

Registered number: 09486518

FAIRMILE HOLDING UK LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2016

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FAIRMILE HOLDING UK LTD

COMPANY INFORMATION

Director	M G Mullertz (appointed 12 March 2015)
Registered number	09486518
Registered office	Riverbank House 2 Swan Lane London EC4R 3TT
Independent auditors	Adler Shine LLP Chartered Accountants & Statutory Auditor Aston House Cornwall Avenue London N3 1LF

FAIRMILE HOLDING UK LTD

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FAIRMILE HOLDING UK LTD

**GROUP STRATEGIC REPORT
FOR THE PERIOD ENDED 31 MARCH 2016**

Introduction

The director presents his report and financial statements for the period ended 31 March 2016.

Business review

Following a challenging year for financial markets, the result for the year is considered satisfactory.

Principal risks and uncertainties

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk primarily on its cash and cash equivalents.

Liquidity Risk

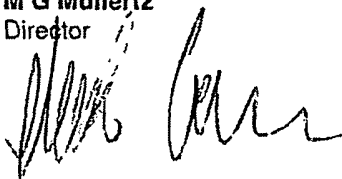
Liquidity risk is the risk that the Group will have difficulty raising funds to meet commitments associated with financial instruments. The Group limits its liquidity risk by ensuring that working capital is in excess of expected requirements.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. All the transactions of the Group are in British pounds, Danish Kroners or Euros. The Group does not actively hedge against this risk.

This report was approved by the board on *13 November 2016* and signed on its behalf.

M G Mullertz
Director



FAIRMILE HOLDING UK LTD

DIRECTOR'S REPORT FOR THE PERIOD ENDED 31 MARCH 2016

The director presents his report and the financial statements for the period ended 31 March 2016.

Director's responsibilities statement

The director is responsible for preparing the Group Strategic Report, the Director's Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the director must not approve the financial statements unless he is satisfied that he gives a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The director is 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 the Group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the period, after taxation and minority interests, amounted to £413,058.

The results for the year are set out on page 6.

Director

The director who served during the period was:

M G Mullertz (appointed 12 March 2015)

Future developments

The Group intends to carry on with operations and foresee no changes in the immediate future.

Disclosure of information to auditors

The director at the time when this Director's Report is approved has confirmed that:

- so far as is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware; and
- has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

FAIRMILE HOLDING UK LTD

**DIRECTOR'S REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2016**

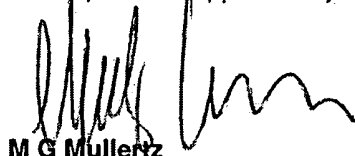
Post balance sheet events

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

Auditors

During the year, Adler Shine LLP were appointed auditors to the Group. The auditors will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *13 November 2016* and signed on its behalf.



M G Mullertz
Director

FAIRMILE HOLDING UK LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FAIRMILE HOLDING UK LTD

We have audited the financial statements of Fairmile Holding UK Ltd for the period ended 31 March 2016, set out on pages 6 to 29. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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 an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Director's Responsibilities Statement, the director is 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 Financial Reporting Council'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 Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Director's Report 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 Group's and the parent Company's affairs as at 31 March 2016 and of the Group's profit for the period 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 Group Strategic Report and the Director's Report for the financial period for which the financial statements are prepared is consistent with the financial statements and the directors' report has been prepared in accordance with applicable legal requirements.

FAIRMILE HOLDING UK LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FAIRMILE HOLDING UK LTD

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

Paul O'Rourke (Senior Statutory Auditor)

for and on behalf of
Adler Shine LLP

Chartered Accountants & Statutory Auditor
Aston House
Cornwall Avenue
London
N3 1LF
Date: 13/11/16

Adler Shine LLP

FAIRMILE HOLDING UK LTD

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2016**

	Note	2016 £
Turnover	4	975,983
Gross profit		975,983
Administrative expenses		(344,333)
Fair value movements		(100,499)
Operating profit	5	531,151
Income from fixed assets investments		546
Profit on disposal of listed investments		6,768
Interest receivable and similar income	12	6
Profit before taxation		538,471
Tax on profit	13	(125,413)
Profit for the period		413,058
Total comprehensive income for the period		413,058
Non-controlling interest		119,109
Owners of the parent Company		293,949
		413,058

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of comprehensive income.

