REGISTERED NUMBER: 04752750 (England and Wales)

STAFFORD CAPITAL PARTNERS LIMITED

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

STAFFORD CAPITAL PARTNERS LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

Directors:	Richard Bowley Manh Duy Van Cao Geoffrey Norman Angus Whiteley
Secretary:	Jane Murphy
Registered office:	4th Floor 24 Old Bond Street London W1S 4AW
Registered number:	04752750 (England and Wales)
Auditors:	The Gallagher Partnership LLP, Statutory Auditor 69-85 Tabernacle Street London EC2A 4RR
Bankers:	RBS International Royal Bank Place 1 Glategny Esplanade St Peterport Guernsey GY1 4NW

The directors present the Group Strategic Report and financial statements for the year ended 31 December 2017.

The purpose of the Strategic Report is to inform shareholders and help them to assess how the directors have performed their duties to promote the success of the group. The report, together with the further information in the Directors' Report, provides:

A fair and balanced review of the group's business including
i) The development and performance of the business during the year
ii) The position of the group at the end of the year

A description of the principal risks and uncertainties facing the group.

Summary of activities
The principal activity of the group is to advise and manage fund of funds specialising in timberlands and other real assets and advising on timberland investments. The group is based in London. The company is authorised and regulated by the Financial Conduct Authority (FCA) in the UK.

Review of business during the current year
The group performed well in 2017 with good activity levels in a recovering environment.

As reported in the group's profit and loss account revenue has shown an increase of 83.4% from £7.31m to £13.41m in the current period. Profit after tax increased from £1.71m to £4.19m.

In the year the company purchased 174,500 A ordinary shares into treasury.

The results for the year and the financial position at the year-end were considered satisfactory by the directors.

Principal risks and uncertainties facing the business
This section highlights some of the key business risks that impact on the company and group but it is not intended to be an extensive analysis of all of the risks facing the business. Some risks may be unknown to us and other risks, currently regarded as immaterial, could turn out to be material. All of them have the potential to impact on the business.

Management continually monitor the key risks facing the group together with assessing the controls used for managing these risks. The board of directors formally reviews and documents the principal risks facing the business at least annually.

Credit risk
Credit risk is the possibility of a loss occurring due to the financial failure of a debtor to meet their contractual debt obligations.

Liquidity risk
The group's policy is to manage liquidity risk by maintaining sufficient bank balances to manage short term liquidity requirements.

Key performance indicators
Management use a range of performance measures to monitor and manage the business. Summarised below is an extract from the audited financial statements:

	2017	2016
	£m	£m
Turnover	13.4	7.3
Profit before taxation	5.3	2.2
Shareholders' funds	2.3	1.4

Given the straight forward nature of the business the directors are of the opinion that further analysis using non-financial KPI's is not necessary for the understanding of the development, performance or position of the business.

The financial position of the group at the year end
At the year end the group had a post-tax profit for the year of £4.2m and an increase in shareholders' funds from £1.4m to £2.3m. The group generated cash from operations of £5.6m in the current year and made dividend payments of £2.5m. At the reporting date bank balances had increased from £1.23m to £2.87m.

Future developments
The directors expect to continue to raise new funds during the current financial year, however, it is considered that the forthcoming financial year will be another year of growth. Their aim is to implement the management policies which have been introduced in recent years to overcome the difficulties and uncertainties in the market place. Overall, the directors believe that the group are well placed in terms of strategic and market position to maximise its revenue stream in spite of the economic conditions facing the business.

Financial instruments
The group operates in the financial services sector which is governed by regulators and monitored by the Financial Conduct Authority.

The turnover of the group comprises of commission receivable which is dependent on the investor buying an investment based on the work performed by the group.

The group's principal financial instruments comprise cash in liquid resources and trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The main risk arising from the group's financial instruments is liquidity risk and limited exposure to credit risk and foreign currency risk. The group finances its operations through a mixture of share capital, retained profits and income from commission receivable. Liquidity risk is managed by maintaining a balance between continuity of funding and flexibility through the use of short-term deposits where surplus funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to purchasing authorities and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditor liquidity risk is managed by ensuring sufficient funds are available to meet amounts due and in accordance with agreed payment terms.

Foreign currency risk is the risk that the group will sustain losses through adverse movements in currency exchange rates. The group manages this foreign currency risk by monitoring exchange rates on a daily basis.

On behalf of the board:

Manh Duy Van Cao - Director

25 April 2018

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

Dividends
The total distribution of dividends for the year ended 31 December 2017 will be £2,529,053.

The consolidated profit and loss account for the year is set out on page 8.

