

## Athlone Professional Investor Fund ICC

# Annual Report & Financial Statements



For the Year Ended 31 December 2015

## **ATHLONE PROFESSIONAL INVESTOR FUND ICC**

### **General Information**

Athlone Professional Investor Fund ICC (the "Company") is a private company with limited liability registered in Jersey on 31 July 2008. The Company was originally incorporated as a protected cell company and converted to an incorporated cell company under the Companies (Jersey) Law 1991 on 31 December 2009. As a result of the Company's conversion to an incorporated cell company (an "ICC"), all of the cells of the Company in existence were themselves converted, by operation of the Companies (Jersey) Law 1991 ("the Law"), from protected cells to incorporated cells.

Each incorporated cell of an ICC is a company and a separate legal entity with the ability to hold assets, contract, sue and be sued in its own name. Similarly, the position of the creditors of an incorporated cell is no different from their position in respect of any other company, and, in the absence of express contractual arrangements, creditors generally only have recourse to the assets of the incorporated cell itself and not to the ICC or any other incorporated cell.

Incorporated cells have their own separate constitutional arrangements and membership of a Jersey ICC is distinct from that of each incorporated cell. Members of an incorporated cell are not, by virtue of that fact, members either of the ICC itself or of any other incorporated cell. Thus, for voting purposes, a member of an incorporated cell of an ICC may not, in that capacity, vote at a general meeting of the ICC, and vice versa.

Each incorporated cell must have a board of directors. To the extent that the board of directors of a Cell comprises the same persons as the board of directors of the ICC itself, the directors must meet separately in their capacity as directors of each incorporated cell and, in that capacity, they owe their fiduciary and other duties to the relevant incorporated cell rather than to the ICC. Conversely, when they meet as directors of the ICC they owe their duties to the ICC rather than to any of its incorporated cells.

Each incorporated cell is required to have the same secretary and registered office as the ICC, which, in addition, is responsible for the administration of all incorporated cells it creates. This responsibility includes inter alia ensuring that annual returns in respect of each incorporated cell are lodged. However, each incorporated cell is responsible for the preparation of its accounts in accordance with the Law. The ICC and all of its incorporated cells are not required to have the same fund manager, administrator, investment adviser or custodian, subject always to the provisions of the Collective Investment Funds (Jersey) Law 1988, as amended.

The rights and obligations of the holders of participating shares are governed by the Articles of Association of the relevant Cell. Copies of the Articles of Association of the Company and of each cell are available for inspection by holders of participating shares at the Manager's office during normal business hours on any business day. The Articles of Association of a cell may be altered by the passing of a Special Resolution of the Cell.

The incorporated cells created and still in being as at the date of signing in this annual report are set out below:

<b>Incorporated Cells</b>	<b>Launch date</b>	<b>Stock Exchange</b>
Ashbourne Fund IC	20 July 2011	Listed on the Channel Islands Securities Exchange ("CISE") on 21 October 2011
Ennis Fund IC	1 March 2010	Listed on the CISE on 11 May 2010
Forhaven IC	29 July 2010	Listed on the CISE on 29 July 2010

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**DIRECTORS' REPORT**

The Directors present their annual report and financial statements for the year ended 31 December 2015.

**Principal Activity**

Athlone Professional Investor Fund ICC (the "Company") is a private company with limited liability registered in Jersey on 31 July 2008. The Company was originally incorporated as a protected cell company and converted to an incorporated cell company under the Companies (Jersey) Law 1991 on 31 December 2009. As a result of the Company's conversion to an incorporated cell company (an "ICC"), all of the cells of the Company in existence were themselves converted, by operation of the Companies (Jersey) Law 1991, from protected cells to incorporated cells. The Company is an expert fund within the meaning of the Collective Investment Funds (Jersey) Law 1988 as amended. Each cell represents interests in a separate portfolio of the Company, each with its own distinct investment objective and policy. Separate financial statements are prepared for each cell.