FAIRMILE HOLDING UK LTD
REGISTERED NUMBER: 09486518

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £
Fixed assets			
Intangible assets	15		422,302
Tangible assets	16		640
			<u>422,942</u>
Current assets			
Debtors: amounts falling due within one year	18	275,011	
Current asset investments	19	780,608	
Cash at bank and in hand	20	1,030,972	
		<u>2,086,591</u>	
Creditors: amounts falling due within one year	21	(217,951)	
			<u>1,868,640</u>
Net current assets			<u>1,868,640</u>
Total assets less current liabilities			<u>2,291,582</u>
Provisions for liabilities			
Net assets excluding pension asset			<u>2,291,582</u>
Net assets			<u><u>2,291,582</u></u>
Capital and reserves			
Called up share capital	23		1
Other reserves	24		1,492,891
Profit and loss account	24		293,949
			<u>1,786,841</u>
Equity attributable to owners of the parent Company			<u>1,786,841</u>
Non-controlling interests			504,741
			<u><u>2,291,582</u></u>

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


M.G. Mullertz
 Director

13/11/16

The notes on pages 12 to 29 form part of these financial statements.

FAIRMILE HOLDING UK LTD
REGISTERED NUMBER: 09486518

COMPANY BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £
Fixed assets			
Investment	17		1
			<u>1</u>
Current assets			
Debtors: amounts falling due within one year	18	1	
		<u>1</u>	
Creditors: amounts falling due within one year	21	(1,003)	
Net current (liabilities)			<u>(1,002)</u>
Total assets less current liabilities			<u>(1,001)</u>
Net assets excluding pension asset			<u>(1,001)</u>
Net assets			<u>(1,001)</u>
Capital and reserves			
Called up share capital	23		1
Profit and loss account	24		(1,002)
			<u>(1,001)</u>

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


M G Mullertz
 Director

13/4/16.

FAIRMILE HOLDING UK LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2016

	Called up share capital £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent Company £	Non- controlling interests £	Total equity £
Profit for the period	-	-	293,949	293,949	-	293,949
NCI on acquisition of subsidiary	-	-	-	-	504,741	504,741
Merger reserve on acquisition of subsidiary	-	1,492,891	-	1,492,891	-	1,492,891
Total comprehensive income for the period	-	1,492,891	293,949	1,786,840	504,741	2,291,581
Shares issued during the period	1	-	-	1	-	1
Total transactions with owners	1	-	-	1	-	1
At 31 March 2016	1	1,492,891	293,949	1,786,841	504,741	2,291,582

FAIRMILE HOLDING UK LTD

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Comprehensive income for the period			
Loss for the period	-	(1,002)	(1,002)
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(1,002)	(1,002)
	<hr/>	<hr/>	<hr/>
Contributions by and distributions to owners			
Shares issued during the period	1	-	1
	<hr/>	<hr/>	<hr/>
Total transactions with owners	1	-	1
	<hr/>	<hr/>	<hr/>
At 31 March 2016	1	(1,002)	(1,001)
	<hr/>	<hr/>	<hr/>

FAIRMILE HOLDING UK LTD

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2016**

	2016 £
Cash flows from operating activities	
Profit for the financial period	413,058
Adjustments for:	
Amortisation of intangible assets	28,664
Depreciation of tangible assets	1,139
Interest received	(552)
Taxation	125,413
(Increase)/decrease in debtors	(160,608)
Increase in creditors	60,322
Net fair value losses/gains recognised in P&L	100,499
Profit / loss on disposal of fixed asset investments	(6,768)
Purchase of subsidiary	(64,971)
Net cash generated from operating activities	496,196
Cash flows from investing activities	
Purchase of short term listed investments	(161,274)
Sale of short term listed investments	268,962
Interest received	6
Dividends received	546
Taxation paid	(16,205)
Loss on sale of unlisted investments	47,450
Cash generated on acquisition	395,289
Net cash from investing activities	534,774
Net increase in cash and cash equivalents	1,030,970
Cash and cash equivalents at the end of period	1,030,970
Cash and cash equivalents at the end of period comprise:	
Cash at bank and in hand	1,030,972
Bank overdrafts	(2)
	1,030,970

FAIRMILE HOLDING UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

1. General information

Fairmile Holding UK Ltd is a limited liability company incorporated in the UK. The registered office is Riverbank House, 2 Swan Lane, London, EC4R 3TT.

The principal activity of the company is that of a holding company. The principal activity of its subsidiaries is that of consulting and management services, and investment advisory services.

2. Accounting policies

2.1 Basis of preparation of 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 the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being

FAIRMILE HOLDING UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

2. Accounting policies (continued)**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 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.

