

Registered number: 07889875

Alcova Services Limited

Director's report and unaudited financial statements
For the year ended 31 December 2017



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Alcova Services Limited

Company information

Director	P J Northcott
Registered number	07889875
Registered office	4th Floor, Reading Bridge House George Street Reading Berkshire RG1 8LS
Bankers	HSBC Bank Plc. 69 Pall Mall London SW1Y 5EY
Solicitors	Schulte Roth & Zabel International LLP One Eagle Place London SW1Y 6AF

Alcova Services Limited

**Director's report
For the year ended 31 December 2017**

The director presents his report and the unaudited financial statements of Alcova Services Limited ("the Company") for the year ended 31 December 2017.

Principal activities

The principal activity of the Company in the year under review was that of providing administration services to Alcova Asset Management LLP (the "LLP").

Results and dividends

The profit for the year, after taxation, amounted to £25,032 (2016: £18,473).

Director

The director who served during the year was:

P J Northcott

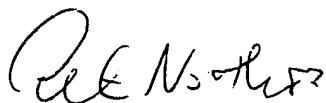
Going concern

The Company has adequate financial resources and as a consequence, the director believes that the Company is well placed to manage its business risks successfully.

The director has a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly, he continues to adopt the going concern basis in preparing the director's report and financial statements.

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 11 January 2019 and signed on its behalf by:



P J Northcott
Director

Alcova Services Limited

Statement of comprehensive income
For the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	3	100,371	185,450
Administrative expenses		(100,371)	(185,450)
Operating profit	4	<u>-</u>	<u>-</u>
Profit allocation		31,000	30,000
Profit before tax		<u>31,000</u>	<u>30,000</u>
Tax charge on profit on ordinary activities	7	(5,968)	(11,527)
Total comprehensive income for the year		<u><u>25,032</u></u>	<u><u>18,473</u></u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: £nil).

Statement of financial position
As at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	8	741	185
Investments	9	560,700	560,700
		561,441	560,885
Current assets			
Debtors: amounts falling due within one year	10	86,639	48,278
Cash and cash equivalents		510	62
		87,149	48,340
Creditors: amounts falling due within one year	12	(40,071)	(25,738)
Net current assets		47,078	22,602
Net assets		608,519	583,487
Capital and reserves			
Called up share capital		370,701	370,701
Profit and loss account		237,818	212,786
Total equity		608,519	583,487

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board on 11 January 2019 and were signed on its behalf by:


P J Northcott
Director

Alcova Services Limited

Statement of changes in equity
For the year ended 31 December 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	370,701	194,313	565,014
Comprehensive income for the year			
Profit for the year	-	18,473	18,473
	<hr/>	<hr/>	<hr/>
At 31 December 2016	370,701	212,786	583,487
Comprehensive income for the year			
Profit for the year	-	25,032	25,032
	<hr/>	<hr/>	<hr/>
At 31 December 2017	<u>370,701</u>	<u>237,818</u>	<u>608,519</u>

The notes on pages 6 to 12 form part of these financial statements.

**Notes to the financial statements
For the year ended 31 December 2017**

1. General information

Alcova Services Limited is a private limited company incorporated and domiciled in England and Wales. The address of the registered office is 4th Floor, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS and its principal place of business is 21 Knightsbridge, London, SW1X 7LY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and the Republic of Ireland, as applied to small companies, and the Companies Act 2006.

The preparation of the financial statements in accordance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The director is confident, however, that any variation in the estimates used or judgments made will not have a significant impact on these financial statements or on the results for the following year.

2.2 Statement of cash flows

The Company qualifies as a small company and thus has not included a Statement of cash flows as allowed by section 1A of FRS 102.

2.3 Going concern

The member has informed the Company that it will provide such commercial and financial support as is necessary for the Company to continue in operation without any significant curtailment of its operations for the foreseeable future and at least for the next twelve months following the date of approval of these financial statements.

Accordingly, the director considers it appropriate for these financial statements to be prepared on the going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is British Pound Sterling.

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover from administrative services is recognised when the services are provided on an accruals basis.

