

Registered number: 09609607

LONDON MANAGEMENT GROUP LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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LONDON MANAGEMENT GROUP LTD

COMPANY INFORMATION

Directors	M T Glas E Mouzannar
Registered number	09609607
Registered office	105 Piccadilly London W1J 7NJ
Independent auditors	Sopher + Co LLP Chartered Accountants & Statutory Auditors 5 Elstree Gate Elstree Way Borehamwood Hertfordshire WD6 1JD

LONDON MANAGEMENT GROUP LTD

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LONDON MANAGEMENT GROUP LTD

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

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

Business review

The company was pleased with the development of its business over the year. The increased turnover was partly due to the high level of performance fees which reflects the quality of the products LMG invests into for its clients.

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 risks through the application of appropriate procedures and controls. The procedures and controls are reviewed on a regular basis.

Liquidity risk

The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet the requirements set out by the Financial Conduct Authority and to invest cash assets safely and profitably. The company has sufficient liquidity and reserves at the year end for its working capital needs.

Credit risk

The company's principal financial assets are cash and debtors. The principal credit risk arises therefore from its debtors. In order to manage credit risk the directors actively manage debtors by monitoring outstanding balances regularly.

Financial key performance indicators

Given the straightforward nature of the business, the group's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 25 April 2019 and signed on its behalf.

E Mouzannar
Director



LONDON MANAGEMENT GROUP LTD

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 £207,492 (2017 -£76,402).

During the year dividends totalling £133,227 (2017 - £Nil) were paid.

Directors

The directors who served during the year were:

M T Glas
E Mouzannar

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 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 it 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 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.

Future developments

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

Pillar III disclosures

The disclosures required by the Financial Conduct Authority under BIPRU 11 are appended to these accounts and are not audited.

LONDON MANAGEMENT GROUP LTD

**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.

Subsequent events

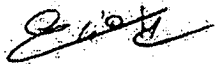
There have been no significant events affecting the company since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Sopher + Co LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 25 April 2019 and signed on its behalf.

E Mouzannar
Director



LONDON MANAGEMENT GROUP LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LONDON MANAGEMENT GROUP LTD

Opinion

We have audited the financial statements of London Management Group Ltd (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

LONDON MANAGEMENT GROUP LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LONDON MANAGEMENT GROUP LTD (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 2, 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.

LONDON MANAGEMENT GROUP LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LONDON MANAGEMENT GROUP LTD (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.



Martyn Atkinson FCA (Senior Statutory Auditor)

for and on behalf of
Sopher + Co LLP

Chartered Accountants
Statutory Auditors

5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

25 April 2019

LONDON MANAGEMENT GROUP LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	3	969,187	732,046
Cost of sales		(243,267)	(189,128)
Gross profit		725,920	542,918
Administrative expenses		(466,007)	(458,916)
Operating profit	4	259,913	84,002
Interest payable and expenses		(739)	
Profit before tax		259,174	84,002
Tax on profit	9	(51,682)	(7,600)
Profit for the financial year		207,492	76,402

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

The notes on pages 11 to 20 form part of these financial statements.

LONDON MANAGEMENT GROUP LTD
REGISTERED NUMBER:09609607

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	2,113	5,051
		<u>2,113</u>	<u>5,051</u>
Current assets			
Debtors: amounts falling due within one year	11	255,008	243,182
Cash at bank and in hand		465,308	264,838
		<u>720,316</u>	<u>508,020</u>
Current liabilities			
Creditors: amounts falling due within one year	12	(419,461)	(279,806)
Net current assets		<u>300,855</u>	<u>228,214</u>
Total assets less current liabilities		<u>302,968</u>	<u>233,265</u>
Creditors: amounts falling due after more than one year	13	(15,525)	(20,087)
Net assets		<u><u>287,443</u></u>	<u><u>213,178</u></u>
Capital and reserves			
Called up share capital	15	20,000	20,000
Share premium account	16	180,000	180,000
Profit and loss account	16	87,443	13,178
		<u><u>287,443</u></u>	<u><u>213,178</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 April 2019.

E Mouzannar
Director



The notes on pages 11 to 20 form part of these financial statements.

LONDON MANAGEMENT GROUP LTD

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2017	20,000	180,000	(63,224)	136,776
Profit for the year	-	-	76,402	76,402
At 1 January 2018	20,000	180,000	13,178	213,178
Profit for the year	-	-	207,492	207,492
Dividends: Equity capital	-	-	(133,227)	(133,227)
At 31 December 2018	20,000	180,000	87,443	287,443

The notes on pages 11 to 20 form part of these financial statements.

