

Registered number: 08427445

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**CARTESIUS ADVISORY NETWORK LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

MACFARLANES LLP  
20 CURSITOR STREET  
LONDON  
EC4A 1LT

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**CARTESIUS ADVISORY NETWORK LIMITED**

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**COMPANY INFORMATION**

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|                             |   |
|-----------------------------|---|
| <b>Director</b>             | Mr L Arnold   |
| <b>Registered number</b>    | 08427445  |
| <b>Registered office</b>    | 10 Norwich Street<br>London<br>United Kingdom<br>EC4A 1BD |
| <b>Independent auditors</b> | Buzzacott LLP<br>130 Wood Street<br>London<br>EC2V 6DL    |

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**CARTESIUS ADVISORY NETWORK LIMITED**

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**CARTESIUS ADVISORY NETWORK LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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The director presents his Strategic Report for Cartesius Advisory Network Limited (the "Company") for the year ended 31 December 2016.

**PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the Company during the year continued to be that of providing support services to Cartesius Advisory Network AG until the 31st of October 2016, as of which the Service Agreement has been mutually terminated.

The Company's results for the year and the financial position at 31 December 2016 were considered satisfactory by the director.

**FUTURE DEVELOPMENTS**

Due to the termination of the Service Agreement with Cartesius Advisory Network AG, the director has started to wind down the Company's operations.

**KEY PERFORMANCE INDICATORS**

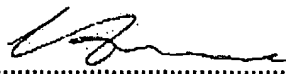
As the Company's activities relate entirely to the provision of advisory services to Cartesius Advisory Network AG, the Company's parent undertaking, the Company's results are dependent on the activities and performance of Cartesius Advisory Network AG. Therefore, key performance indicators of the Company relate to the continuing engagement of existing and new clients by Cartesius Advisory Network AG to ensure the continuing viability of the group's business.

**FINANCIAL RISK MANAGEMENT**

The principal risk affecting the Company is business risk as the delivery of a poor standard of consultancy services to Cartesius Advisory Network AG, the Company's parent undertaking, may negatively affect the ability of Cartesius Advisory Network AG to attract and retain new clients.

Credit and liquidity risks, and other risks such as market risk (comprising interest rate and price risk), regulatory risk, legal risk and operational risk, are considered to have minimal potential impact.

The report was approved by the sole director.



.....  
**Mr L Arnold**  
**Director**

Date: 26/4/17

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## **CARTESIUS ADVISORY NETWORK LIMITED**

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### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

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The director presents his report and the financial statements for the year ended 31 December 2016.

#### **Director's responsibilities statement**

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that he gives 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £549,910 (2015 - profit £79,376).

#### **Directors**

The directors who served during the year were:

Mr L Arnold (appointed 15 December 2016)  
Mr T Straessle (resigned 15 December 2016)

#### **Future developments**

Disclosure of possible future developments has been made in the Strategic Report.

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**CARTESIUS ADVISORY NETWORK LIMITED**

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**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**Disclosure of information to auditors**


The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he 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, Buzzacott LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the sole director.

  
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**Mr L Arnold**

Director

Date: 26/4/17

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## **CARTESIUS ADVISORY NETWORK LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARTESIUS ADVISORY NETWORK LIMITED**

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We have audited the financial statements of Cartesius Advisory Network Limited for the year ended 31 December 2016, set out on pages 6 to 20. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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.

#### **Respective responsibilities of Directors and Auditors**

As explained more fully in the Director's Responsibilities Statement on page 2, the director is 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 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 Financial Reporting Council'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 2016 and of its profit or 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, based on the work undertaken in the course of the audit, the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

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 Director's Report.