Notes to the financial statements (continued)
For the year ended 31 December 2017

2. Accounting policies (continued)

2.6 Profit Allocation

Profit allocations from the LLP are recognised in the period that formal approval by the board of the LLP occurs.

2.7 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2.8 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Computer equipment	- 3 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.9 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The basis for recognition and measurement of financial instruments is as set out in these accounting policies.

Financial assets are derecognised when (a) the contractual rights to the cash flow from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset and the net amount presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the financial statements (continued)
For the year ended 31 December 2017

2. Accounting policies (continued)**2.10 Investments**

Investments in unlisted shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.13 Creditors

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

3. Turnover

The whole of the turnover is attributable to administrative services provided by the Company and is earned in the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	344	1,694
Exchange differences	<u>152</u>	<u>79</u>

5. Employees

The average monthly number of employees, including the director, during the year was 1 (2016: 2)

6. Director's remuneration

	2017 £	2016 £
Directors' remuneration	<u>5,000</u>	<u>7,178</u>

7. Taxation

	2017 £	2016 £
Tax on profit on ordinary activities		
UK Corporation tax		
Current tax on profits for the year	5,968	6,000
Adjustments in respect of previous periods	<u>-</u>	<u>5,527</u>
Total tax charge for the year	<u>5,968</u>	<u>11,527</u>

Notes to the financial statements (continued)
For the year ended 31 December 2017

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is equal to (2016: higher than) the tax based on the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>31,000</u>	<u>30,000</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.25% (2016: 20%)	5,968	6,000
Effects of:		
Adjustment in respect of earlier periods	<u>-</u>	<u>5,527</u>
Total tax charge for the year	<u>5,968</u>	<u>11,527</u>

Factors that may affect future tax charges

The Government previously announced its intention to reduce the main corporation tax rate to 19% from 1 April 2017 and then to 17% from 1 April 2020. The announced rate reductions to 17% by 1 April 2020 have been substantively enacted by the statement of financial position date and have been reflected above where appropriate

8. Tangible fixed assets

	Computer equipment £	Furniture and fittings £	Total £
Cost:			
At 1 January 2017	11,763	-	11,763
Additions	<u>-</u>	<u>900</u>	<u>900</u>
At 31 December 2017	<u>11,763</u>	<u>900</u>	<u>12,663</u>
Depreciation:			
At 1 January 2017	11,578	-	11,578
Charge for the year	<u>69</u>	<u>275</u>	<u>344</u>
At 31 December 2017	<u>11,647</u>	<u>275</u>	<u>11,922</u>
Net book value:			
At 31 December 2017	<u>116</u>	<u>625</u>	<u>741</u>
At 31 December 2016	<u>185</u>	<u>-</u>	<u>185</u>

Notes to the financial statements (continued)
For the year ended 31 December 2017

9. Fixed asset investment

	Unlisted investments £
Cost	
At 1 January 2017	560,700
At 31 December 2017	560,700

The investment represents the Company's 96.6% (2016: 96.6%) capital interest in Alcova Asset Management LLP. This capital interest does not give the Company control of Alcova Asset Management LLP, and hence the LLP is not consolidated in these financial statements.

10. Debtors

	2017 £	2016 £
Due within one year		
Amounts due from related undertakings	78,972	41,434
Other debtors	2,262	3,101
Prepayments	5,405	3,743
	<u>86,639</u>	<u>48,278</u>

11. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>510</u>	<u>62</u>

12. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	8,557	-
Other taxes and social security	-	2,358
Corporation tax payable	12,610	12,219
Accruals and deferred income	18,904	11,161
	<u>40,071</u>	<u>25,738</u>

13. Related party transactions

Alcova Asset Management LLP (the "LLP"), of which the Company is a member:
During the year, the Company recharged expenses of £100,371 (2016: £185,450) to the LLP and received a profit allocation of £31,000 (2016: £30,000). At year end an amount of £78,971 (2016: £41,433) was due by the LLP.

14. Controlling party

The Company's immediate parent undertaking and ultimate controlling party is Alcova Asset Management (Cayman) Limited, an entity registered in the Cayman Islands.