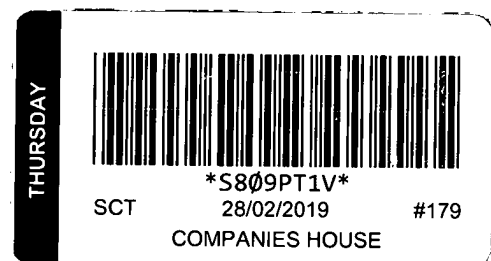


Aubrey Capital Management Limited
Financial Statements
For the year ended
31 October 2018



Aubrey Capital Management Limited

Financial Statements

Year ended 31 October 2018

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Aubrey Capital Management Limited

Officers and Professional Advisers

The Board of Directors

Mr A Dalrymple
Mrs S F Bentley Hamlyn
Mr B M McCorkell
Mr S J Milne (Resigned 31 January 2019)
Mr J M Martyrossian
Mr O D de Vinck
Mr A H Ward (Appointed 3 January 2019)

Company Secretary

Mr B M McCorkell

Registered Office

10 Coates Crescent
Edinburgh
EH3 7AL

Auditor

Chiene + Tait LLP
Chartered Accountants
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

Adam & Company
25 St Andrew Square
Edinburgh
EH2 1AF

Solicitors

Dickson Minto WS
16 Charlotte Square
Edinburgh
EH2 4DF

Aubrey Capital Management Limited

Strategic Report

Year ended 31 October 2018

The directors' present their strategic report for Aubrey Capital Management Limited for the year ended 31 October 2018.

REVIEW AND ANALYSIS OF THE BUSINESS DURING THE CURRENT YEAR

Aubrey Capital Management Limited is a specialist Investment Manager with a particular focus on growth equities and Global and Regional Conviction Funds and mandates.

Key performance indicators

The company is reporting a profit before taxation of £270,445 (2017: £46,912) for the financial year to 31 October 2018. Funds under Management have increased from £448m as at 31 October 2017 to £542m as at 31 October 2018.

Development and financial performance

The profit for the year, after taxation, amounted to £207,030.

It was another year of volatile markets, politics and currencies but the company again increased its client base, international reach and product range. The Directors look forward positively to the future accessing further new markets and business opportunities.

Financial position at the reporting date

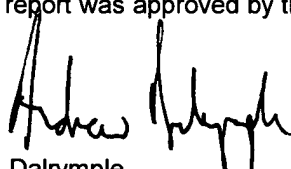
The balance sheet shows that the company's net assets at the year end have increased from £2,095,964 to £2,366,733.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE BUSINESS

The Directors well understand the risks involved within a business linked to investment sentiment, the most obvious being that any period of persistent market weakness impacts directly on the income stream for the company by way of reduced management fee income, the likelihood of redemptions and difficulty in marketing. Weakness also impacts on the ability both to retain holders and to sell new units in the funds in uncertain times.

APPROVAL

This report was approved by the board of directors on 19 February 2019 and signed on behalf of the board by:



Mr A Dalrymple
Director

Aubrey Capital Management Limited

Directors' Report

Year ended 31 October 2018

The directors present their report and the financial statements of the company for the year ended 31 October 2018.

Directors

The directors who served the company during the year were as follows:

Mr A Dalrymple
Mrs S F Bentley Hamlyn
Mr B M McCorkell
Mr S J Milne
Mr J M Martyrossian
Mr O D de Vinck

Dividends

A dividend of 30p per ordinary share, amounting to £70,067 was paid in the year.

Future developments

Future plans and developments are set out in the Strategic Report on page 2.

Financial instruments

The Company's activities expose it to a number of financial risks including credit risk, foreign currency risk and liquidity risk.

Credit risk

The Company's principal financial assets are bank balances and investments. The credit risk on liquid funds and investments with financial institutions is limited because the counterparties are financial institutions with high credit ratings assigned by international credit rating agencies.