Directors
The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

Richard Bowley
Manh Duy Van Cao
Geoffrey Norman
Angus Whiteley

Pillar 3
The qualitative disclosures to comply with Pillar 3 of the FCA Capital Requirement Directive can be found on the company's web site - http://www.staffordcp.com/legal

Disclosure in the strategic report
As permitted by paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 2 and 3. These matters relate to financial instruments and future developments, which otherwise would be required to be shown in the directors' report.

Statement of directors' responsibilities
The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

Auditors
The auditors, The Gallagher Partnership LLP, Statutory Auditor, are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

On behalf of the board:

Manh Duy Van Cao - Director

25 April 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STAFFORD CAPITAL PARTNERS LIMITED

Opinion
We have audited the financial statements of Stafford Capital Partners Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated 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).

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.

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2017 and of the group's 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 group 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 group'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 Group 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 Group 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 Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 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 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 four, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Our 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.

Chris Evans (Senior Statutory Auditor)
for and on behalf of The Gallagher Partnership LLP, Statutory Auditor
69-85 Tabernacle Street
London
EC2A 4RR

Date: 25 April 2018

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	4	13,410,430	7,311,015
Administrative expenses		(8,114,839)	(5,151,610)
Operating profit	6	5,295,591	2,159,405
Interest receivable and similar income		-	1,626
		5,295,591	2,161,031
Interest payable and similar expenses	8	(357)	-
Profit before taxation		5,295,234	2,161,031
Tax on profit	9	(1,100,336)	(448,124)
Profit for the financial year		4,194,898	1,712,907
Profit attributable to: Owners of the parent		4,194,898	1,712,907

The notes form part of these financial statements

CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Profit for the year		4,194,898	1,712,907
Other comprehensive income		-	-
Total comprehensive income for the year		4,194,898	1,712,907
Total comprehensive income attributable to:			
Owners of the parent		4,194,898	1,712,907

The notes form part of these financial statements

STAFFORD CAPITAL PARTNERS LIMITED (REGISTERED NUMBER: 04752750)

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	12		2,534		3,362
Investments	13		-		-
			2,534		3,362
Current assets					
Debtors	14	2,202,163		1,124,130	
Investments	15	208,748		208,748	
Cash at bank and in hand		2,872,573		1,230,912	
		5,283,484		2,563,790	
Creditors					
Amounts falling due within one year	16	2,974,833		1,197,608	
Net current assets			2,308,651		1,366,182
Total assets less current liabilities			2,311,185		1,369,544
Capital and reserves					
Called up share capital	20		66,255		68,000
Capital redemption reserve	21		8,988		7,243
Retained earnings	21		2,235,942		1,294,301
Shareholders' funds			2,311,185		1,369,544

The financial statements were approved by the Board of Directors on 25 April 2018 and were signed on its behalf by:

Manh Duy Van Cao - Director

The notes form part of these financial statements

STAFFORD CAPITAL PARTNERS LIMITED (REGISTERED NUMBER: 04752750)

COMPANY BALANCE SHEET
31 DECEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	12		1,043		934
Investments	13		54,940		129,110
			55,983		130,044
Current assets					
Debtors	14	2,184,688		1,095,806	
Investments	15	208,748		208,748	
Cash at bank and in hand		2,610,033		929,357	
		5,003,469		2,233,911	
Creditors					
Amounts falling due within one year	16	2,800,479		1,102,720	
Net current assets			2,202,990		1,131,191
Total assets less current liabilities			2,258,973		1,261,235
Capital and reserves					
Called up share capital	20		66,255		68,000
Capital redemption reserve	21		8,988		7,243
Retained earnings	21		2,183,730		1,185,992
Shareholders' funds			2,258,973		1,261,235
Company's profit for the financial year			4,242,726		1,710,544

The financial statements were approved by the Board of Directors on 25 April 2018 and were signed on its behalf by:

Manh Duy Van Cao - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2016	68,000	1,036,161	-	5,080	1,109,241
Changes in equity					
Dividends	-	(1,302,671)	-	-	(1,302,671)
Total comprehensive income	-	1,767,617	-	-	1,767,617
Purchase of own shares	-	(218,496)	-	2,163	(216,333)
Currency translation	-	11,690	-	-	11,690
Balance at 31 December 2016	68,000	1,294,301	-	7,243	1,369,544
Changes in equity					
Issue of share capital	(1,745)	-	-	-	(1,745)
Dividends	-	(2,529,053)	-	-	(2,529,053)
Total comprehensive income	-	4,194,898	-	-	4,194,898
Purchase of own shares	-	(715,935)	-	1,745	(714,190)
Currency translation	-	(8,269)	-	-	(8,269)
Balance at 31 December 2017	66,255	2,235,942	-	8,988	2,311,185