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CARTESIUS ADVISORY NETWORK LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARTESIUS ADVISORY NETWORK  
LIMITED (CONTINUED)

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**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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Peter Chapman (Senior Statutory Auditor)

for and on behalf of  
**Buzzacott LLP**

Statutory auditor

130 Wood Street  
London  
EC2V 6DL

Date: 26/4/17



**CARTESIUS ADVISORY NETWORK LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

|   | Note | 2016<br>£        | 2015<br>£        |
|---|------|------------------|------------------|
| Revenue   | 3    | 773,123          | 1,002,436        |
| <b>Gross profit</b>                             |      | <b>773,123</b>   | <b>1,002,436</b> |
| Administrative expenses                         |      | (1,076,925)      | (907,372)        |
| <b>Operating (loss)/profit</b>                  | 4    | <b>(303,802)</b> | <b>95,064</b>    |
| Amounts written off debtors                     |      | (54,994)         | -                |
| Interest receivable and similar income          | 7    | 3,462            | -                |
| Loss on disposal of fixed assets                |      | (249,925)        | -                |
| <b>(Loss)/profit before tax</b>                 |      | <b>(605,259)</b> | <b>95,064</b>    |
| Tax on (loss)/profit                            | 8    | 55,349           | (15,688)         |
| <b>(Loss)/profit after tax</b>                  |      | <b>(549,910)</b> | <b>79,376</b>    |
|   |      |                  |                  |
| Retained earnings at the beginning of the year  |      | 103,034          | 23,658           |
|   |      | 103,034          | 23,658           |
| (Loss)/profit for the year                      |      | (549,910)        | 79,376           |
| <b>Retained earnings at the end of the year</b> |      | <b>(446,876)</b> | <b>103,034</b>   |

The notes on pages 9 to 20 form part of these financial statements.

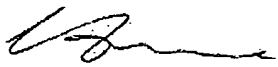
All of the Company's activities derived from discontinued operations for the year ended 31 December 2016.

**CARTESIUS ADVISORY NETWORK LIMITED**  
**REGISTERED NUMBER:08427445**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

|  | Note | 2016<br>£ | 2015<br>£ |
|--|------|-----------|-----------|
| <b>Fixed assets</b>                            |      |           |           |
| Tangible assets                                | 9    | -         | 335,665   |
|  |      | -         | 335,665   |
| <b>Current assets</b>                          |      |           |           |
| Debtors: amounts falling due within one year   | 10   | 87,565    | 366,772   |
| Cash at bank and in hand                       | 11   | 42,950    | 14,773    |
|  |      | 130,515   | 381,545   |
| Creditors: amounts falling due within one year | 12   | (117,390) | (108,554) |
| <b>Net current assets</b>                      |      | 13,125    | 272,991   |
| <b>Total assets less current liabilities</b>   |      | 13,125    | 608,656   |
| <b>Provisions for liabilities</b>              |      |           |           |
| Deferred taxation                              | 14   | -         | (45,621)  |
|  |      | -         | (45,621)  |
| <b>Net assets excluding pension asset</b>      |      | 13,125    | 563,035   |
| <b>Net assets</b>                              |      | 13,125    | 563,035   |
| <b>Capital and reserves</b>                    |      |           |           |
| Called up share capital                        | 15   | 460,001   | 460,001   |
| Profit and loss account                        |      | (446,876) | 103,034   |
|  |      | 13,125    | 563,035   |

The financial statements were approved and authorised for issue by the sole director.

  
.....  
**Mr L Arnold**  
Director

Date: 26/4/17  
The notes on pages 9 to 20 form part of these financial statements.