Foreign currency risk

The Company's principal foreign currency exposures arise from trading operations in overseas markets. The Company reviews exposure to foreign currencies on a regular basis by considering the effect on the Company's net asset value and income of a movement in rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. It is currently not the Company's policy to hedge against foreign currency risk. Foreign currency exposure and sensitivity analysis has been detailed in in note 24 to the financial statements.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company reviews cash requirements on a regular basis and holds funds in current or deposit accounts as appropriate.

Disclosure of information in the strategic report

The strategic report is set out on page 2.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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). 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 the profit or loss of the company for that period.

Aubrey Capital Management Limited

Directors' Report *(continued)*

Year ended 31 October 2018

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.

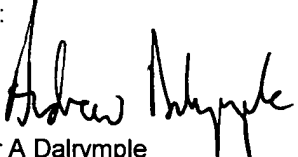
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 19 February 2019 and signed on behalf of the board by:


Mr A Dalrymple
Director

Year ended 31 October 2018

Opinion

We have audited the financial statements of Aubrey Capital Management Limited (the 'company') for the year ended 31 October 2018 which comprise the income statement, statement of financial position, statement of changes in equity, statement of cash flows 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 FRS 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 October 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 auditor's 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 UK, including the FRC'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 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.

Year ended 31 October 2018

Opinions 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, 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.

Auditor's 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 auditor's 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 auditor's report.

Aubrey Capital Management Limited

Independent Auditor's Report to the Members of Aubrey Capital Management Limited *(continued)*



Year ended 31 October 2018

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 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.

A handwritten signature in black ink, appearing to read 'Barry Truswell'.

Barry Truswell CA (Senior Statutory Auditor)

For and on behalf of
Chiene + Tait LLP
Chartered accountants & statutory auditor
61 Dublin Street
Edinburgh
EH3 6NL

19 FEBRUARY 2019

Aubrey Capital Management Limited

Income Statement

Year ended 31 October 2018

	Note	2018 £	2017 £
Turnover	4	3,715,459	2,994,697
Gross profit		3,715,459	2,994,697
Administrative expenses		3,447,247	2,948,241
Operating profit	5	268,212	46,456
Other interest receivable and similar income	10	2,255	456
Interest payable and similar expenses	11	22	—
Profit before taxation		270,445	46,912
Tax on profit	12	63,415	(794)
Profit for the financial year		207,030	47,706

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 12 to 23 form part of these financial statements.

Aubrey Capital Management Limited

Statement of Financial Position

31 October 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	14	67,558	62,960
Investments	15	50,136	50,136
		<u>117,694</u>	<u>113,096</u>
Current assets			
Debtors	16	371,197	633,355
Cash at bank and in hand		2,401,449	1,628,112
		<u>2,772,646</u>	<u>2,261,467</u>
Creditors: amounts falling due within one year	17	523,607	278,599
Net current assets		<u>2,249,039</u>	<u>1,982,868</u>
Total assets less current liabilities		<u>2,366,733</u>	<u>2,095,964</u>
Net assets		<u>2,366,733</u>	<u>2,095,964</u>
Capital and reserves			
Called up share capital	21	3,038	3,023
Share premium account	22	1,152,154	1,114,219
Profit and loss account	22	1,211,541	978,722
Shareholders funds		<u>2,366,733</u>	<u>2,095,964</u>

These financial statements were approved by the board of directors and authorised for issue on 19 February 2019, and are signed on behalf of the board by:


Mr A Dalrymple
Director

Company registration number: SC299239

Aubrey Capital Management Limited

Statement of Changes in Equity

Year ended 31 October 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 November 2016	2,640	1,206,654	(275,638)	933,656
Profit for the year			47,706	47,706
Total comprehensive income for the year	–	–	47,706	47,706
Issue of shares	687	1,114,219	–	1,114,906
Cancellation of subscribed capital	(304)	–	–	(304)
Redemption of shares	–	(1,206,654)	1,206,654	–
Total investments by and distributions to owners	383	(92,435)	1,206,654	1,114,602
At 31 October 2017	3,023	1,114,219	978,722	2,095,964
Profit for the year			207,030	207,030
Total comprehensive income for the year	–	–	207,030	207,030
Issue of shares	15	37,935	–	37,950
Dividends paid and payable	–	–	(70,067)	(70,067)
Equity-settled share-based payments	–	–	95,856	95,856
Total investments by and distributions to owners	15	37,935	25,789	63,739
At 31 October 2018	3,038	1,152,154	1,211,541	2,366,733

The notes on pages 12 to 23 form part of these financial statements.

Aubrey Capital Management Limited

Statement of Cash Flows

Year ended 31 October 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	207,030	47,706
<i>Adjustments for:</i>		
Depreciation of tangible assets	11,890	11,880
Other interest receivable and similar income	(2,255)	(456)
Interest payable and similar expenses	22	–
Equity-settled share-based payments	95,856	–
Tax on profit	63,415	(794)
Accrued expenses	38,161	70,801
Loss on disposal of investments	–	4,483
<i>Changes in:</i>		
Trade and other debtors	262,158	(245,119)
Trade and other creditors	146,207	5,179
Cash generated from operations	822,484	(106,320)
Interest paid	(22)	–
Interest received	2,255	456
Tax paid	(2,775)	(84)
Net cash from/(used in) operating activities	821,942	(105,948)
Cash flows from investing activities		
Purchase of tangible assets	(16,488)	(12,899)
Proceeds from sale of other investments	–	129,943
Net cash (used in)/from investing activities	(16,488)	117,044
Cash flows from financing activities		
Proceeds from issue of ordinary shares	37,950	1,114,906
Purchase of own shares	–	(304)
Dividends paid	(70,067)	–
Net cash (used in)/from financing activities	(32,117)	1,114,602
Net increase in cash and cash equivalents	773,337	1,125,698
Cash and cash equivalents at beginning of year	1,628,112	502,414
Cash and cash equivalents at end of year	2,401,449	1,628,112

The notes on pages 12 to 23 form part of these financial statements.

Aubrey Capital Management Limited

Notes to the Financial Statements

Year ended 31 October 2018

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is 10 Coates Crescent, Edinburgh, EH3 7AL.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and with the Companies Act 2006.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for investments as specified in the accounting policies below.

Going concern

The financial statements have been prepared on a going concern basis. The directors have assessed the Company's ability to continue as a going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. In particular antique furniture is considered by the Directors to have an unlimited useful economic life as detailed in the Depreciation accounting policy below and note 10 to the financial statements.

ii) Valuation of SICAV investment

The SICAV investment is considered by the Directors to be a level 3 investment, in that market data is not available to provide a fair value. The carrying amount of the investment is cost as detailed in the Investments accounting policy below and note 11 to the financial statements.

Revenue recognition

Turnover shown in the profit and loss account represents the value of investment management work undertaken during the year, both invoiced and uninvoiced.

Aubrey Capital Management Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

3. Accounting policies *(continued)*

Taxation

Taxation expense for the period comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future gives rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income tax assets are only recognised to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	20% straight line
Computer Equipment	-	25% straight line

No depreciation is provided on antique furniture as the Company's policy is to maintain its condition and the Directors therefore consider the furniture to have an unlimited useful economic life.

Aubrey Capital Management Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

3. Accounting policies *(continued)*

Investments

Investments are shown at their market value. The surplus or deficit arising from the annual revaluation is transferred to the statement of comprehensive income.

Investments in funds are measured at fair value as released by the relevant investment manager on the closing day.

Investments where no reliable fair value can be estimated are carried at cost, subject to any provision for impairment.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

The company provides for amounts payable to defined contribution pension schemes for certain employees.

Aubrey Capital Management Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

3. Accounting policies *(continued)*

Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates. See note 19 for further details.