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Retained earnings £	Share premium £	Capital redemption reserve £	Total equity £
Balance at 1 January 2016	68,000	996,615	-	5,080	1,069,695
Changes in equity					
Dividends	-	(1,302,671)	-	-	(1,302,671)
Total comprehensive income	-	1,710,544	-	-	1,710,544
Purchase of own shares	-	(218,496)	-	2,163	(216,333)
Balance at 31 December 2016	68,000	1,185,992	-	7,243	1,261,235
Changes in equity					
Issue of share capital	(1,745)	-	-	-	(1,745)
Dividends	-	(2,529,053)	-	-	(2,529,053)
Total comprehensive income	-	4,242,726	-	-	4,242,726
Purchase of own shares	-	(715,935)	-	1,745	(714,190)
Balance at 31 December 2017	66,255	2,183,730	-	8,988	2,258,973

The notes form part of these financial statements

STAFFORD CAPITAL PARTNERS LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	5,606,013	1,876,511
Interest paid		(357)	-
Tax paid		(718,898)	(486,560)
Net cash from operating activities		4,886,758	1,389,951
Cash flows from investing activities			
Purchase of tangible fixed assets		(109)	(1,754)
Purchase of current asset investments		-	(208,748)
Interest received		-	1,626
Net cash from investing activities		(109)	(208,876)
Cash flows from financing activities			
Share issue		-	216,333
Share buyback		(715,935)	(434,829)
Equity dividends paid		(2,529,053)	(1,302,671)
Net cash from financing activities		(3,244,988)	(1,521,167)
Increase/(decrease) in cash and cash equivalents		1,641,661	(340,092)
Cash and cash equivalents at beginning of year	2	1,230,912	1,571,004
Cash and cash equivalents at end of year	2	2,872,573	1,230,912

The notes form part of these financial statements

1. **Reconciliation of profit before taxation to cash generated from operations**

	2017	2016
	£	£
Profit before taxation	5,295,234	2,161,031
Depreciation charges	819	1,721
Net effect of foreign exchange	(8,151)	66,034
Finance costs	357	-
Finance income	-	(1,626)
	5,288,259	2,227,160
Increase in trade and other debtors	(1,078,033)	(259,048)
Increase/(decrease) in trade and other creditors	1,395,787	(91,601)
Cash generated from operations	5,606,013	1,876,511

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 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	2,872,573	1,230,912

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	1,230,912	1,571,004

1. **Statutory information**

Stafford Capital Partners 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 General Information page.

2. **Statement of compliance**

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

3. **Accounting policies**

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention and on a going concern basis and are presented in British Sterling (£).

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, except where stated otherwise, is set out below.

Basis of consolidation
The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2017. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

The company is considered to be the controlling party of Stafford Timberland III Fund LP because of the day to day control that is has over the fund. However, as can be seen in the profit and loss account, the company demonstrably retains no financial gain as a result of its control. Therefore a full consolidation would not represent a fair picture of the group in this situation and the true and fair override of the Companies Act 2006 has been invoked and a proportional consolidation is considered appropriate.

The basis of consolidation is to bring in the company's share of the underlying profit and loss and assets and liabilities into the financial statements. Given the level of financial interest that the company has, these amounts are considered to be insignificant for the year ended 31 December 2017. The fund itself has net assets of £9,832,042 (2016 - £15,525,893), mainly held in investments.

continued...

3. **Accounting policies - continued**

Significant judgements and estimates
In applying the firm's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical judgements in applying the group's and company's accounting policies
The critical judgement that the directors have made in the process of applying the group's and company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below:

Assessing indicators and impairment
In assessing whether there have been any indicators or impairment of assets, the directors have considered both external and internal sources of information such as market conditions, and experience or recoverability. There have been no indicators or impairments identified during the current financial year.

Key accounting estimates and assumptions
Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key assumptions concerning the future, and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Recoverability of receivables
The group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the aging of the receivables, past experience and recoverability, and the credit profile of customers.

(ii) Determining residual values and useful economic lives of property, plant and equipment
The group depreciates tangible assets over their estimated useful lives. The estimation of the useful lives is based on historical performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Turnover
Turnover, which is stated net of valued added tax and other sales taxes, represents fees received or receivable for managing funds and for providing advice on timberland and other real asset investments. Revenue is recognised in line with accrual accounting based on fees received for services provided during the financial year.