**CARTESIUS ADVISORY NETWORK LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

|   | 2016<br>£      | 2015<br>£       |
|---|----------------|-----------------|
| <b>Cash flows from operating activities</b>                   |                |                 |
| (Loss)/profit for the financial year                          | (549,910)      | 79,376          |
| <b>Adjustments for:</b>                                       |                |                 |
| Depreciation of tangible assets                               | 94,480         | 101,287         |
| Loss on disposal of tangible assets                           | 249,925        | -               |
| Interest received   | (3,462)        | -               |
| Taxation charge   | (55,349)       | 15,688          |
| Decrease in debtors   | 288,935        | 69,067          |
| Increase/(decrease) in creditors                              | 89,993         | (21,015)        |
| (Decrease) in amounts owed to groups                          | (71,429)       | (265,161)       |
| Corporation tax (paid)/received                               | (9,728)        | -               |
| <b>Net cash generated from operating activities</b>           | <b>33,455</b>  | <b>(20,758)</b> |
| <b>Cash flows from investing activities</b>                   |                |                 |
| Purchase of tangible fixed assets                             | (9,625)        | (8,089)         |
| Sale of tangible fixed assets                                 | 885            | -               |
| Interest received   | 3,462          | -               |
| <b>Net cash from investing activities</b>                     | <b>(5,278)</b> | <b>(8,089)</b>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b>   | <b>28,177</b>  | <b>(28,847)</b> |
| Cash and cash equivalents at beginning of year                | 14,773         | 43,620          |
| <b>Cash and cash equivalents at the end of year</b>           | <b>42,950</b>  | <b>14,773</b>   |
| <b>Cash and cash equivalents at the end of year comprise:</b> |                |                 |
| Cash at bank and in hand                                      | 42,950         | 14,773          |
|   | <b>42,950</b>  | <b>14,773</b>   |

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## **CARTESIUS ADVISORY NETWORK LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **1. Accounting policies**

##### **1.1 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 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 2).

The following principal accounting policies have been applied:

##### **1.2 Going concern**

As described in the Director's report, the Company is to cease trading. The financial statements have therefore been prepared on a break up basis.

Preparation of financial statements on a break-up basis involves the Company making estimates and assumptions that affect the reported assets and liabilities. Estimates are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances and are continually re-evaluated. It has been considered whether any adjustments are required to provide for any further liabilities due to the cessation of trade. No material additional costs are expected and accordingly no adjustment has been made to provide for any further liabilities.

##### **1.3 Revenue**

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

###### **Rendering of services**

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

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

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## CARTESIUS ADVISORY NETWORK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. Accounting policies (continued)

##### 1.4 Tangible fixed assets

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

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, using the straight-line method.

Depreciation is provided on the following basis:

|                        |   |                           |
|------------------------|---|---------------------------|
| Leasehold improvements | - | 20% 5 years straight line |
| Fixtures and fittings  | - | 33% 3 years straight line |
| Computer equipment     | - | 33% 3 years straight line |

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

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

##### 1.5 Debtors

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

##### 1.6 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

##### 1.7 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 and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that

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## CARTESIUS ADVISORY NETWORK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. Accounting policies (continued)

##### 1.7 Financial Instruments (continued)

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, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Income Statement.

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

##### 1.8 Creditors

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

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**CARTESIUS ADVISORY NETWORK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**1. Accounting policies (continued)**

**1.9 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

**1.10 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**1.11 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Income Statement in the period the charges have occurred, as this represents a systematic basis that is representative of the time pattern of the use of the leasehold property.

**1.12 Interest income**

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

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## CARTESIUS ADVISORY NETWORK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 1. Accounting policies (continued)

##### 1.13 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 Income and Retained Earnings 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.

##### 1.14 Current and deferred taxation

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

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

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:

- 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
- 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### 1.15 Company information

Name: Cartesius Advisory Network Limited

Legal form: Limited Liability Company "Limited"

Country of incorporation: England and Wales

Registered address: 10 Norwich Street, London, United Kingdom, EC4A 1BD.



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**CARTESIUS ADVISORY NETWORK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**2. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the preparation of financial statements management is required to make judgements, estimates and assumptions. The Director considers that in the preparation of these financial statements there were no material judgements, estimates or assumptions which could give rise to a material misstatement in future accounting periods.

**3. Analysis of turnover**

The whole of the turnover is attributable to the Company's principal activity and arose within the UK.

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

The operating profit is stated after charging:

|                                       | 2016<br>£ | 2015<br>£ |
|---------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets | 94,480    | 101,287   |
| Exchange differences                  | 360       | 189       |
| Other operating lease rentals         | 365,786   | 234,780   |

During the year, the directors received emoluments amounting to £18,750 (2015 - £7,308).

