

**REGISTERED NUMBER: 09294394 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019  
FOR  
QUEROS CAPITAL PARTNERS PLC**

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FOR THE YEAR ENDED 31 DECEMBER 2019

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**QUEROS CAPITAL PARTNERS PLC**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**DIRECTORS:** M S Boom  
A Arora

**SECRETARY:** Y Singh

**REGISTERED OFFICE:** 9 Millar Court  
43 Station Road  
Kenilworth  
Warwickshire  
CV8 1JD

**REGISTERED NUMBER:** 09294394 (England and Wales)

**AUDITORS:** Cox Costello & Horne  
Chartered Accountants and Statutory Auditors  
Fourth & Fifth Floor  
14-15 Lower Grosvenor Place  
London  
SW1W 0EX

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their strategic report for the year ended 31 December 2019.

The Directors are delighted to disclose the financial report to stakeholders for the year ended 31 December 2019.

The Company's key financial and other performance indicators during the year were as follows:

	<b>2019</b>	<b>2018</b>	<b>% Change</b>
	£	£	
Total Turnover	654,079	465,074	41%
Coupon payable on Bond subscriptions	444,627	312,991	42%
Total bond subscriptions	5,078,000	3,900,000	30%
Total investments made	5,214,538	4,612,830	13%

Total turnover of the Company has increased by 41% as compared to the previous year

Total bond subscriptions have increased to £5,078,000 for the period under review.

Investments made by the Company increased to £5,214,538 as compared to £4,612,830 last year which is an increase of 13%.

For the financial year ended 31st December 2019, the net assets of the Company were £94,216, which is an increase of 15% year on year. The Company has maintained its quarterly interest payments to the bond holders up to the reporting date and the Board is determined to maintain protection of bond holders' interests through the judicious deployment of the Company's capital.

The principal investment policy of the Company continues to be same as last year and is in line with the company's focus and key areas of investment of last year:

- Short term loan notes to Small and Midsized Enterprises (SMEs)
- Real Estate in the United Kingdom and Europe.
- Provision of consultancy services to corporate customers.

During the year, the Company continued to invest in short-term loans to SME companies which are generating high and predictable returns.

Majority of the short-term loans are less than 12 months and are exclusively made to UK businesses with the following broad parameters.

- Size of investment ranges between £15-80,000;
- Tenure of investments is for a minimum of six months and a maximum of 12 months;
- All loans are asset backed with personal guarantees;
- The interest rate averages 12% per annum.

The Company's investments in short term loan notes enables it to service the coupon while subscriptions in the bond rise to a level where investment can be made in large property portfolios.

To date the Company has not made investment, in line with its initial investment strategy of investing in real estate due to uncertainties in market as a result of Brexit. However, the Company has identified a number of investments located in the United Kingdom in the real estate sector. Investment will be made subject to due diligence outcomes. and when further bond subscriptions are received.

On 20 August 2019, Queros bonds were admitted for trading in Frankfurt Stock Exchange as a secondary trading market.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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On 28 November 2019 following Bondholder's approval at General Meeting, the Company cease trading on the NEX Exchange and Frankfurt Exchange becomes main trading market for the Bonds.

**POST BALANCE SHEET EVENT**

Since the period end, the Company has not received further bond subscriptions.

**Interest Deferral:**

In light of the pandemic, the Company has reluctantly made a decision in the interest of the bondholders and the underlying investments, to stop making interest payments and has resolved to modify the form of the payment.

The Company has resolved to use its mandatory rights to change the coupon payment due from the quarter ending 31 March 2020 to be replaced and paid via the issuance of the Company's 8% bond under same terms and conditions instead of cash payments. This payment will be deemed as a full settlement in lieu of outstanding coupons payable quarterly. The Company resolved that the period of this change will be for 12 months (up to 31 March 2021) subject to further review.

**Bond Securitisation:**

The Board of Directors of the Company are pleased to announce they have executed a security document on 9 March 2020 and the bond has been securitised. By executing this document, the status of Queros Capital 8% Bond has changed from an unsecured to a secured investment.

J Y Trustees Limited (the "Security Trustee") a company registered in Jersey with registration number 53919 has been appointed in capacity as trustee on behalf of all the Bondholders.