FAIRMILE HOLDING UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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

The estimated useful lives range as follows:

Fixtures and fittings	- Over 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 Consolidated Statement of Comprehensive Income.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

FAIRMILE HOLDING UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

2. Accounting policies (continued)

2.9 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, 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 out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Profit and Loss Account.

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.

2.10 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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 Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

2.12 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 02 March 1999 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.13 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.14 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the period in which they are incurred.

FAIRMILE HOLDING UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

2. Accounting policies (continued)**2.15 Taxation**

Tax is recognised in the Profit and Loss Account, 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 balance sheet date in the countries where the Company and the Group operate and generate income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires amangement to make judgments, 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. However, the anture of estimation means that actual outcomes could differ from those estimates. The most significant effect on amounts recognised in the financial statements is the estimation of accrued income.

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £
Advisory services	975,983
	<hr/> 975,983 <hr/>

Analysis of turnover by country of destination:

	2016 £
United Kingdom	975,983
	<hr/> 975,983 <hr/>

FAIRMILE HOLDING UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

5. Operating profit

The operating profit is stated after charging:

	2016 £
Depreciation of tangible fixed assets	1,139
Amortisation of intangible assets, including goodwill	28,664
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	9,272
Exchange differences	(47,394)
Other operating lease rentals	15,460
	<u>15,460</u>

6. Auditors' remuneration

	2016 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	9,272
	<u>9,272</u>

7. Employees

Staff costs, including director's remuneration, were as follows:

	2016 £
Wages and salaries	21,100
Social security costs	2,484
	<u>23,584</u>

The average monthly number of employees, including the director, during the period was as follows:

	2016 No.
Employees	<u>2</u>

FAIRMILE HOLDING UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

8. Director's remuneration

**2016
£**

Directors' emoluments	20,100
	20,100

9. Income from investments

**2016
£**

Income from current asset investments	546
	546

10. Fair value movements

**2016
£**

Loss on revaluation of listed investments	68,565
	68,565

11. Subsidiaries' Accounting Dates

The accounting dates of the subsidiaries varies from that of the parent. Fairmile Advisors Holding Ltd and Fairmile Advisors Limited have an accounting date of 30 April, whereas Fairmile Holding UK Ltd and Titon Associates Limited have an accounting date of 31 March.

12. Interest receivable

**2016
£**

Other interest receivable	6
	6

FAIRMILE HOLDING UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

13. Taxation

	2016 £
Corporation tax	
Current tax on profits for the year	133,162
Adjustments in respect of previous periods	(7,749)
	<u>125,413</u>
Total current tax	<u>125,413</u>
Deferred tax	
Total deferred tax	<u>-</u>
Taxation on profit on ordinary activities	<u>125,413</u>

Factors affecting tax charge for the period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	2016 £
Profit on ordinary activities before tax	538,471
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	107,694
Effects of:	
Non-tax deductible amortisation of goodwill and impairment	5,733
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	(9,244)
Adjustments to tax charge in respect of prior periods	(7,749)
Unrelieved tax losses carried forward	276
Other differences leading to an increase (decrease) in the tax charge	28,703
Total tax charge for the period	<u>125,413</u>

Factors that may affect future tax charges

FAIRMILE HOLDING UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

13. Taxation (continued)

The main rate of UK corporation tax will be reduced to 19% for the financial year beginning 1 April 2017, and reduced by a further 1% to 18% for the financial year beginning 1 April 2020.

14. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the period was £1,001.

FAIRMILE HOLDING UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

15. Intangible assets

Group and Company

Goodwill

£

Cost

Additions

450,966

At 31 March 2016

450,966

Amortisation

Charge for the year

28,664

At 31 March 2016

28,664

Net book value

At 31 March 2016

422,302

FAIRMILE HOLDING UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

16. Tangible fixed assets

Group

	Fixtures and fittings £
Cost or valuation	
Additions	1,779
At 31 March 2016	<u>1,779</u>
Depreciation	
Charge for period on owned assets	1,139
At 31 March 2016	<u>1,139</u>
Net book value	
At 31 March 2016	<u><u>640</u></u>

17. Fixed asset investments

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Fairmile Advisors Holding Ltd	UK	Ordinary	100 %	Holding company

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Fairmile Advisors Limited	UK	Ordinary	100 %	Consulting and management services
Titon Associates Limited	UK	Ordinary	100 %	Investment advisory services