**5. Auditor's remuneration**

|   | 2016<br>£    | 2015<br>£    |
|---|--------------|--------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts | 8,500        | 8,500        |
| <b>Fees payable to the Company's auditor and its associates in respect of:</b>                          | <b>8,500</b> | <b>8,500</b> |
| Audit related assurance services  | 1,000        | 1,000        |
| Taxation compliance services  | 2,000        | 2,000        |
| All other services  | 500          | 500          |
|   | <b>3,500</b> | <b>3,500</b> |

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**CARTESIUS ADVISORY NETWORK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**6. Employees**

Staff costs, including director's remuneration, were as follows:

|                       | 2016<br>£      | 2015<br>£      |
|-----------------------|----------------|----------------|
| Wages and salaries    | 358,482        | 325,942        |
| Social security costs | 35,508         | 38,793         |
|                       | <u>393,990</u> | <u>364,735</u> |

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

|                | 2016<br>No. | 2015<br>No. |
|----------------|-------------|-------------|
| Professional   | 2           | 2           |
| Administrative | 1           | 2           |
|                | <u>3</u>    | <u>4</u>    |

**7. Interest receivable**

|                           | 2016<br>£    | 2015<br>£ |
|---------------------------|--------------|-----------|
| Other interest receivable | 3,462        | -         |
|                           | <u>3,462</u> | <u>-</u>  |

**CARTESIUS ADVISORY NETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

**8. Taxation**

|   | 2016<br>£       | 2015<br>£     |
|---|-----------------|---------------|
| Current tax on profits for the year                     | (9,728)         | 9,728         |
|   | <u>(9,728)</u>  | <u>9,728</u>  |
| <b>Total current tax</b>                                | <u>(9,728)</u>  | <u>9,728</u>  |
| <b>Deferred tax</b>                                     |                 |               |
| Origination and reversal of timing differences          | (45,621)        | 9,926         |
| Effect of tax rate change on opening balances           | -               | (3,966)       |
|   | <u>(45,621)</u> | <u>5,960</u>  |
| <b>Total deferred tax</b>                               | <u>(45,621)</u> | <u>5,960</u>  |
| <b>Taxation on (loss)/profit on ordinary activities</b> | <u>(55,349)</u> | <u>15,688</u> |

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

|  | 2016<br>£        | 2015<br>£      |
|--|------------------|----------------|
| (Loss)/profit on ordinary activities before tax  | (605,259)        | 95,064         |
|  | <u>(605,259)</u> | <u>95,064</u>  |
| (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%) | (121,052)        | 19,250         |
| <b>Effects of:</b>   |                  |                |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment                            | 20,743           | 364            |
| Fixed asset differences  | 13,412           | 3,438          |
| Utilisation of tax losses  | 9,728            | -              |
| Adjustments to tax charge in respect of prior periods  | (9,728)          | -              |
| Adjust opening deferred tax to average rate of 20.00%  | 5,069            | -              |
| Effect on reduced tax rate on deferred tax liabilities   | -                | (5,234)        |
| Deferred tax not recognised  | 26,479           | (2,130)        |
|  | <u>26,479</u>    | <u>(2,130)</u> |
| <b>Total tax charge for the year</b>   | <u>(55,349)</u>  | <u>15,688</u>  |

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**CARTESIUS ADVISORY NETWORK LIMITED**

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**9. Tangible fixed assets**

