146)
Tax on loss on ordinary activities	6	-	-
<b>Total comprehensive loss for the year</b>		(179,802)	(38,146)
Profit and Loss Retained at 1 January		1,053,572	1,091,718
<b>Profit and Loss Retained at 31 December</b>		873,770	1,053,572
<b>Loss per ordinary 5p share</b>			
Basic and diluted		(3.8)p	(0.8)p

There are no recognised gains or losses for the year, other than the loss for the year. The turnover and operating loss are attributable to continuing operations.

Statements of Comprehensive Income and Changes in Equity have not been presented as the only change to the equity of the Company for the above two financial years is the loss for those financial years.

The notes on pages 12 to 21 form part of these financial statements.

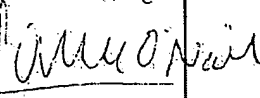
# EP&F Capital Plc



## STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Property, Plant and equipment	8	-	1,519
		-	1,519
<b>Current assets</b>			
Current asset investments	9	142,548	356,640
Debtors	10	102,757	115,137
Cash at bank and in hand		879,546	831,728
		1,124,851	1,303,505
<b>Creditors: amounts falling due within one year</b>	11	(15,723)	(16,094)
<b>Net current assets</b>		1,109,128	1,287,411
<b>Total assets less current liabilities</b>		1,109,128	1,288,930
<b>Capital and reserves</b>			
Called up share capital	12	235,358	235,358
Profit and loss account	12	873,770	1,053,572
<b>Equity</b>		1,109,128	1,288,930

These financial statements were approved and authorised for issue by the Board of Directors on 30 June 2016 and signed on its behalf by:

  
Lance O'Neill  
Director

**EP&F Capital Plc**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £	2014 £
<b><u>Operating Activities</u></b>			
Net cash outflow from operating activities	13	(103,684)	(25,488)
<b><u>Investing Activities</u></b>			
Purchase of property, plant and equipment		-	(1,726)
Interest received and investment income		1,786	3,199
Net cash inflow from investing activities		1,786	1,473
<b><u>Financing Activities</u></b>			
Purchase of investments		(8,398)	(447,830)
Sale of investments		158,114	501,774
Net cash inflow from financing activities		149,716	53,944
Net increase in cash and cash equivalents		47,818	29,929
Cash and cash equivalents at 1 January		831,728	801,799
Cash and cash equivalents at 31 December		879,546	831,728

# EP&F Capital Plc

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### **General Information**

The Company is a public company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Unit 2, Petersfield Business Park  
Bedford road  
Petersfield  
Hants  
GU32 3QA

#### **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". There were no material departures from that standard.

This is the first year in which the financial statements have been prepared under FRS 102. The date of transition is 1 January 2014, and the transition has not resulted in any changes in accounting policies to those previously used.

In accordance with FRS102, the company has:

- provided comparative information;
- applied the same accounting policies throughout all periods presents;
- retrospectively applied FRS102; and
- applied certain optional and mandatory exemptions, as applicable for first time adoption of FRS102.

Adjustments arising from first time adoption of FRS 102 are stated in note 18.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention.

#### **Turnover**

Turnover represents the invoiced amounts of consulting and administrative services provided.

# EP&F Capital Plc

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES (continued)

#### **Deferred Taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

#### **Property, Plant and Equipment**

Property, plant and equipment is stated at cost less depreciation. Depreciation is provided to write off the cost less estimated residual value in equal annual instalments over the estimated economic lives of the assets. The estimated useful economic lives are as follows:

Computer hardware	3 years
Software	3 years

#### **Financial instruments**

##### ***Classification***

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Basic financial assets include trade and other receivables, cash and bank balances. Basic financial liabilities include trade and other payables.

##### ***Recognition and measurement***

Basic assets and liabilities are initially recognised at transaction price and then subsequently measured at amortised cost less impairment. Amortised cost is measured using the effective interest method applied to expected future cash flows over the life of the instrument. Financial assets are derecognised when the contractual rights to cash flows expire, are settled or are transferred and the transfer meets certain conditions. Financial liabilities are derecognised when the obligation is discharged, cancelled or expires, or when an exchange between an existing borrower and lender results in substantially different terms or a substantial modification.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes to in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### ***Impairment***

Impairment is assessed at each period end and any impairment loss is recognised in profit or loss.

# EP&F Capital Plc

## NOTES TO THE FINANCIAL STATEMENTS

### 2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

#### **Critical judgements in applying the Company's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### ***Financial instruments classification***

The classification of financial instruments as "basic" or "other" requires judgement as to whether all the applicable conditions for classification as basic are met. This includes consideration of the form of the instrument and its return.

#### **Key sources of estimation uncertainty**

#### ***Bad debt provisions***

A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectible.