The Company created the following incorporated cells which are still in being as at the date of signing this annual report:

<b>Incorporated Cells</b>	<b>Launch date</b>	<b>Stock Exchange</b>
Ashbourne Fund IC	20 July 2011	Listed on the Channel Islands Securities Exchange ("CISE") on 21 October 2011
Ennis Fund IC	1 March 2010	Listed on the CISE on 11 May 2010
Forhaven IC	29 July 2010	Listed on the CISE on 29 July 2010

**Review of business**

During the year, no new cells were launched and all of the existing Cells have adequate resources to continue in operational existence for the foreseeable future.

**Going Concern**

The Directors have considered the above factors and given the ongoing support of the Manager, believe that the going concern basis is appropriate. For this reason, they have adopted the going concern basis in preparing the financial statements.

**Directors**

The Directors who held office during the year and subsequently to the date of this annual report are listed below:

Niall McCallum  
Mark O'Malley  
David Ibbotson

**Statement of Directors' Responsibilities**

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Jersey Company law requires the Directors to prepare financial statements for each financial year in accordance with any generally accepted accounting principles. The financial statements of the Company are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable;
- specify which generally accepted accounting principles have been adopted in their preparation; and
- 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 accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy, at any time, the financial position of the Company and enable them to ensure that the financial statements prepared by the Company comply with the requirements of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm they have complied with the above requirements in preparing the financial statements.

**DIRECTORS' REPORT (CONTINUED)**

**Directors' Interests**

No Director of the Company has any direct interest in any of the Cells or the Company. The Company's ordinary shares carry the right to vote in all circumstances at general meetings of the Company and are held by or on behalf of the Manager.

**Auditors**

Our auditors Grant Thornton have indicated their willingness to continue. A resolution to reappoint Grant Thornton as auditors will be proposed at the next annual general meeting.

*Regal Trustees Limited*

Secretary

28 June 2016

**INDEPENDENT AUDITORS' REPORT**

**TO THE SHAREHOLDERS OF ATHLONE PROFESSIONAL INVESTOR FUND ICC**

**Our opinion on the financial statements is unmodified**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its results for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as issued by the IASB; and
- comply with the Companies (Jersey) Law, 1991.

**Who we are reporting to**

This report is made solely to the Company's members, as a body, in accordance with Article 113A of The Companies (Jersey) Law, 1991. 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 auditor's 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.

**What we have audited**

Athlone Professional Investor Fund ICC's financial statements comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes Equity, Statement of Cash Flows and the related notes.

The financial reporting framework that has been applied in their preparation is the Companies (Jersey) Law 1991 and International Financial Reporting Standards as issued by the IASB.

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

We have nothing to report in respect of the following:

*Under The Companies (Jersey) Law, 1991 we are required to report to you if, in our opinion:*

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

*Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:*

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

We have nothing to report in respect of the above.

**Responsibilities for the financial statements and the audit**

What an audit of financial statements involves:

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

What the directors are responsible for:

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

What we are responsible for:

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Alexander R. Langley**

**For and on behalf of  
Grant Thornton Limited  
Chartered Accountants  
St Helier, Jersey, Channel Islands**

**28 June 2016**

## STATEMENT OF FINANCIAL POSITION

		As at 31 December 2015	As at 31 December 2014
	Note	USD	USD
<b>Assets</b>			
Receivables		2	2
<b>Total assets</b>		<b>2</b>	<b>2</b>
<b>Equity</b>			
<b>Capital and reserves attributable to shareholders</b>			
Stated capital	2	2	2
Retained earnings		-	-
<b>Total equity</b>		<b>2</b>	<b>2</b>
<b>Liabilities</b>			
<b>Current liabilities</b>		-	-
<b>Total liabilities</b>		-	-
<b>Total equity and liabilities</b>		<b>2</b>	<b>2</b>

The financial statements on pages 7 to 13 were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

**Mark O'Malley**

.....  
**Director**

**David Ibbotson**

.....  
**Director**

28 June 2016

**Date**

The notes on pages 10 to 13 form part of these financial statements.

## STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December 2015 USD	Year ended 31 December 2014 USD
<b>Income</b>		
Total operating income	-	-
<b>Expenses</b>		
Total operating expenses	-	-
<b>Profit for the year</b>	-	-
<b>Profit attributable to:</b>		
Shareholders	-	-

## STATEMENT OF CHANGES IN EQUITY

	Stated capital USD	Retained earnings USD	Total USD
At 1 January 2015	2	-	2
Profit for the year	-	-	-
At 31 December 2015	2	-	2

	Stated capital USD	Retained earnings USD	Total USD
At 1 January 2014	2	-	2
Profit for the year	-	-	-
At 31 December 2014	2	-	2

The notes on pages 10 to 13 form part of these financial statements.



