

Strategic Report,  
Report of the Directors and  
Financial Statements  
for the Year Ended 31st December 2016  
for  
Smart Lenders Asset Management Limited

TUESDAY



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Smart Lenders Asset Management Limited

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for the Year Ended 31st December 2016

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Smart Lenders Asset Management Limited

Company Information  
for the Year Ended 31st December 2016

**DIRECTORS:**

E J Bonnet  
A N Beyssen  
J Camblain

**REGISTERED OFFICE:**

Stag House  
Old London Road  
Hertford  
Hertfordshire  
SG13 7LA

**REGISTERED NUMBER:**

07699506 (England and Wales)

**AUDITORS:**

Meyer Williams  
Chartered Accountants  
& Statutory Auditors  
Stag House  
Old London Road  
Hertford  
Hertfordshire  
SG13 7LA

Smart Lenders Asset Management Limited

Strategic Report  
for the Year Ended 31st December 2016

The directors present their strategic report for the year ended 31st December 2016.

**REVIEW OF BUSINESS**

Smart Lenders Asset Management Limited is an investment company incorporated in July 2011, regulated and authorised by the FCA since May 2012 and registered as a full scope AIFM since February 2015. The company is also the investment manager of a Luxembourg fund since July 2016.

The directors are satisfied with the company's performance during the year with turnover increasing by 130% and expenses by only 30% on last year's totals. Although the company is still making losses the directors are confident that new income streams will result in an expected growth of 200% in turnover during 2017 which will move the company into a profitable position.

Additional share capital has been issued during the year, and after the year end, to ensure that the company is able to maintain a surplus of financial resources over the capital requirements that are set out in the financial reports it is required to file as an FCA regulated entity.

**PRINCIPAL RISKS AND UNCERTAINTIES**

As an entity regulated by the FCA, the company is required to undertake an Internal Capital Adequacy Assessment Process (ICAAP) where the key risks faced by the firm are considered. The ICAAP ensures that the firm's risk management approach is clearly documented and that appropriate levels of capital are maintained.

**Business Risk**

The directors consider that the company's principal business risks are the normal trading risks such as failing to attract or retain major customers, investment executives and investors in the fund being managed. The company also faces the inherent risks for businesses that give financial advice to clients. None of these risks currently give any cause for concern.

**Liquidity risk**

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

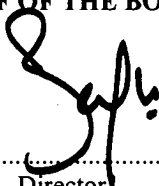
**Foreign currency risk**

The company's principal foreign currency exposures arise from trading with overseas companies and the company has a significant amount of foreign currency income and a modest amount of foreign exchange cost. Derivative foreign exchange products may be used to eliminate undue risks contained in these cash flows.

**Credit risk**

Investments of cash surpluses, borrowings, and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the board. All customers who wish to trade on credit terms are subject to credit verification procedures. Debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

**ON BEHALF OF THE BOARD:**



.....  
A N Beyssen - Director

Date: 24/04/2017

Smart Lenders Asset Management Limited

Report of the Directors  
for the Year Ended 31st December 2016

The directors present their report with the financial statements of the company for the year ended 31st December 2016.

**PRINCIPAL ACTIVITIES**

Smart Lenders Asset Management Limited ("SLAM") aims to provide effective and efficient investment management services focusing on loans, issued through lending marketplaces, that will provide absolute returns even in times of economic hardship. SLAM has acted since March 2015 as an investment advisor to different compartments of Direct Lending Investment SA, a Luxembourg securitisation vehicle, and as an investment manager to a Luxembourg specialized investment fund, Moonstone Lending SCA SICAV SIF, an open-ended AIF launched in July 2016.

**DIVIDENDS**

No dividends will be distributed for the year ended 31st December 2016.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st January 2016 to the date of this report.