4. Turnover

Turnover arises from:

	2018 £	2017 £
Rendering of services	<u>3,715,459</u>	<u>2,994,697</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2018 £	2017 £
United Kingdom	1,090,381	1,039,947
Rest of Europe	2,150,078	1,804,042
Rest of World	<u>475,000</u>	<u>150,708</u>
	<u>3,715,459</u>	<u>2,994,697</u>

5. Operating profit

Operating profit or loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible assets	11,890	11,880
Equity-settled share-based payments expense	95,856	–
Foreign exchange differences	2,019	5,003
Treasury Group professional fees	–	159,467
Operating lease rentals	<u>13,080</u>	<u>10,842</u>

6. Auditor's remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<u>2,450</u>	<u>2,350</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	950	950
Other non-audit services	<u>18,341</u>	<u>17,639</u>
	<u>19,291</u>	<u>18,589</u>

Aubrey Capital Management Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

7. Particulars of employees

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018 No.	2017 No.
Administrative staff	14	11
Management staff	5	5
	<u>19</u>	<u>16</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018 £	2017 £
Wages and salaries	2,319,427	1,691,801
Social security costs	283,826	215,207
Other pension costs	87,340	159,530
	<u>2,690,593</u>	<u>2,066,538</u>

8. Key management personnel

The key management personnel includes Mr B McCorkell, Mr A Dalrymple, Mrs S Bentley-Hamlyn and Mr J Martyrossian. The aggregate remuneration for key management personnel in the year was £775,945 (2017: £643,968). Remuneration levels are set by the Board of Directors.

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2018 £	2017 £
Remuneration	855,570	665,030
Company contributions to defined contribution pension plans	60,296	83,042
	<u>915,866</u>	<u>748,072</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2018 No.	2017 No.
Defined contribution plans	5	4

Remuneration of the highest paid director in respect of qualifying services:

	2018 £	2017 £
Aggregate remuneration	221,000	170,000
Company contributions to defined contribution pension plans	17,850	24,500
	<u>238,850</u>	<u>194,500</u>

Aubrey Capital Management Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

10. Other interest receivable and similar income

	2018 £	2017 £
Interest on cash and cash equivalents	<u>2,255</u>	<u>456</u>

11. Interest payable and similar expenses

	2018 £	2017 £
Interest on banks loans and overdrafts	<u>22</u>	<u>—</u>

12. Tax on profit

Major components of tax expense/(income)

	2018 £	2017 £
Current tax:		
UK current tax expense	63,464	2,824
Adjustments in respect of prior periods	(49)	—
Total current tax	<u>63,415</u>	<u>2,824</u>
Deferred tax:		
Origination and reversal of timing differences	—	(3,618)
Tax on profit	<u>63,415</u>	<u>(794)</u>

Reconciliation of tax expense/(income)

The tax assessed on the profit on ordinary activities for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19%).

	2018 £	2017 £
Profit on ordinary activities before taxation	<u>270,445</u>	<u>46,912</u>
Profit on ordinary activities by rate of tax	51,385	9,107
Adjustment to tax charge in respect of prior periods	10	—
Effect of expenses not deductible for tax purposes	24,113	7,095
Effect of different UK tax rates on some earnings	—	(283)
Tax differences on sale of investments	—	(71)
Movement in unrecognised deferred tax	(9,364)	(16,642)
Other timing differences	(2,729)	—
Tax on profit	<u>63,415</u>	<u>(794)</u>

Aubrey Capital Management Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

12. Tax on profit *(continued)*

Factors that may affect future tax expense

A reduction in the UK corporation tax rate from 19% to 17% will take effect from 1 April 2020.

The Company has unused trade losses of £nil (2017: £33,736). The company has an unrecognised deferred tax asset of £13,955 (2017: £23,319).