The security documents have been filed with companies house and the security documents should be referred to the understand the structure and extend of the security which has been registered A copy of the security document can be found at Companies House or at request of the Security Trustee.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Broadly the Company faces inherent risks such as market risks and credit risks however, post year end, the Company has been impacted by pandemic of Covid-19 which has resulted in no subscriptions for new bonds.

The company has taken necessary measures as stated in Post balancesheet events above to minimise the impact of Covid-19 and continue its regular trading activities.

The directors envisage the above to be short term crisis and expect the trading to bounce back by March 2021.

I wish to take this opportunity to congratulate our team for successfully meeting targets and achieving productive results for the company and its stakeholders.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**SECTION 172(1) STATEMENT**

**General confirmation of Directors' duties**

Queros Board has a clear framework for determining the matters within its remit.

Certain financial and strategic thresholds have been determined to identify matters requiring Board consideration and approval. The Manual of Authority sets out the delegation and approval process across the business.

When making decisions, each Director ensures that they acts in the way that they considers, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard to:

**S172(1) (A) "The likely consequences of any decision in the long term"**

The Directors understand the business and the evolving environment in which they operate, including the challenges of navigating within the market.

Our governance is designed to ensure that we take into account the views of all our stakeholders, so that our decision-making is collaborative and well-informed - both before and after we make our decisions public.

On 20 August 2019 Queros bonds were admitted for trading in Frankfurt Stock Exchange as a secondary trading market and On 28 November 2019 following with Bondholder's approval at General Meeting, the Company cease trading on the NEX Exchange and Frankfurt Exchange becomes main trading market for Queros Bonds.

Board has taken strategic decision along with the approval of our major stakeholders to provide them with wider market exposure and growth opportunities.

**S172(1) (B) "The interests of the company's employees"**

At present Queros board does not employ any employees apart from directors, However, the board will implement best employment practice in the industry once they start employing staff members.

**S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"**

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, and stakeholders. Queros seeks the promotion and application of certain general principles in such relationships. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships and this alongside other standards which are reviewed and approved by the Board periodically.

The businesses continuously assess the priorities related to customers and those with whom we do business, and the Board engages with the businesses on these topics, for example, within the context of business strategy updates and investment proposals.

Moreover, the Directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged. These range from information provided from the Projects, business strategies, investments or divestment proposals.

**S172(1) (D) "The impact of the company's operations on the community and the environment"**

The Board overseeing the Company's agenda to be in interests of colleagues, customers and the Company's impact on the community.

This aspect is inherent in our strategic ambitions, most notably on our ambitions. As such, the Board receives information on these topics to both provide relevant information for specific Board decisions e.g. those related to specific strategic initiatives such as the Social Housing Project in Germany, investment or divestment proposals, business strategy reviews and to provide ongoing.

**S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The Board periodically reviews and approves clear frameworks, such as The Queros General Business Principles to ensure that its high standards are maintained both within businesses and the business relationships we maintain. This, complemented by the ways the Board is informed and monitors compliance with relevant governance standards help assure its decisions are taken and that Queros act in ways that promote high standards of business conduct.

**S172(1) (F) "The need to act fairly as between members of the company"**

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our Directors act fairly as between the Company's members but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

**ON BEHALF OF THE BOARD:**

M S Boom - Director

30 June 2020

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report with the financial statements of the company for the year ended 31 December 2019.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of bridge financing and social housing in UK and in Europe. The company also provides consultancy and advisory services to its corporate clients.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2019.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

M S Boom has held office during the whole of the period from 1 January 2019 to the date of this report.

Other changes in directors holding office are as follows:

C N Hutton - resigned 25 February 2019

A Arora was appointed as a director after 31 December 2019 but prior to the date of this report.

Y Singh ceased to be a director after 31 December 2019 but prior to the date of this report.