LONDON MANAGEMENT GROUP LTD

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

	2018 £	2017 £
Cash flows from operating activities		
Profit for the year	207,492	76,402
Adjustments for:		
Depreciation of tangible assets	3,428	3,155
Interest paid	739	-
Taxation charge	51,682	7,600
Increase in debtors	(11,825)	(18,516)
Increase in creditors	91,010	43,079
Corporation tax paid	(7,600)	-
Net cash generated from operating activities	334,926	111,720
Cash flows from investing activities		
Purchase of tangible fixed assets	(490)	(2,050)
Net cash from investing activities	(490)	(2,050)
Cash flows from financing activities		
Dividends paid	(133,227)	-
Interest paid	(739)	-
Net cash used in financing activities	(133,966)	-
Increase in cash and cash equivalents	200,470	109,670
Cash and cash equivalents at beginning of year	264,838	155,168
Cash and cash equivalents at the end of the year	465,308	264,838
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	465,308	264,838
	465,308	264,838

The notes on pages 11 to 20 form part of these financial statements.

LONDON MANAGEMENT GROUP LTD

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

1. General information

London Management Group Limited is a limited liability company registered in England and Wales. Its registered office address and principal place of business is 105 Piccadilly, London W1J 7NJ.

The principal activity of the company during the year was that of investment management and investment advice. It is regulated by the Financial Conduct Authority.

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. There are no critical accounting estimates and judgments that materially affect the accounts.

The following principal accounting policies have been applied:

2.2 Revenue

Turnover represents management fees and commissions receivable on the provision of services net of value added tax. These fees and commissions are recognised in the period when the services are provided or transactions on which commissions are due have unconditionally occurred.

Performance related fees are recognised in the period in which the company becomes entitled to them. Consultancy fees are recognised when the service is provided.

2.3 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.

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.

LONDON MANAGEMENT GROUP LTD

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

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

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:

Fixtures and fittings	- 20% - 25%
Office equipment	- 33.33%

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 Comprehensive Income.

2.4 Basic financial instruments

The company only enters into transactions which result in basic financial assets and basic financial liabilities.

Basic financial assets, such as trade and other debtors, are initially recognised at the transaction price less attributable transaction costs. Basic financial liabilities, such as trade and other creditors, are initially recognised at the transaction price plus attributable transaction costs. Subsequently, they are measured at amortised cost using the effective interest method, less any impairment losses in the case of basic financial assets.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial assets and basic financial liabilities are offset and the net amounts presented in the financial statements 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.

2.5 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. 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 Comprehensive Income.

LONDON MANAGEMENT GROUP LTD

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

2. Accounting policies (continued)

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.7 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid.

2.8 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.9 Pensions

The company contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.10 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

LONDON MANAGEMENT GROUP LTD

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

2. Accounting policies (continued)

2.11 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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 Statement of Financial Position date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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 reporting date.

3. Turnover

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	270,199	208,961
Rest of Europe	657,678	256,072
Rest of the world	41,310	267,013
	<u>969,187</u>	<u>732,046</u>

4. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Exchange differences	3,013	(2,249)
Other operating lease rentals	70,251	72,408
	<u>73,264</u>	<u>70,159</u>

LONDON MANAGEMENT GROUP LTD

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

5. Auditors' remuneration

	2018 £	2017 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	5,000	5,000
All other services	18,665	21,234
	<u>23,665</u>	<u>26,234</u>

6. Employees

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

	2018 £	2017 £
Wages and salaries	171,317	156,610
Social security costs	9,621	12,820
Cost of defined contribution scheme	1,208	270
	<u>182,146</u>	<u>169,700</u>

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

	2018 No.	2017 No.
Administrative	6	6

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	89,737	78,865
Company contributions to defined contribution pension schemes	703	163
	<u>90,440</u>	<u>79,028</u>

During the year retirement benefits were accruing to 1 director (2017 -1) in respect of defined contribution pension schemes.

LONDON MANAGEMENT GROUP LTD

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

8. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	685	-
Other interest payable	54	-
	<u>739</u>	<u>-</u>

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	51,682	7,600
Total current tax	<u>51,682</u>	<u>7,600</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 -lower than) the effective 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>259,174</u>	<u>84,002</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 -19.25%)	49,243	16,170
Effects of:		
Expenses not deductible for tax purposes	2,600	2,353
Capital allowances for year in excess of depreciation	(161)	(677)
Unrelieved tax losses carried forward	-	(10,246)
Total tax charge for the year	<u>51,682</u>	<u>7,600</u>

Factors that may affect future tax charges

There are no factors that might affect future tax charges.