E J Bonnet  
A N Beyssen  
J Camblain

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Meyer Williams, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

  
.....  
A N Beyssen - Director

Date: 25/01/2017

Report of the Independent Auditors to the Members of  
Smart Lenders Asset Management Limited

We have audited the financial statements of Smart Lenders Asset Management Limited for the year ended 31st December 2016 on pages six to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**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 31st December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

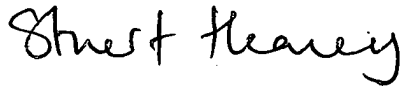
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of  
Smart Lenders Asset Management Limited

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



S Heaney (Senior Statutory Auditor)  
for and on behalf of Meyer Williams  
Chartered Accountants  
& Statutory Auditors  
Stag House  
Old London Road  
Hertford  
Hertfordshire  
SG13 7LA

Date: 24th April 2017

Smart Lenders Asset Management Limited

Statement of Comprehensive Income  
for the Year Ended 31st December 2016

	Notes	31.12.16 £	31.12.15 £
<b>TURNOVER</b>	3	<b>382,452</b>	166,311
Administrative expenses		<u>645,354</u>	<u>493,116</u>
<b>OPERATING LOSS and LOSS BEFORE TAXATION</b>	5	<b>(262,902)</b>	(326,805)
Tax on loss	6	<u>(52,258)</u>	<u>(65,189)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(210,644)</b>	(261,616)
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>(210,644)</u></b>	<b><u>(261,616)</u></b>

The notes form part of these financial statements



Balance Sheet  
31st December 2016

	Notes	31.12.16 £	£	31.12.15 £	£
<b>FIXED ASSETS</b>					
Tangible assets	7		22,982		27,944
<b>CURRENT ASSETS</b>					
Debtors	8	305,401		231,296	
Cash at bank and in hand		<u>51,781</u>		<u>77,608</u>	
		357,182		308,904	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<u>239,720</u>		<u>195,760</u>	
<b>NET CURRENT ASSETS</b>			<u>117,462</u>		<u>113,144</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>140,444</u>		<u>141,088</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		745,000		535,000
Retained earnings	14		<u>(604,556)</u>		<u>(393,912)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>140,444</u>		<u>141,088</u>

The financial statements were authorised for issue by the Board of Directors on 24/01/2017 and were signed on its behalf by:

  
.....  
A N Beyssen - Director

Smart Lenders Asset Management Limited

Statement of Changes in Equity  
for the Year Ended 31st December 2016

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1st January 2015</b>	350,000	(132,296)	217,704
<b>Changes in equity</b>			
Issue of share capital	185,000	-	185,000
Total comprehensive income	<u>-</u>	<u>(261,616)</u>	<u>(261,616)</u>
<b>Balance at 31st December 2015</b>	<u>535,000</u>	<u>(393,912)</u>	<u>141,088</u>
<b>Changes in equity</b>			
Issue of share capital	210,000	-	210,000
Total comprehensive income	<u>-</u>	<u>(210,644)</u>	<u>(210,644)</u>
<b>Balance at 31st December 2016</b>	<u><u>745,000</u></u>	<u><u>(604,556)</u></u>	<u><u>140,444</u></u>

The notes form part of these financial statements

Smart Lenders Asset Management Limited

Cash Flow Statement  
for the Year Ended 31st December 2016

	Notes	31.12.16 £	31.12.15 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	<u>(255,577)</u>	<u>(391,875)</u>
Net cash from operating activities		<u>(255,577)</u>	<u>(391,875)</u>
 <b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(5,250)</u>	<u>(16,726)</u>
Net cash from investing activities		<u>(5,250)</u>	<u>(16,726)</u>
 <b>Cash flows from financing activities</b>			
Other loans		21,750	158,400
Amount introduced by directors		3,250	22,648
Share issue		<u>210,000</u>	<u>185,000</u>
Net cash from financing activities		<u>235,000</u>	<u>366,048</u>
 <b>Decrease in cash and cash equivalents</b>		<u>(25,827)</u>	<u>(42,553)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>77,608</u>	<u>120,161</u>
 <b>Cash and cash equivalents at end of year</b>	2	<u><u>51,781</u></u>	<u><u>77,608</u></u>