### 3. OPERATING LOSS

	2015	2014
	£	£
<b>This is stated after charging:</b>		
Auditors' remuneration - audit services	7,750	7,500
Auditors' remuneration – non audit services	1,250	-
Depreciation	1,519	772
Foreign exchange losses	-	2,495

### 4. DIRECTORS AND EMPLOYEES

	2015	2014
	£	£
<b>Directors Remuneration</b>		
Salaries	60,000	60,000
	<u>60,000</u>	<u>60,000</u>

# EP&F Capital Plc

## NOTES TO THE FINANCIAL STATEMENTS

### 5. INTEREST RECEIVABLE AND INVESTMENT INCOME

	2015	2014
	£	£
Bank interest received and investment income	1,786	3,199

### 6. TAX CHARGE ON LOSS ON ORDINARY ACTIVITIES

#### a) Analysis of charge in the year

	2015	2014
	£	£
United Kingdom corporation tax at 20%	-	-
Deferred taxation	-	-
	-	-

#### b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2015	2014
	£	£
Factors affecting the tax charge for the period:		
Loss on ordinary activities before tax	(179,802)	(38,146)
	2015	2014
	£	£
Expected tax credit at 20% (2014: 20% credit)	(35,960)	(7,629)
Effects of:		
Non taxable income	-	-
Depreciation and capital allowances timing differences	-	-
Disallowed expenses	-	-
Losses carried forward	35,960	7,629
	-	-

A deferred tax asset has not been recognised in respect of timing differences relating to tax losses amounting to £1,063,771 (2014: £883,969) and accelerated capital allowances as there is insufficient evidence that the potential asset will be recovered. The amount of the asset not recognised is £224,193 (2014: £198,985).



# EP&F Capital Plc

## NOTES TO THE FINANCIAL STATEMENTS

### 7. EARNINGS PER ORDINARY SHARE

The basic and diluted loss per share is calculated by dividing the loss attributed to ordinary shareholders of £179,802 (2014: £38,146 loss) by the weighted average number of shares in issue, 4,707,155 (2014: 4,707,155), during the period. The diluted earnings per share calculation is identical to that used for the basic earnings per share as the exercise of the warrants would have the effect of reducing the loss per ordinary share and is therefore not considered dilutive under the terms of IAS 33 "Earnings per Share".

### 8. PROPERTY, PLANT AND EQUIPMENT

	Computer £	Software £	Total £
<b>Cost</b>			
At 1 January 2015	22,755	2,513	25,268
Additions	-	-	-
At 31 December 2015	22,755	2,513	25,268
<b>Depreciation</b>			
At 1 January 2015	21,726	2,023	23,749
Charge for the period	1,029	490	1,519
At 31 December 2015	22,755	2,513	25,268
<b>Net book value at 31 December 2015</b>	-	-	-
<b>Net book value at 31 December 2014</b>	1,029	490	1,519

### 9. CURRENT ASSET INVESTMENTS

	2015 £	2014 £
Quoted	89,191	303,283
Unquoted	53,357	53,357
	142,548	356,640

# EP&F Capital Plc

## NOTES TO THE FINANCIAL STATEMENTS

### 10. DEBTORS

	2015	2014
	£	£
Other debtors	102,757	113,452
Prepayments and accrued income	-	1,685
	<u>102,757</u>	<u>115,137</u>

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£	£
Trade creditors	4,435	4,207
Taxation and social security	2,288	2,287
Accruals and deferred income	9,000	9,600
	<u>15,723</u>	<u>16,094</u>

### 12. SHARE CAPITAL AND RESERVES

	2015	2015	2014	2014
	Number	£	Number	£
	of shares		of shares	
<b>Authorised</b>				
Ordinary shares of 5 pence	<u>200,000,000</u>	<u>10,000,000</u>	<u>200,000,000</u>	<u>10,000,000</u>
<b>Allotted, called up and fully paid</b>				
Ordinary shares of 5 pence	<u>4,707,155</u>	<u>235,358</u>	<u>4,707,155</u>	<u>235,358</u>

#### Profit and loss account

This reserve relates to cumulative retained earnings less amounts distributed to shareholders.

# EP&F Capital Plc

## NOTES TO THE FINANCIAL STATEMENTS

### 13. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Loss on ordinary activities before taxation	(179,802)	(38,146)
Interest receivable and interest income	(1,786)	(3,199)
Depreciation	1,519	772
Revaluation of investments	41,144	-
Foreign exchange loss on translation	-	2,495
Shares issued in lieu of loans	-	(47,070)
Loss/(profit) on disposal of investments	23,232	(63,342)
Decrease in creditors	(371)	(3,490)
Decrease in debtors	12,380	126,492
	<u>(103,684)</u>	<u>(25,488)</u>

### 14. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2015.

### 15. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2015.

### 16. FINANCIAL INSTRUMENTS

The Company's principal financial instruments comprise bank balances, current asset investments, trade creditors and accruals, and other debtors. The main purpose of these instruments is to raise funds and provide finance for the company's operations.

