

Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31st December 2017
for
Smart Lenders Asset Management Limited

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Smart Lenders Asset Management Limited

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for the Year Ended 31st December 2017

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Smart Lenders Asset Management Limited

Company Information
for the Year Ended 31st December 2017

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 2017

The directors present their strategic report for the year ended 31st December 2017.

REVIEW OF BUSINESS

The directors are satisfied that the progress made during the current year is in line with the company's business plan. Additional share capital has been issued during the year to ensure that the company was 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.

The directors decided on 28 December 2017 to cancel the company's regulatory activities. The company is no longer authorised and regulated by the FCA since 28 February 2018.

As from 2018, the company will provide services to its new holding company, including research and improvement & maintenance of the technical tools used by the holding company, middle office activities, administrative and financial services activities.

PRINCIPAL RISKS AND UNCERTAINTIES

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 and also 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.

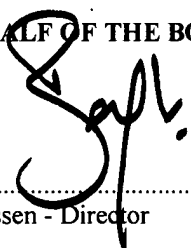
Foreign currency risk

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:

31/07/2018

Smart Lenders Asset Management Limited

Report of the Directors
for the Year Ended 31st December 2017

The directors present their report with the financial statements of the company for the year ended 31st December 2017.

PRINCIPAL ACTIVITY

The principal activities of the company in the year under review were as the Alternative Investment Fund Manager (AIFM) of a Luxembourg Alternative Investment Fund, Moonstone Lending SIF SICAV, and to provide investment advisory of several compartments of a Luxembourg securitisation vehicle, Direct Lending Investment Fund.

By decision of the board of directors, the AIFM services agreement was terminated with effect as of 31st December 2017.

DIVIDENDS

No dividends will be distributed for the year ended 31st December 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2017 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.

Smart Lenders Asset Management Limited

Report of the Directors
for the Year Ended 31st December 2017

AUDITORS

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

ON BEHALF OF THE BOARD:


.....
A N Beysen, Director

Date: 4/04/2018

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

Opinion

We have audited the financial statements of Smart Lenders Asset Management Limited (the 'company') for the year ended 31st December 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, 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 31st December 2017 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 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

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 Report of the Directors.

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.

Responsibilities of directors

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, and for such internal control as the directors determine 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.

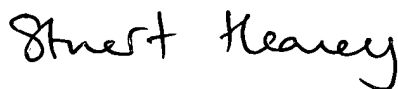
Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors 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 Report of the Auditors.

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 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.



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: 5th September 2018

Smart Lenders Asset Management Limited

Statement of Comprehensive Income
for the Year Ended 31st December 2017

| | Notes | 31.12.17 £ | 31.12.16 £ |
|--|-------|----------------------|-------------------------|
| TURNOVER | 3 | 852,244 | 382,452 |
| Administrative expenses | | <u>784,105</u> | <u>645,354</u> |
| | | 68,139 | (262,902) |
| Other operating income | | <u>800</u> | <u>-</u> |
| OPERATING PROFIT/(LOSS) and PROFIT/(LOSS) BEFORE TAXATION | | 68,939 | (262,902) |
| Tax on profit/(loss) | 6 | <u>16,895</u> | <u>(52,258)</u> |
| PROFIT/(LOSS) FOR THE FINANCIAL YEAR | | 52,044 | (210,644) |
| OTHER COMPREHENSIVE INCOME | | <u>-</u> | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>52,044</u> | <u>(210,644)</u> |

The notes form part of these financial statements

Balance Sheet
31st December 2017

| | Notes | 31.12.17 £ | 31.12.16 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Intangible assets | 7 | 75,000 | - |
| Tangible assets | 8 | <u>12,739</u> | <u>22,982</u> |
| | | 87,739 | 22,982 |
| CURRENT ASSETS | | | |
| Debtors | 9 | 440,010 | 305,401 |
| Cash at bank and in hand | | <u>46,372</u> | <u>51,781</u> |
| | | 486,382 | 357,182 |
| CREDITORS | | | |
| Amounts falling due within one year | 10 | <u>286,633</u> | <u>239,720</u> |
| NET CURRENT ASSETS | | <u>199,749</u> | <u>117,462</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>287,488</u> | <u>140,444</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 14 | 840,000 | 745,000 |
| Retained earnings | 15 | <u>(552,512)</u> | <u>(604,556)</u> |
| SHAREHOLDERS' FUNDS | | <u>287,488</u> | <u>140,444</u> |

The financial statements were approved and authorised for issue by the Board of Directors on
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 2017

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|--------------------------------------|--|------------------------------------|-------------------------------|
| Balance at 1st January 2016 | 535,000 | (393,912) | 141,088 |
| Changes in equity | | | |
| Issue of share capital | 210,000 | - | 210,000 |
| Total comprehensive income | - | (210,644) | (210,644) |
| Balance at 31st December 2016 | <u>745,000</u> | <u>(604,556)</u> | <u>140,444</u> |
| Changes in equity | | | |
| Issue of share capital | 95,000 | - | 95,000 |
| Total comprehensive income | - | 52,044 | 52,044 |
| Balance at 31st December 2017 | <u>840,000</u> | <u>(552,512)</u> | <u>287,488</u> |