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3. ***Accounting policies - continued***

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- Straight line over 2 years
Fixtures and fittings	- Straight line over 5 years

Impairment of assets
At each reporting date the group reviews the carrying value of its assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses are charged to profit or loss in administration expenses.

Financial instruments
Financial assets and liabilities are recognised when the group becomes party to the contractual provisions of the financial instrument. The group only holds basic financial instruments which comprise cash and cash equivalents, trade and other receivables, trade and other payables. The company has chosen to apply the provisions of Section 11 Basic Financial Instruments in full.

<u>Financial assets and liabilities - classified as basic financial instruments</u>

<u>(i) Cash and cash equivalents</u>
Cash and cash equivalents include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

<u>(ii) Trade and other receivables</u>
Trade and other receivables including amounts due from group undertakings, are initially recognised at transaction price, including any transaction costs, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest, net of any impairment.

At the end of each reporting period, the company assesses whether there is objective evidence that a receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognised immediately in profit or loss.

<u>(iii) Financial liabilities</u>
Basic financial liabilities, including trade and other payables, loans and other borrowings are initially recognised at transaction price and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the discounted amount of the cash expected to be paid.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at the undiscounted amount.

continued...

3. **Accounting policies - continued**

Taxation

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

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

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

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

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

Investments

Investment in a subsidiary company is held at cost less accumulated impairment losses.

Current asset investments are stated at the lower of cost and net realisable value.

Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at that date the transaction took place. Where this is not possible to determine, income and expense items are translated using an average exchange rate for the period.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities are reported in profit or loss.

Leasing

Lease arrangements are classified as a finance lease where the terms of the lease transfer substantially all the risks and regards of ownership to the lessee. All other lease arrangements are classified as an operating lease.

Payments made under operating lease arrangements are charged to profit or loss on a straight line basis over the lease term. Benefits receivable as operating lease incentives are recognised within profit or loss on a straight line basis offer the lease term.

Pension costs and other post-retirement benefits

The group contributes to individual employees' personal pension plans held separately from the group. Contributions payable are charged to the profit and loss account in the year they are payable.

Dilapidations

As part of the group's property leasing arrangements there is an obligation to repair damages which are incurred during the life of the lease such as wear and tear. Provision for dilapidation is recognised on a lease basis and the cost is charged to the profit and loss account as the obligation arises.

continued...

3. **Accounting policies - continued**

Provisions
Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probably that the obligation will be required to be settled, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risks and uncertainties surrounding the obligation. Provisions are discounted when the time value of money is material.

Equity
Equity instruments are classified in accordance with the substance of contractual agreement. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Equity instruments issued by the group are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Going concern
These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks including an assessment on uncertainty on future trading projection for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on assessment, the directors consider that the group maintains an appropriate level of liquidity, sufficient to meet the demands of the business including any capital and servicing obligations and external debt liabilities.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubts upon the group's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

4. **Turnover**

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom and is measured at the fair value of the consideration received or receivable.

5. **Employees and directors**

	2017	2016
	£	£
Wages and salaries	2,458,722	1,731,705
Social security costs	128,428	139,026
Other pension costs	27,098	20,264
	2,614,248	1,890,995

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

	2017	2016
Operations and marketing	6	6
Administration	6	6
	12	12

The average number of employees by undertakings that were proportionately consolidated during the year was NIL (2016 - NIL).

continued...

5. Employees and directors - continued

Compensation paid to key management, which includes directors and senior management for employee services was as follows:

Salaries - £575,150 (2016 - £623,700)
Post-employment benefits - £4,016 (2016 - £715)

	2017	2016
	£	£
Directors' remuneration	231,664	270,440
Directors' pension contributions to money purchase schemes	2,016	715

Information regarding the highest paid director is as follows:

	2017	2016
	£	£
Emoluments etc	126,664	165,440
Pension contributions to money purchase schemes	-	452

6. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Other operating leases	130,032	110,473
Depreciation - owned assets	819	1,721
Foreign exchange differences	60,327	29,039

7. Auditors' remuneration

	2017	2016
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	10,000	9,000
Taxation compliance services	4,000	3,750
Other non- audit services	9,000	8,750

8. Interest payable and similar expenses

	2017	2016
	£	£
Bank interest	357	-

9. Taxation

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	1,090,000	456,678
Foreign tax	10,336	11,446
Total current tax	1,100,336	468,124
Deferred tax	-	(20,000)
Tax on profit	1,100,336	448,124

continued...