## STATEMENT OF CASH FLOWS

	For the year ended 31 December 2015	For the year ended 31 December 2014
	USD	USD
<b>Cash flows from operating activities:</b>		
Net cash outflow from operating activities	-	-
Net cash inflow from financing activities	-	-
Net increase in cash and cash equivalents	-	-
 Cash and cash equivalents at beginning of the reporting year	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the end of the reporting year	-	-

The notes on pages 10 to 13 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

**1. Accounting policies****1.1 Basis of preparation and statement of compliance**

The financial statements of the Company are prepared on a going concern basis and in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee at the IASB.

The financial statements of the Company are presented in United States Dollars (USD) which is the Company's presentation currency. All financial assets and liabilities are stated at amortised cost.

**New and revised standards that are effective for annual periods beginning on or after 1 January 2015**

In 2015, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning on 1 January 2015. The adoption of these revisions to the requirements of IFRSs did not result in any changes to the Company's accounting policies.

**Annual Improvements 2010-2012 Cycle**

The improvements are effective for accounting periods beginning on or after 1 July 2014. The Company has applied these improvements for the first time in these financial statements. They include:

**IAS 24 Related Party Disclosures**

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

**Annual Improvements 2011-2013 Cycle**

These improvements are effective from 1 July 2014 and the Company has applied these amendments for the first time in these financial statements. They include:

**IFRS 13 Fair Value Measurement**

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Company does not apply the portfolio exception in IFRS 13.

**Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company**

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Company.

Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's financial statement.

**IFRS 9 Financial Instruments (2014)**

The IASB recently released IFRS 9 'Financial Instruments' (2014), representing the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

Management has started to assess the impact of IFRS 9 but is not yet in a position to provide quantified information. At this stage the main areas of expected impact are as follows:

- the classification and measurement of the Company's financial assets will need to be considered based on the new criteria that considers the assets' contractual cash flows and the business model in which they are managed;
- an expected credit loss-based impairment will need to be recognised on the Company's trade receivables (and investments in debt-type assets currently classified as available for sale and held to maturity, unless classified as at fair value through profit or loss in accordance with the new criteria;
- it will no longer be possible to measure equity investments at cost less impairment and all such investments will instead be measured at fair value. Changes in fair value will be presented in profit or loss unless the Company makes an irrevocable designation to present them in other comprehensive income.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

**Annual Improvements 2012-2014 Cycle**

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

## NOTES TO THE FINANCIAL STATEMENTS

**1. Accounting policies (continued)****1.1 Basis of preparation and statement of compliance (continued)****IAS 1 Disclosure Initiative**

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement of comprehensive income and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of comprehensive income and other comprehensive income. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Company.

**1.2 Significant accounting judgements and estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilised in preparing its financial statements are reasonable. Actual results could differ from these estimates.

The financial statements include the performance and position of the Company as at the end of the reporting year. The statement of financial position presents assets and liabilities in decreasing order of liquidity.

**1.3 Summary of significant accounting policies****(a) Categories of financial instruments**

The Company will classify future financial assets and financial liabilities into the categories below in accordance with IAS 39.

**Financial assets at fair value through profit or loss**

The Company currently has no financial assets at fair value through profit or loss.

**Financial liabilities at fair value through profit or loss**

The Company currently has no financial liabilities at fair value through profit or loss.

**Loans and receivables**

Financial assets classified as loans and receivables are non-derivative financial assets, with fixed or determinable payments, that are not quoted in an active market. All financial assets classified as loans receivables are stated at amortised cost.

**Other financial liabilities**

Financial liabilities that are not classified at fair value through profit or loss will include trade and other payables.

In the opinion of the Directors, the carrying amounts of other financial liabilities that are not measured at fair value through profit or loss will approximate to their fair value.

**i) Initial measurement**

Financial liabilities that will be classified as other financial liabilities that are not at fair value through profit or loss will be measured initially at their fair value plus any directly attributable costs.