FAIRMILE HOLDING UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2016

17. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 31 March 2016 (Titon Associates Limited) or 30 April 2016 (Fairmile Advisors Holding Ltd and Fairmile Advisors Limited) and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Fairmile Advisors Holding Ltd	34,621	34,620
Fairmile Advisors Limited	1,645,228	149,837
Titon Associates Limited	1,811,599	341,174
	<u>3,491,448</u>	<u>525,631</u>

Company

	Investments in subsidiary companies £
Cost or valuation	
Additions	1
At 31 March 2016	<u>1</u>
At 31 March 2016	<u>-</u>
Net book value	
At 31 March 2016	<u>1</u>

FAIRMILE HOLDING UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

18. Debtors

	Group 2016 £	Company 2016 £
Trade debtors	32	-
Other debtors	121,646	1
Prepayments and accrued income	153,333	-
	<u>275,011</u>	<u>1</u>

19. Current asset investments

	Group 2016 £	Company 2016 £
Listed investments	780,608	-
	<u>780,608</u>	<u>-</u>

20. Cash and cash equivalents

	Group 2016 £	Company 2016 £
Cash at bank and in hand	1,030,972	-
Less: bank overdrafts	(2)	(2)
	<u>1,030,970</u>	<u>(2)</u>

21. Creditors: Amounts falling due within one year

	Group 2016 £	Company 2016 £
Bank overdrafts	2	2
Corporation tax	111,121	-
Taxation and social security	3,270	-
Other creditors	14,742	1
Accruals and deferred income	88,816	1,000
	<u>217,951</u>	<u>1,003</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2016**

22. Financial instruments

	Group 2016 £	Company 2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	1,811,580	-
Financial assets that are debt instruments measured at amortised cost	274,725	1
	<u>2,086,305</u>	<u>1</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(88,819)	(1,003)
	<u>(88,819)</u>	<u>(1,003)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

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

Financial Liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, amounts owed to group undertakings, other creditors and obligations under finance leases and hire purchase contracts.

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23. Share capital**2016
£****Shares classified as equity****Allotted, called up and fully paid**

1 Ordinary share of £1

1

On incorporation, 12 March 2015, 1 £1 Ordinary Share was issued at par.

24. Reserves**Merger Reserve**

The merger reserve arose on the acquisition of a subsidiary.

Profit and loss account

Retained earnings relate to cumulative net gains and losses less distributions made.

25. Business combinations**Acquisition of Titon Associates Limited**

Fairmile Holding UK Ltd acquired Titon Associates Limited on 12 August 2015. Consideration was by way of an issue of £12,500 preference shares in Fairmile Advisors Limited at a fair value of £1,505,391 excluding legal fees incurred of £64,971.

FAIRMILE HOLDING UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
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25. Business combinations (continued)

	Book value £	Fair value adjustment £	Fair value £
Tangible	1,779	-	1,779
	<u>1,779</u>	<u>-</u>	<u>1,779</u>
Debtors	1,136,226	10,252	1,146,478
Cash at bank and in hand	395,289	-	395,289
	<u>1,533,294</u>	<u>10,252</u>	<u>1,543,546</u>
Total assets			
Due within one year	(51,019)	-	(51,019)
	<u>1,482,275</u>	<u>10,252</u>	<u>1,492,527</u>
Fair value of net assets			
NCI share of net assets on acquisition	(370,569)	(2,563)	(373,132)
Goodwill	450,966	-	450,966
	<u>1,562,672</u>	<u>7,689</u>	<u>1,570,361</u>
Total purchase consideration			
Purchase consideration settled in cash, as above	(64,971)	-	(64,971)
Cash and cash equivalents in subsidiary acquired	395,289	-	395,289
	<u>330,318</u>	<u>-</u>	<u>330,318</u>
Cash outflow on acquisition			

The results of Titon Associates Limited since its acquisition are as follows:

	Current period since acquisition 2016 £
Turnover	975,983
	<u>975,983</u>
Profit for the period	419,071
	<u>419,071</u>

During the period, Fairmile Holding UK Ltd acquired Fairmile Advisors Holding Limited on 12 March 2015. The company was acquired on incorporation with the consideration paid equal to the par value of shares issued, therefore no goodwill arose on this acquisition.

During the period, Fairmile Holding UK Ltd acquired Fairmile Advisors Limited on 15 April 2015. The company was acquired on incorporation with the consideration paid equal to the par value of shares issued, therefore no goodwill arose on this acquisition.

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**NOTES TO THE FINANCIAL STATEMENTS
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26. Controlling party

The ultimate controlling party of the group is M G Mullertz.

The immediate parent company is Fairmile Holding, Inc., which is incorporated in the British Virgin Islands.