#### Categorisation of financial instruments

The carrying value of financial assets and liabilities, measured at amortised cost, are detailed below:

	2015	2014
	£	£
Trade debtors and other receivables	102,757	113,452
Cash at bank	879,546	831,728
Trade and other payables	15,723	13,807
Current asset investments	<u>53,357</u>	<u>53,357</u>

The carrying value of financial assets, measured at fair value, are detailed below:

	2015	2014
	£	£
Current asset investments	<u>89,191</u>	<u>303,283</u>

# EP&F Capital Plc

## NOTES TO THE FINANCIAL STATEMENTS

### 16. FINANCIAL INSTRUMENTS (continued)

#### Financial assets held at fair value through profit and loss

FRS 102 requires a three level hierarchy disclosure for categorising financial assets and liabilities carried at fair value and requires enhanced disclosures about fair value measurement. The fair value hierarchy classifies financial assets and liabilities according to the source of inputs, ranked according to availability of observable market prices used in measuring fair value as follows:

- Level 1        The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2        Inputs other than quoted prices included within Level 1 that are observable (i.e. developed using market data) for the asset or liability, either directly or indirectly.
- Level 3        Inputs are unobservable (i.e. for which market data is unavailable) for the asset or liability.

The categorisation of the investments within the hierarchy is based upon the pricing transparency of each investment and does not necessarily correspond to the director's perceived risk of the investment. The investments are classified within level 1 as they are valued using observable inputs from active market.

The following tables analyse the fair value hierarchy of the Company's investments measured at fair value.

#### At 31 December 2015

	Level 1	Total
	£	£
Investments designated at fair value through profit or loss	89,191	89,191

#### At 31 December 2014

Investments designated at fair value through profit or loss	303,283	303,283
-------------------------------------------------------------	---------	---------

#### Risks

The Company's operations expose it to a variety of financial risks that includes the effects of changes in credit risk, liquidity risk and interest rate risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of these risks. Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department.

The principal risk facing the Company is a potential downturn in equities markets. However, in the directors' opinion and based on recent experience of the markets, this is a manageable risk.

# EP&F Capital Plc

## NOTES TO THE FINANCIAL STATEMENTS

### 16. FINANCIAL INSTRUMENTS (continued)

#### Market risk

Market risk is generally comprised of price risk, interest rate risk and foreign exchange risk.

#### Equity price risk

The Company is exposed to equity price risk because of investments held by the group. To manage the price risk arising from these investments the Company diversifies its portfolio in accordance with limits set by the board of directors.

#### Interest rate risk

The Company does not pay interest on any of its financial liabilities; nor is it likely to in the future.

#### Foreign exchange risk

The company is subject to foreign exchange risk and seeks to mitigate that risk through strict monitoring of all foreign currency assets, which comprise of current asset investments.

FRS 102 requires financial institutions to provide a sensitivity analysis for each type of market risk for which it is exposed. As there is no interest rate risk, a sensitivity analysis is not provided for this risk.

The Company does have exposure to foreign currency rate risk, as it has a current asset investment denominated in Australian Dollars. A sensitivity analysis shows the effect of a 10% exchange rate rise on those assets denominated in foreign currencies at the year end, would be to increase total equity and profit by £9,662. Conversely, a 10% fall would result in a £9,662 decrease in total equity and profit.

#### Price risk

Price Risk is the risk that one or more assets suffers a material reduction in value due to either market factors such as lower stock market valuation ratios or events specific to that asset such as a deterioration in the underlying firm's trading or cash position.

#### Credit risk

Trade and other debtors are managed in respect of credit and cash flow by policies concerning the credit offered to customers and the regular monitoring of the amounts outstanding for both time and credit limits. A maturity analysis and carrying value of trade debtors and other receivables are given below:

	Less than 1 month past	1-3 months past	4- 6 months past	More than 6 months past	Carrying amount 2015
	£	£	£	£	£
Other debtors	-	-	-	102,757	102,757
	-	-	-	102,757	102,757

# **EP&F Capital Plc**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **16. FINANCIAL INSTRUMENTS (continued)**

#### **Liquidity risk**

The company actively maintains all of its investments in cash and short term investments, thereby mitigating liquidity risk. In respect of bank balances, the liquidity risk is managed by maintaining continuity of funding and prompt collection of debts. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

#### **Cash flow risk**

The company maintains interest bearing assets, which include cash balances which earn interest at a fixed rate.

### **17. RELATED PARTY TRANSACTIONS**

At the year end a balance of £66,992 (2014: £66,992) was due from Andes Energia plc of which Nigel Duxbury is a director. No costs were recharged from the Company during the year (2014: £Nil).

At the end of the year a balance of £Nil (2014: £10,694) was due from EP& F Capital Advisory Limited, a company of which Lance O'Neill and Nigel Duxbury are directors. No costs were recharged from the Company during the year (2014: £Nil).

At the year end a balance of £35,685 (2014: £35,685) was due from MediaZest plc of which Lance O'Neill is a director. No costs were recharged from the Company during the year (2014: £Nil).

Lance O'Neill is a director of Calix Limited in which the Company has an investment with a book value of £28,804.

### **18. FIRST TIME ADOPTION OF FRS 102**

The transition to FRS 102 has resulted in no material changes to the income statement comparative figures or statement of financial position opening figures and as a result these have not been restated.

### **19. POST BALANCE SHEET EVENTS**

As referred to in the director's report on page 4 the Company has invested €700,000 (£540,000) by way of participation in a €2,500,000 12.5% Senior Secured Loan Facility with attached equity participation warrants that have been issued by Syntaxis.