LONDON MANAGEMENT GROUP LTD

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

10. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2018	2,890	7,771	10,661
Additions	292	198	490
At 31 December 2018	<u>3,182</u>	<u>7,969</u>	<u>11,151</u>
Depreciation			
At 1 January 2018	1,444	4,166	5,610
Charge for the year on owned assets	777	2,651	3,428
At 31 December 2018	<u>2,221</u>	<u>6,817</u>	<u>9,038</u>
Net book value			
At 31 December 2018	<u>961</u>	<u>1,152</u>	<u>2,113</u>
At 31 December 2017	<u>1,446</u>	<u>3,605</u>	<u>5,051</u>

11. Debtors

	2018 £	2017 £
Trade debtors	18,752	6,651
Other debtors	66,194	66,562
Prepayments and accrued income	170,062	169,969
	<u>255,008</u>	<u>243,182</u>

LONDON MANAGEMENT GROUP LTD

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

12. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	47,523	47,020
Corporation tax	51,682	7,600
Other taxation and social security	3,896	3,591
Other creditors	16,333	145,941
Accruals and deferred income	300,027	75,654
	<u>419,461</u>	<u>279,806</u>

13. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Other creditors	<u>15,525</u>	<u>20,087</u>

14. Financial Instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at amortised cost	<u>229,147</u>	<u>200,425</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>359,320</u>	<u>268,137</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

15. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
200,000 (2017 -200,000) Ordinary shares of £0.10 each	<u>20,000</u>	<u>20,000</u>

LONDON MANAGEMENT GROUP LTD

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

16. Reserves

Share premium account

The share premium account represents the amounts received by the company from the issue of shares over and above the par value of the shares. It is a capital reserve.

Profit and loss account

The profit and loss reserve represents the cumulative balance of retained profits and losses since the company started trading and is distributable.

17. Pension commitments

The company contributes to a defined contributions pension scheme. The assets and liabilities of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,208 (2017 - £270). Contributions totalling £3 (2017 - £41) were payable to the fund at the Statement of Financial Position date.

18. Commitments under operating leases

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

	2018 £	2017 £
Not later than 1 year	89,610	89,610
Later than 1 year and not later than 5 years	311,303	358,440
Later than 5 years		42,473
	<u>400,913</u>	<u>490,523</u>

19. Related party transactions

Key management personnel comprises the directors who have the authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to the directors for services provided to the company during the year was £90,440 (2017 - £79,028).

During the year the aggregate of rent charged by Cassioz Properties Limited, a company under common control, amounted to £58,870 (2017 - £66,493). The net of the (receipts) from and payments to Cassioz Properties Limited during the year amounted to £13,787. At the reporting date the company was owed £62,193 (2017 - £48,406) by Cassioz Properties Limited.

During the year the company purchased services of £15,911 (2017 - £Nil) from M T Glas, a director. At the reporting date £15,911 was due to M T Glas.

LONDON MANAGEMENT GROUP LTD

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

20. Controlling party

The company is under the control of M Glas.

**LONDON MANGEMENT GROUP LTD
PILLAR 3 DISCLOSURE
FOR THE YEAR ENDED 31 DECEMBER 2018**

The information provided below is required to be disclosed in accordance with the rules adopted by the Financial Conduct Authority (FCA) and does not form part of the audited accounts.

The firm is categorised as a limited licence firm for capital purposes by the FCA and as such is subject to minimum regulatory reporting requirements. The disclosures within this note are shown on an individual company basis as the company is not subject to consolidated reporting.

Risk management

The company is managed by its directors who determine the business strategy and risk appetite together with the design and implementation of a risk management framework. The company manages its risks by maintaining appropriate documented procedures with the aim of operating a defined and transparent risk management framework.

The directors have identified that business, operational, market and credit risk are the main areas of risk which the firm is exposed to. Annually the firm formally reviews its risks, controls and other risk mitigation arrangements and assesses their effectiveness. Where material risk are identified the firm considers the financial impact of these risks as part of the business planning and capital management of the firm and conclude whether the amount of regulatory capital is adequate.

Capital resources

The firm maintains capital resources as follows:	£000
Tier 1 capital*	287
Tier 2 capital	
Tier 3 capital	
Deductions from tiers 1 and 2 (itemise)	
Total capital resources	287

*No innovative tier one capital is held

The company is a small firm with a simple operational infrastructure. Its market risk is limited to foreign exchange risk on its debtors and foreign currency cash balances. The firm follows the standardisation approach to market risk and the simplified standard approach to credit risk.

It is the firm's experience that, as market and credit risks are not considered material for the company, the fix overhead requirement establishes its capital requirement, which is currently £117,000.

**LONDON MANGEMENT GROUP LTD
PILLAR 3 DISCLOSURE
FOR THE YEAR ENDED 31 DECEMBER 2018**

Following a review of the firm's main risk areas the conclusion is that no additional capital is required for Pillar 2, and the fixed overhead requirement under Pillar 1 is sufficient capital to meet the firm's needs.