|                            | Leasehold<br>improvements<br>£ | Fixtures and<br>fittings<br>£ | Computer<br>equipment<br>£ | Total<br>£     |
|----------------------------|--------------------------------|-------------------------------|----------------------------|----------------|
| At 1 January 2016          | 375,365                        | 57,444                        | 21,198                     | 454,007        |
| Additions                  | 9,625                          | -                             | -                          | 9,625          |
| Disposals                  | (384,990)                      | (57,444)                      | (21,198)                   | (463,632)      |
| At 31 December 2016        | -                              | -                             | -                          | -              |
| At 1 January 2016          | 81,329                         | 29,554                        | 7,459                      | 118,342        |
| Charge for the year        | 70,100                         | 17,461                        | 6,919                      | 94,480         |
| Disposals                  | (151,429)                      | (47,015)                      | (14,378)                   | (212,822)      |
| At 31 December 2016        | -                              | -                             | -                          | -              |
| <b>Net book value</b>      |                                |                               |                            |                |
| At 31 December 2016        | -                              | -                             | -                          | -              |
| <i>At 31 December 2015</i> | <i>294,036</i>                 | <i>27,890</i>                 | <i>13,739</i>              | <i>335,665</i> |

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**CARTESIUS ADVISORY NETWORK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**10. Debtors**

|                                | 2016<br>£     | 2015<br>£      |
|--------------------------------|---------------|----------------|
| Trade debtors                  | 480           | -              |
| Other debtors                  | 85,491        | 287,755        |
| Prepayments and accrued income | 1,594         | 79,017         |
|                                | <u>87,565</u> | <u>366,772</u> |

Included in other debtors is an amount of £Nil (2015: £270,955) that is due after more than one year.

**11. Cash and cash equivalents**

|                          | 2016<br>£     | 2015<br>£     |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | 42,950        | 14,773        |
|                          | <u>42,950</u> | <u>14,773</u> |

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

|                                    | 2016<br>£      | 2015<br>£      |
|------------------------------------|----------------|----------------|
| Trade creditors                    | 48,390         | 12,597         |
| Amounts owed to group undertakings | -              | 71,429         |
| Corporation tax                    | -              | 9,728          |
| Accruals and deferred income       | 69,000         | 14,800         |
|                                    | <u>117,390</u> | <u>108,554</u> |

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**CARTESIUS ADVISORY NETWORK LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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**13. Financial instruments**

|  | 2016<br>£        | 2015<br>£       |
|--|------------------|-----------------|
| <b>Financial assets</b>                            |                  |                 |
| Financial assets measured at amortised cost        | 128,921          | 302,528         |
|  | <u>128,921</u>   | <u>302,528</u>  |
| <b>Financial liabilities</b>                       |                  |                 |
| Other financial liabilities measured at fair value | (117,390)        | (98,826)        |
|  | <u>(117,390)</u> | <u>(98,826)</u> |

Financial assets measured at amortised cost comprise cash at bank and other debtors.

Financial liabilities measured at amortised cost comprise Trade creditors and accruals.

**14. Deferred taxation**

|                           | 2016<br>£ |
|---------------------------|-----------|
| At beginning of year      | (45,621)  |
| Charged to profit or loss | 45,621    |
| <b>At end of year</b>     | <u>-</u>  |

**15. Share capital**

|   | 2016<br>£      | 2015<br>£      |
|---|----------------|----------------|
| <b>Shares classified as equity</b>        |                |                |
| <b>Allotted, called up and fully paid</b> |                |                |
| 460,001 ordinary shares of £1 each        | <u>460,001</u> | <u>460,001</u> |

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**16. Commitments under operating leases**

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

|  | 2016<br>£ | 2015<br>£      |
|--|-----------|----------------|
| Not later than 1 year                        | -         | 199,980        |
| Later than 1 year and not later than 5 years | -         | 333,300        |
|  | <u>-</u>  | <u>533,280</u> |

During the year, the Company's lease was assigned to a third party.

**17. Related party transactions**

The Company has taken advantage of the disclosure exemptions as offered in paragraph 33.1A under FRS102.

During the year, key management personnel received remuneration amounting to £18,750 (2015: £7,308).

**18. Controlling party**

The ultimate controlling party is Luqman Arnold.

The immediate parent company is Cartesius Advisory Network AG, a company registered in Switzerland, whose registered office is Baarerstrasse 14, 6300 Zug, Switzerland.

The ultimate parent company is Cartesius SA, a company registered in Switzerland, whose registered office is c/o Talenture SA, Via Riva Albertoli 1, 6900 Lugano, Switzerland.