The notes form part of these financial statements

Smart Lenders Asset Management Limited

Notes to the Cash Flow Statement  
for the Year Ended 31st December 2016

1. **RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>31.12.16</b>	31.12.15
	<b>£</b>	<b>£</b>
Loss before taxation	<b>(262,902)</b>	(326,805)
Depreciation charges	<u><b>10,212</b></u>	<u>8,409</u>
	<b>(252,690)</b>	(318,396)
Increase in trade and other debtors	<b>(21,847)</b>	(62,952)
Increase/(decrease) in trade and other creditors	<u><b>18,960</b></u>	<u>(10,527)</u>
<b>Cash generated from operations</b>	<u><b>(255,577)</b></u>	<u>(391,875)</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31st December 2016**

	<b>31.12.16</b>	<b>1.1.16</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<u><b>51,781</b></u>	<u><b>77,608</b></u>

**Year ended 31st December 2015**

	31.12.15	1.1.15
	<b>£</b>	<b>£</b>
Cash and cash equivalents	<u><b>77,608</b></u>	<u><b>120,161</b></u>

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Smart Lenders Asset Management Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention 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 financial statements are prepared in pounds sterling which is the functional currency of the company.

**Critical judgements and estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had a significant effect on amounts recognised in the financial statements:

- The annual depreciation charge 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.

- The company recognises a deferred tax asset based on management projections showing that it will become profitable in the future. Further judgement is required to determine how much deferred tax asset should be included as due within one year based on estimates of the amount and timing of any future profitability.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, from the rendering of services, net of discounts and value added tax.

Revenue is recognised once the flow of economic benefit has been transferred to the customer on completion of the contracted service and it is probable that economic benefits associated with the transaction will flow to the entity.

**Tangible fixed assets**

Tangible fixed assets are measured at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Improvements to property	- over the period of the lease
Computer equipment	- 33% on cost

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

2. **ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Monetary 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 transaction. Exchange differences are taken into account in arriving at the operating result.

**Operating leased assets**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals applicable to operating leases where substantially all of the benefits of ownership remain with the lessor are charged to profit and loss account on a straight line basis over the term of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution scheme for certain directors and employees. The assets of the scheme are held separately from those of the company. Contributions payable for the year are charged in the profit and loss account in the period to which they relate.

2. ACCOUNTING POLICIES - continued

**Financial instruments**

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade creditors or trade debtors 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 outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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 the 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 balance sheet 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.

**Cash and cash equivalents**

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk to changes in value.

3. TURNOVER

The turnover and loss before taxation are attributable to the principal activities of the company.

An analysis of turnover by class of business is given below:

	31.12.16	31.12.15
	£	£
Advisory fees	358,068	166,311
Management fees	24,384	-
	<u>382,452</u>	<u>166,311</u>

An analysis of turnover by geographical market is given below:

	31.12.16	31.12.15
	£	£
Europe	<u>382,452</u>	<u>166,311</u>
	<u>382,452</u>	<u>166,311</u>

Smart Lenders Asset Management Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

**4. EMPLOYEES AND DIRECTORS**

	<b>31.12.16</b>	31.12.15
	£	£
Wages and salaries	<b>288,092</b>	215,255
Social security costs	<b>32,624</b>	22,502
Other pension costs	<b>15,302</b>	-
	<u><b>336,018</b></u>	<u>237,757</u>

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

	<b>31.12.16</b>	31.12.15
Executive Directors	<b>3</b>	3
Staff	<b>5</b>	3
	<u><b>8</b></u>	<u>6</u>

	<b>31.12.16</b>	31.12.15
	£	£
Directors' remuneration	<u><b>96,562</b></u>	<u>146,584</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u><b>1</b></u>	<u>1</u>
------------------------	-----------------	----------

**5. OPERATING LOSS**

The operating loss is stated after charging:

	<b>31.12.16</b>	31.12.15
	£	£
Operating lease rentals	<b>46,803</b>	44,719
Depreciation - owned assets	<b>10,212</b>	8,409
Auditors' remuneration	<b>5,500</b>	6,000
Auditors' remuneration for non audit work	<b>5,024</b>	4,984
Foreign exchange differences	<u><b>2,299</b></u>	<u>-</u>

**6. TAXATION**

**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	<b>31.12.16</b>	31.12.15
	£	£
Deferred tax	<u><b>(52,258)</b></u>	<u>(65,189)</u>
Tax on loss	<u><b>(52,258)</b></u>	<u>(65,189)</u>

The company has losses of approximately £750,000 (2015: £496,000) available to be carried forward and offset against future trading profits.