13. Dividends

	2018 £	2017 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>70,067</u>	<u>—</u>

14. Tangible assets

	Fixtures and fittings £	Equipment £	Antique Furniture £	Total £
Cost				
At 1 November 2017	36,810	32,819	41,186	110,815
Additions	<u>1,389</u>	<u>13,649</u>	<u>1,450</u>	<u>16,488</u>
At 31 October 2018	<u>38,199</u>	<u>46,468</u>	<u>42,636</u>	<u>127,303</u>
Depreciation				
At 1 November 2017	31,830	16,025	—	47,855
Charge for the year	<u>3,938</u>	<u>7,952</u>	<u>—</u>	<u>11,890</u>
At 31 October 2018	<u>35,768</u>	<u>23,977</u>	<u>—</u>	<u>59,745</u>
Carrying amount				
At 31 October 2018	<u>2,431</u>	<u>22,491</u>	<u>42,636</u>	<u>67,558</u>
At 31 October 2017	<u>4,980</u>	<u>16,794</u>	<u>41,186</u>	<u>62,960</u>

15. Investments

	£
Cost	
At 1 November 2017 and 31 October 2018	<u>50,136</u>
Impairment	
At 1 November 2017 and 31 October 2018	<u>—</u>
Carrying amount	
At 31 October 2018	<u>50,136</u>
At 31 October 2017	<u>50,136</u>

Aubrey Capital Management Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

15. Investments *(continued)*

The Company's investments are categorised into the FRS 102 hierarchy consisting of the following three levels:

(1) The unadjusted quoted price in an active market for identical assets or liabilities that the entity can access at the measurement date.

(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.

(3) Inputs are unobservable (i.e.: for which market data is unavailable) for the asset or liability.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

Details of the valuation policies used by the Company are given in note 3.

The following table sets out the fair value measurements using the FRS 102 hierarchy at 31 October:

	2018 £	2017 £
Level 3	<u>50,136</u>	<u>50,136</u>

The level 3 investment represents the cost of the Company becoming an initiator of a SICAV (Société d'Investissement à Capital Variable) investment fund. This facilitates the marketing of funds managed by the Company and provides a platform for other investment managers.

The level 3 investment has been valued at cost less any provision for impairment on the basis that no reliable fair value can be estimated.

16. Debtors

	2018 £	2017 £
Trade debtors	—	86,857
Prepayments and accrued income	<u>371,197</u>	<u>546,498</u>
	<u>371,197</u>	<u>633,355</u>

17. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	52,368	5,482
Accruals and deferred income	227,147	188,986
Corporation tax	63,464	2,824
Social security and other taxes	178,789	80,059
Other creditors	<u>1,839</u>	<u>1,248</u>
	<u>523,607</u>	<u>278,599</u>

Aubrey Capital Management Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

18. Employee benefits

Defined contribution pension plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £87,340 (2017: £159,530).

19. Share-based payments

The company has issued share options under the terms of its EMI option scheme. The estimated fair value of the options was calculated by applying the Black Scholes option pricing model.

Options are exercisable upon being granted.

The only other condition of vesting is remaining an employee. On ceasing to be an employee, any unvested options lapse. If unexercised, the options lapse no later than the third anniversary of the date of grant.

Details of the number and weighted average exercise prices (WAEP) of share options during the year are as follows:

	2018		2017	
	No.	WAEP	No.	WAEP
Granted during the year	14,014	25.30	–	–
Exercised during the year	(1,500)	25.30	–	–
Outstanding at 31 October 2018	<u>12,514</u>	<u>25.30</u>	<u>–</u>	<u>–</u>

The total expense recognised in profit or loss for the year is as follows:

	2018	2017
	£	£
Equity-settled share-based payments	<u>95,856</u>	<u>–</u>

The above expense has been calculated over the vesting year equal to the estimated fair value of the options at date of grant.

20. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2018	2017
	£	£
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through profit or loss	<u>50,136</u>	<u>50,136</u>
Financial assets that are debt instruments measured at amortised cost		
Financial assets that are debt instruments measured at amortised cost	<u>307,495</u>	<u>547,800</u>
Financial liabilities measured at amortised cost		
Financial liabilities measured at amortised cost	<u>267,777</u>	<u>194,468</u>

Explanations of the nature and extent of risks arising from financial instruments have been included in the directors report.