**ii) Subsequent measurement**

Financial liabilities not designated at fair value through profit or loss will be carried at amortised cost using the effective interest rate method.

**(b) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**(c) Foreign currency translations****Functional and presentation currency**

The functional currency of the Company is the United States Dollar, as the Company's operating activities will be predominantly in United States Dollars from the launch date. The presentation currency of the Company is also United States Dollars (USD).

**Transactions**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions or an average rate as an approximation.

## NOTES TO THE FINANCIAL STATEMENTS

**1.3 Summary of significant accounting policies (continued)****(c) Foreign currency translations (continued)****Balances**

Foreign currency monetary assets and liabilities are translated into the functional currency of the Company at the closing exchange rate at the end of the reporting year.

**Gains and losses**

Any foreign exchange gains and losses on financial assets and financial liabilities are included in the statement of comprehensive income. During the year there were no gains and losses on foreign exchange.

**(d) Expenses**

The operating expenses of the Company have been borne in equal proportions by the underlying Cells of the Company for the current and previous year.

**(e) Taxation**

The Company is assessed under Article 123C of the Income Tax (Jersey) Law 1961, as amended (the "1961 Law"), as a Jersey resident company which is neither a 'utility company' nor a 'financial services company' and as such is charged Jersey Income Tax at the rate of 0%.

A Jersey goods and services tax ("GST") applies at a standard rate of 5% on the majority of goods and services supplied in Jersey for local use or benefit. As a fund services business, the Company has obtained International Services Entity status under the Goods and Services Tax (Jersey) Law 2007 (the "GST Law"). In connection with its International Services Entity status the Company pays an annual fee to the Comptroller of Income Tax in Jersey, which is currently fixed at GBP 200. As an International Services Entity, the Company is not required to charge GST and in most situations will not be subject to a GST charge on goods and services provided to it. The fee is paid in equal proportions by the Cells created by the Company.

**(f) Related parties**

Related parties are entities which have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

**2. Stated capital**

	As at 31 December 2015	As at 31 December 2014
<b>Authorised shares</b>		
Ordinary shares of no par value	Unlimited	Unlimited
<b>Ordinary shares issued and unpaid</b>		
Ordinary shares of no par value	2	2

The Company has appointed Stonehage Fleming Corporate Services Limited (the "Manager") formerly known as Stonehage Fund Services Limited as to be responsible for the overall management of its affairs. The Manager has been appointed to manage the Company subject to the overall supervision of the Directors and to supervise the implementation of the investment objective and strategies of each cell subject to any investment restrictions. The Manager has 100% of the ordinary shares.

**Ordinary shares**

Ordinary shares are only issued at a nominal issue price to be determined by the Directors and to such person or persons as the Directors may determine. The ordinary shares shall confer upon the holders thereof the right in a winding-up or repayment of capital to the repayment of the amount paid up on the ordinary shares and to have distributed among the members, pro-rata to the number of ordinary shares held, all the surplus monies then remaining in the Company as non-cellular assets.

**Capital Management**

The share capital is considered to be the capital of the Company. The Company has no regulatory or other capital adequacy requirements. The Directors of the Company monitor the capital to ensure the Company continues as a going concern.

**3. Commitments and contingencies**

There were no commitments and contingencies at the end of the reporting year.

**4. Ultimate controlling party**

The Directors consider the Stonehage Fleming Group to be the ultimate controlling party.

**NOTES TO THE FINANCIAL STATEMENTS****5. Going concern**

The Directors believe, that given that there were no commitments and contingencies at the end of the reporting year and given the continued financial support of the Manager, that the going concern basis is appropriate. For this reason, the Directors have adopted the going concern basis in preparing the financial statements.

**6. Related parties**

All expenses of the Company are covered by the Cells in equal proportion as disclosed in Note 1.3 (d).

**CORPORATE INFORMATION**

**Directors of the Company and Cells**

David Ibbotson  
Niall McCallum  
Mark O'Malley

**Registered Office**

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Channel Islands

**Manager and Registrar**

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Channel Islands

**Secretary**

Regal Trustees Limited  
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Channel Islands

**Principal Banker**

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**Auditor**

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