The notes form part of these financial statements

Smart Lenders Asset Management Limited

Cash Flow Statement
for the Year Ended 31st December 2017

| | Notes | 31.12.17 £ | 31.12.16 £ |
|---|-------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | <u>(109,754)</u> | <u>(255,577)</u> |
| Net cash from operating activities | | <u>(109,754)</u> | <u>(255,577)</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | <u>(655)</u> | <u>(5,250)</u> |
| Net cash from investing activities | | <u>(655)</u> | <u>(5,250)</u> |
| Cash flows from financing activities | | | |
| Other loans | | 8,800 | 22,000 |
| Amount introduced by directors | | 1,200 | 3,000 |
| Share issue | | <u>95,000</u> | <u>210,000</u> |
| Net cash from financing activities | | <u>105,000</u> | <u>235,000</u> |
| Decrease in cash and cash equivalents | | <u>(5,409)</u> | <u>(25,827)</u> |
| Cash and cash equivalents at beginning of year | 2 | <u>51,781</u> | <u>77,608</u> |
| Cash and cash equivalents at end of year | 2 | <u><u>46,372</u></u> | <u><u>51,781</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 2017

1. **RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

| | 31.12.17 | 31.12.16 |
|--|-------------------------|-------------------------|
| | £ | £ |
| Profit/(loss) before taxation | 68,939 | (262,902) |
| Depreciation charges | 10,899 | 10,212 |
| Capitalisation of software development | <u>(75,000)</u> | <u>-</u> |
| | 4,838 | (252,690) |
| Increase in trade and other debtors | <u>(151,505)</u> | <u>(21,847)</u> |
| Increase in trade and other creditors | <u>36,913</u> | <u>18,960</u> |
| Cash generated from operations | <u>(109,754)</u> | <u>(255,577)</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 2017

| | 31.12.17 | 1.1.17 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Cash and cash equivalents | <u>46,372</u> | <u>51,781</u> |

Year ended 31st December 2016

| | 31.12.16 | 1.1.16 |
|---------------------------|---------------|---------------|
| | £ | £ |
| Cash and cash equivalents | <u>51,781</u> | <u>77,608</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 as it believes that it will become profitable in the future, although judgement is made as to whether this is within one year or over one year based on expectations of 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.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Costs will be amortised to the profit or loss account over the asset's estimated useful life following the completion of the software's development.

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.

Taxation

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 profit (2016 - loss) before taxation are attributable to the one principal activity of the company.

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

| | 31.12.17 | 31.12.16 |
|------------------|-----------------------|-----------------------|
| | £ | £ |
| Advisory fees | 338,437 | 358,068 |
| Management fees | 339,716 | 24,384 |
| Performance fees | <u>174,091</u> | <u>-</u> |
| | <u><u>852,244</u></u> | <u><u>382,452</u></u> |

An analysis of turnover by geographical market is given below:

| | 31.12.17 | 31.12.16 |
|--------|-----------------------|-----------------------|
| | £ | £ |
| Europe | <u>852,244</u> | <u>382,452</u> |
| | <u><u>852,244</u></u> | <u><u>382,452</u></u> |

Smart Lenders Asset Management Limited

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

4. EMPLOYEES AND DIRECTORS

| | 31.12.17 | 31.12.16 |
|-----------------------|-----------------------|-----------------------|
| | £ | £ |
| Wages and salaries | 349,772 | 288,092 |
| Social security costs | 44,503 | 32,624 |
| Other pension costs | <u>16,862</u> | <u>15,302</u> |
| | <u><u>411,137</u></u> | <u><u>336,018</u></u> |

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

| | 31.12.17 | 31.12.16 |
|-----------|-----------------|-----------------|
| Directors | 3 | 3 |
| Staff | <u>5</u> | <u>5</u> |
| | <u><u>8</u></u> | <u><u>8</u></u> |

| | 31.12.17 | 31.12.16 |
|-------------------------|-----------------------|----------------------|
| | £ | £ |
| Directors' remuneration | <u><u>102,282</u></u> | <u><u>96,562</u></u> |

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

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

5. OPERATING PROFIT/(LOSS)

The operating profit (2016 - operating loss) is stated after charging:

| | 31.12.17 | 31.12.16 |
|---|-------------------|---------------------|
| | £ | £ |
| Hire of plant and machinery | 3,840 | 2,792 |
| Other operating leases | 35,730 | 44,011 |
| Depreciation - owned assets | 10,898 | 10,212 |
| Auditors' remuneration | 6,000 | 5,500 |
| Auditors' remuneration for non audit work | 6,966 | 5,024 |
| Foreign exchange differences | <u><u>132</u></u> | <u><u>2,299</u></u> |

6. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

| | 31.12.17 | 31.12.16 |
|----------------------|----------------------|------------------------|
| | £ | £ |
| Deferred tax | <u><u>16,895</u></u> | <u><u>(52,258)</u></u> |
| Tax on profit/(loss) | <u><u>16,895</u></u> | <u><u>(52,258)</u></u> |

The company has losses of approximately £740,000 (2016: £750,000) 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 9.