9. **Taxation - continued**

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£	£
Profit before tax	5,295,234	2,161,031
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	1,006,094	432,206
Effects of:		
Expenses not deductible for tax purposes	61,903	28,616
Capital allowances in excess of depreciation	(77)	(137)
Other adjustments	14,956	(1,246)
Foreign tax	17,460	8,685
Deferred tax	-	(20,000)
Total tax charge	1,100,336	448,124

10. **Individual income statement**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

11. **Dividends**

	2017	2016
	£	£
A & B Founder shares of £1 each		
Interim	719,492	440,499
A,B & C Ordinary shares of 1p each		
Interim	1,809,561	862,172
	2,529,053	1,302,671

continued...

12. Tangible fixed assets

Group

	Plant and machinery £	Fixtures and fittings £	Totals £
Cost			
At 1 January 2017	18,782	27,368	46,150
Additions	109	-	109
Exchange differences	-	(946)	(946)
At 31 December 2017	18,891	26,422	45,313
Depreciation			
At 1 January 2017	18,213	24,575	42,788
Charge for year	-	819	819
Exchange differences	-	(828)	(828)
At 31 December 2017	18,213	24,566	42,779
Net book value			
At 31 December 2017	678	1,856	2,534
At 31 December 2016	569	2,793	3,362

Company

	Plant and machinery £	Fixtures and fittings £	Totals £
Cost			
At 1 January 2017	18,782	15,791	34,573
Additions	109	-	109
At 31 December 2017	18,891	15,791	34,682
Depreciation			
At 1 January 2017 and 31 December 2017	18,213	15,426	33,639
Net book value			
At 31 December 2017	678	365	1,043
At 31 December 2016	569	365	934

continued...

13. Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 January 2017	129,110
Additions	121,830
Impairments	(196,000)
At 31 December 2017	54,940
Net book value	
At 31 December 2017	54,940
At 31 December 2016	129,110

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Stafford Timberland Inc
Registered office: New Hampshire,USA
Nature of business: Investment advisory services

Class of shares:	% holding
Ordinary	100.00

Stafford Capital Partners Latin America Participacoes LTDA.
Registered office: Sao Paulo, Brazil
Nature of business: Non-trading

Class of shares:	% holding
Ordinary	100.00

14. Debtors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	19,182	-	19,182	-
Amounts owed by group undertakings	-	-	102,210	81,096
Other debtors	1,846,631	888,589	1,744,421	799,170
VAT	147,029	142,505	147,029	142,505
Deferred tax asset	32,000	32,000	32,000	32,000
Prepayments and accrued income	157,321	61,036	139,846	41,035
	2,202,163	1,124,130	2,184,688	1,095,806

Deferred tax asset

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Other timing differences	32,000	32,000	32,000	32,000

continued...

15. Current asset investments

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Listed investments	208,748	208,748	208,748	208,748

Market value of listed investments at 31 December 2017 held by the group and the company - £266,871

16. Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	17,426	36,489	15,208	35,152
Tax	696,658	325,556	696,658	325,556
Social security and other taxes	42,467	44,796	42,467	44,796
Other creditors	76,693	7,264	26,400	3,575
Directors current accounts	765,159	304,292	765,159	304,292
Accruals and deferred income	1,376,430	479,211	1,254,587	389,349
	2,974,833	1,197,608	2,800,479	1,102,720

17. Leasing agreements

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	156,196	157,538
Between one and five years	252,000	396,000
	408,196	553,538

Company

	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	144,000	144,000
Between one and five years	252,000	396,000
	396,000	540,000

continued...

18. Financial instruments

Debtors	2017	2016
	£	£
Financial assets that are debt instruments measured at amortised cost		
- Trade debtors	19,182	-
- Other debtors and prepayments	2,003,952	1,150,020
- Investments	208,748	208,748
- Bank	2,872,573	1,230,912
	5,104,455	2,589,680

Creditors	2017	2016
	£	£
Financial liabilities measured at amortised cost		
- Trade creditors	17,426	36,489
- Other creditors	841,852	311,556
- Accruals and deferred income	1,399,768	479,211
	2,235,708	827,256

19. Deferred tax

Group

	£
Balance at 1 January 2017	(32,000)
Balance at 31 December 2017	(32,000)

Company

	£
Balance at 1 January 2017	(32,000)
Balance at 31 December 2017	(32,000)

20. Called up share capital

Allotted and issued:

Number:	Class:	Nominal value:	2017 £	2016 £
32,000	A & B Founder shares	£1	32,000	32,000
3,600,000	A,B & C Ordinary shares	1p	34,255	36,000
			66,255	68,000

During the year the company bought back 174,500 ordinary shares of 1p each.

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