Aubrey Capital Management Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

21. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £0.01 each	235,063	2,351	233,563	2,336
TT convertible shares of £0.01 each	68,692	687	68,692	687
	<u>303,755</u>	<u>3,038</u>	<u>302,255</u>	<u>3,023</u>

The number of shares outstanding at the year end date for all other classes of shares is consistent with the prior year.

During the year 1,500 Ordinary £0.01 shares were issued at a premium of £37,935.

The holders of TT convertible shares have no voting rights; do not have the right, as respects dividends, to participate pro rata in a distribution; do not have the right, as respects capital, to participate in a distribution (including winding-up); and are not redeemed or liable to be redeemed at the option of the Company or the shareholders.

22. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares issued, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

23. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Not later than 1 year	64,868	60,028
Later than 1 year and not later than 5 years	43,197	13,131
	<u>108,065</u>	<u>73,159</u>

Aubrey Capital Management Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

24. Currency risk

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 31st October are shown below. Where the Company's equity investments (which are not monetary items) are priced in a foreign currency, they have been included separately in the analysis so as to show the overall level of exposure.

	US Dollar £	Euros £	2018 £
Current assets	<u>214,143</u>	<u>282,176</u>	<u>496,319</u>
	US Dollar £	Euros £	2017 £
Current assets	<u>—</u>	<u>3,486</u>	<u>3,486</u>

In the opinion of the Directors, the above year end amounts are broadly representative of the exposure to foreign currency risk during the year. This analysis is presented on an un-hedged basis.

Foreign currency sensitivity

The following table illustrate the sensitivity of return after taxation for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments held at each balance sheet date and the income receivable in foreign currency and assumes a 10% (2017: 10%) appreciation or depreciation in sterling against the Euro, and the other currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

	2018 If Sterling strengthens by 10% £	2018 If Sterling weakens by 10% £	2017 If Sterling strengthens by 10% £	2017 If Sterling weakens by 10% £
From turnover receivable for the year	(262,508)	262,508	(195,475)	195,475
From translation of year end monetary balances	<u>(49,632)</u>	<u>49,632</u>	<u>(349)</u>	<u>349</u>
Total Comprehensive income after taxation	<u>(312,140)</u>	<u>312,140</u>	<u>(195,824)</u>	<u>195,824</u>

In the opinion of the Directors, the above sensitivity analysis is broadly representative of the whole year.

Aubrey Capital Management Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2018

25. Related party transactions

Aubrey Capital Management Limited ("ACM") is engaged in a strategic partnership with Treetop Asset Management S.A. ("TT"). TT holds 100% of the TT Convertible shares and 33.25% (2017: 33.46%) of the Ordinary shares in the Company.

During the year ended 31 October 2018, ACM received £1,129,179 (2017: £994,083) investment management fees from TT. At the 31 October 2018 £23,015 (2017: £248,233) was outstanding to ACM for these services.

During the year ended 31 October 2018, ACM paid rent amounting to £60,298 (2017: £60,566) to a pension scheme where the beneficiary is one of the directors.

26. Pillar 3 disclosures

Aubrey Capital Management Limited ("Aubrey") is authorised and regulated by the Financial Conduct Authority ("FCA"). The FCA is responsible, in the United Kingdom, for the implementation of the 2006 Capital Requirements Directive of the European Union. This Directive established a new regulatory capital framework for the financial services industry.

The company is required to make disclosures of its capital, risk exposures and risk assessment processes in compliance with part 11 of the Prudential Sourcebook for Banks, Building Societies and Investment, and these are available on request from Aubrey's registered office.

The company is also required to make disclosures of certain staff remuneration in compliance with FCA regulations and this is also available on request from Aubrey's registered office.

27. Ultimate controlling party

In the opinion of the directors, there is no ultimate controlling party.