A deferred tax asset relating to the losses has been included in the financial statements as set out in note 8.



Smart Lenders Asset Management Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

**7. TANGIBLE FIXED ASSETS**

	<b>Improvements to property £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 1st January 2016	22,540	13,813	36,353
Additions	<u>925</u>	<u>4,325</u>	<u>5,250</u>
At 31st December 2016	<u>23,465</u>	<u>18,138</u>	<u>41,603</u>
<b>DEPRECIATION</b>			
At 1st January 2016	4,508	3,901	8,409
Charge for year	<u>4,662</u>	<u>5,550</u>	<u>10,212</u>
At 31st December 2016	<u>9,170</u>	<u>9,451</u>	<u>18,621</u>
<b>NET BOOK VALUE</b>			
At 31st December 2016	<u>14,295</u>	<u>8,687</u>	<u>22,982</u>
At 31st December 2015	<u>18,032</u>	<u>9,912</u>	<u>27,944</u>

**8. DEBTORS**

	<b>31.12.16 £</b>	<b>31.12.15 £</b>
Amounts falling due within one year:		
Other debtors	53,915	54,998
VAT	10,677	8,403
Prepayments and accrued income	<u>91,405</u>	<u>70,749</u>
	<u>155,997</u>	<u>134,150</u>
Amounts falling due after more than one year:		
Deferred tax	<u>149,404</u>	<u>97,146</u>
Aggregate amounts	<u>305,401</u>	<u>231,296</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31.12.16 £</b>	<b>31.12.15 £</b>
Other loans (see note 10)	180,400	158,400
Social security and other taxes	11,611	4,843
Other creditors	1,198	607
Directors' loan accounts	24,600	21,600
Accruals and deferred income	<u>21,911</u>	<u>10,310</u>
	<u>239,720</u>	<u>195,760</u>

Smart Lenders Asset Management Limited

Notes to the Financial Statements - continued  
for the Year Ended 31st December 2016

**10. LOANS**

An analysis of the maturity of loans is given below:

	<b>31.12.16</b>	31.12.15
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u><b>180,400</b></u>	<u><b>158,400</b></u>

**11. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>31.12.16</b>	31.12.15
	£	£
Within one year	<b>46,074</b>	46,074
Between one and five years	<u><b>86,823</b></u>	<u><b>132,897</b></u>
	<u><b>132,897</b></u>	<u><b>178,971</b></u>

**12. FINANCIAL INSTRUMENTS**

	<b>31.12.16</b>	31.12.15
	£	£
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<b>51,781</b>	77,608
Financial assets that are debt instruments measured at amortised cost	<u><b>122,192</b></u>	<u><b>117,256</b></u>
	<u><b>173,973</b></u>	<u><b>194,864</b></u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u><b>(226,911)</b></u>	<u><b>(190,311)</b></u>
	<u><b>(226,911)</b></u>	<u><b>(190,311)</b></u>

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	<b>31.12.16</b>	31.12.15
			£	£
745,000	Ordinary	£1	<u><b>745,000</b></u>	<u><b>535,000</b></u>

210,000 Ordinary shares of £1 were issued at par during the year, for cash.

Smart Lenders Asset Management Limited

Notes to the Financial Statements - continued  
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14. **RESERVES**

	<b>Retained earnings £</b>
At 1st January 2016	<b>(393,912)</b>
Deficit for the year	<b><u>(210,644)</u></b>
At 31st December 2016	<b><u>(604,556)</u></b>

15. **RELATED PARTY DISCLOSURES**

During the year, the company received consultancy services from a company controlled by a member of key management personnel amounting to £49,879 (2015: £47,826).

At 31st December 2016, the company owed £24,600 (2015: £21,600) to its directors.

As at 31st December 2016 loans amounting to £180,400 (2015: £158,400) in total were owed to other related parties.

16. **ULTIMATE CONTROLLING PARTY**

E.J Bonnet acquired a controlling shareholding on 30th April 2015 and has been the company's ultimate controlling party since that date.