Smart Lenders Asset Management Limited

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

7. **INTANGIBLE FIXED ASSETS**

| | Computer software £ |
|-----------------------|------------------------------------|
| COST | |
| Additions | <u>75,000</u> |
| At 31st December 2017 | <u>75,000</u> |
| NET BOOK VALUE | |
| At 31st December 2017 | <u>75,000</u> |

8. **TANGIBLE FIXED ASSETS**

| | Improvements to property £ | Computer equipment £ | Totals £ |
|-----------------------|---|-------------------------------------|---------------------|
| COST | | | |
| At 1st January 2017 | 23,465 | 18,138 | 41,603 |
| Additions | <u>-</u> | <u>655</u> | <u>655</u> |
| At 31st December 2017 | <u>23,465</u> | <u>18,793</u> | <u>42,258</u> |
| DEPRECIATION | | | |
| At 1st January 2017 | 9,170 | 9,451 | 18,621 |
| Charge for year | <u>4,693</u> | <u>6,205</u> | <u>10,898</u> |
| At 31st December 2017 | <u>13,863</u> | <u>15,656</u> | <u>29,519</u> |
| NET BOOK VALUE | | | |
| At 31st December 2017 | <u>9,602</u> | <u>3,137</u> | <u>12,739</u> |
| At 31st December 2016 | <u>14,295</u> | <u>8,687</u> | <u>22,982</u> |

9. **DEBTORS**

| | 31.12.17 £ | 31.12.16 £ |
|---|-----------------------|-----------------------|
| Amounts falling due within one year: | | |
| Other debtors | 56,796 | 53,915 |
| VAT | 5,731 | 10,677 |
| Prepayments and accrued income | <u>244,974</u> | <u>91,405</u> |
| | <u>307,501</u> | <u>155,997</u> |
| Amounts falling due after more than one year: | | |
| Deferred tax recoverable after 1 year | <u>132,509</u> | <u>149,404</u> |
| Aggregate amounts | <u>440,010</u> | <u>305,401</u> |

Smart Lenders Asset Management Limited

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.17 | 31.12.16 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Other loans (see note 11) | 189,200 | 180,400 |
| Social security and other taxes | 17,854 | 11,611 |
| Other creditors | 1,198 | 1,198 |
| Directors' loan accounts | 25,800 | 24,600 |
| Accruals and deferred income | <u>52,581</u> | <u>21,911</u> |
| | <u>286,633</u> | <u>239,720</u> |

11. LOANS

An analysis of the maturity of loans is given below:

| | 31.12.17 | 31.12.16 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year or on demand: | | |
| Other loans | <u>189,200</u> | <u>180,400</u> |

12. LEASING AGREEMENTS

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

| | 31.12.17 | 31.12.16 |
|----------------------------|--------------|----------------|
| | £ | £ |
| Within one year | 1,096 | 46,074 |
| Between one and five years | <u>-</u> | <u>86,823</u> |
| | <u>1,096</u> | <u>132,897</u> |

13. FINANCIAL INSTRUMENTS

| | 31.12.17 | 31.12.16 |
|---|------------------|------------------|
| | £ | £ |
| Financial assets | | |
| Financial assets measured at fair value through profit or loss | 46,372 | 51,781 |
| Financial assets that are debt instruments measured at amortised cost | <u>290,761</u> | <u>122,192</u> |
| | <u>337,133</u> | <u>173,973</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>(230,001)</u> | <u>(226,911)</u> |
| | <u>(230,001)</u> | <u>(226,911)</u> |

14. CALLED UP SHARE CAPITAL

| | | | | |
|----------------------------------|----------|----------------|----------------|----------------|
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 31.12.17 | 31.12.16 |
| | | | £ | £ |
| 840,000 | Ordinary | £1 | <u>840,000</u> | <u>745,000</u> |

95,000 Ordinary shares of £1 were issued at par during the year, for cash.

Smart Lenders Asset Management Limited

Notes to the Financial Statements - continued
for the Year Ended 31st December 2017

15. **RESERVES**

| | Retained earnings £ |
|-----------------------|------------------------------------|
| At 1st January 2017 | (604,556) |
| Profit for the year | <u>52,044</u> |
| At 31st December 2017 | <u>(552,512)</u> |

16. **ULTIMATE PARENT COMPANY**

Smart Lenders Asset Management SAS, a company incorporated in France, became the ultimate parent company on 11th December 2017.

17. **RELATED PARTY DISCLOSURES**

During the year, the company received consultancy services from companies controlled by members of key management personnel amounting to £91,104 (2016: £48,879). Of these amounts, £37,580 was accrued at the year end.

At 31st December 2016, the company owed £22,800 (2016: £24,600) to its directors.

At 31st December 2016 loans amounting to £189,200 (2016: £180,400) in total were owed to other related parties.

18. **ULTIMATE CONTROLLING PARTY**

E.J Bonnet has been the company's ultimate controlling party throughout the current and the previous year.