**DISCLOSURE IN THE STRATEGIC REPORT**

Items which are required under Sch. 7 to be disclosed in the directors' report are set out in the strategic report in accordance with s.414C(11) CA 2006.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Cox Costello & Horne, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

M S Boom - Director

30 June 2020

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF QUEROS CAPITAL PARTNERS PLC

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### Opinion

We have audited the financial statements of Queros Capital Partners Plc (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Emphasis of matter

In forming our opinion, which is not qualified, we draw your attention to note 2, Going Concern and note 19, Post Balance sheet events, which indicates the existence of a material uncertainty that may have a significant effect on the entity's financial position and may also cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

### Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF QUEROS CAPITAL PARTNERS PLC

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
QUEROS CAPITAL PARTNERS PLC**

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**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ashish Kirtikumar Shah (Senior Statutory Auditor)  
for and on behalf of Cox Costello & Home  
Chartered Accountants and Statutory Auditors  
Fourth & Fifth Floor  
14-15 Lower Grosvenor Place  
London  
SW1W 0EX

30 June 2020

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	31.12.19 £	31.12.18 £
<b>TURNOVER</b>	3	<b>654,079</b>	465,074
Administrative expenses		<b>639,170</b>	449,646
<b>OPERATING PROFIT</b>	5	<b>14,909</b>	15,428
Interest receivable and similar income	7	<b>43</b>	12
<b>PROFIT BEFORE TAXATION</b>		<b>14,952</b>	15,440
Tax on profit	8	<b>2,841</b>	2,934
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>12,111</b>	12,506

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	31.12.19 £	31.12.18 £
<b>PROFIT FOR THE YEAR</b>		<b>12,111</b>	12,506
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>12,111</b></u>	<u>12,506</u>

STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2019

	Notes	31.12.19 £	£	31.12.18 £	£
<b>FIXED ASSETS</b>					
Investments	9		50,000		50,000
<b>CURRENT ASSETS</b>					
Debtors	10	6,183,472		5,115,475	
Cash at bank	11	114,773		269,896	
		<u>6,298,245</u>		<u>5,385,371</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>1,176,029</u>		<u>1,153,266</u>	
<b>NET CURRENT ASSETS</b>			<u>5,122,216</u>		<u>4,232,105</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			5,172,216		4,282,105
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		<u>5,078,000</u>		<u>4,200,000</u>
<b>NET ASSETS</b>			<u>94,216</u>		<u>82,105</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		50,100		50,100
Retained earnings	17		44,116		32,005
<b>SHAREHOLDERS' FUNDS</b>			<u>94,216</u>		<u>82,105</u>

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2020 and were signed on its behalf by:

M S Boom - Director

A Arora - Director

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2018</b>	50,100	19,499	69,599
<b>Changes in equity</b>			
Total comprehensive income	-	12,506	12,506
<b>Balance at 31 December 2018</b>	<u>50,100</u>	<u>32,005</u>	<u>82,105</u>
<b>Changes in equity</b>			
Total comprehensive income	-	12,111	12,111
<b>Balance at 31 December 2019</b>	<u>50,100</u>	<u>44,116</u>	<u>94,216</u>



**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	31.12.19 £	31.12.18 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(146,244)	(1,711,392)
Tax paid		(8,922)	10,925
Net cash from operating activities		<u>(155,166)</u>	<u>(1,700,467)</u>
<b>Cash flows from investing activities</b>			
Purchase of fixed asset investments		-	(50,000)
Interest received		43	12
Net cash from investing activities		<u>43</u>	<u>(49,988)</u>
<b>Cash flows from financing activities</b>			
New loans in year		-	1,000,000
Net cash from financing activities		<u>-</u>	<u>1,000,000</u>
<b>Decrease in cash and cash equivalents</b>		<u>(155,123)</u>	<u>(750,455)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>269,896</u>	<u>1,020,351</u>
<b>Cash and cash equivalents at end of year</b>	2	<u>114,773</u>	<u>269,896</u>

NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.19	31.12.18
	£	£
Profit before taxation	14,952	15,440
Finance income	<u>(43)</u>	<u>(12)</u>
	14,909	15,428
Increase in trade and other debtors	(1,067,997)	(2,118,255)
Increase in trade and other creditors	<u>906,844</u>	<u>391,435</u>
<b>Cash generated from operations</b>	<b><u>(146,244)</u></b>	<b><u>(1,711,392)</u></b>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>114,773</u>	<u>269,896</u>

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	<u>269,896</u>	<u>1,020,351</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>269,896</u>	<u>(155,123)</u>	<u>114,773</u>
	269,896	(155,123)	114,773
<b>Debt</b>			
Debts falling due within 1 year	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>
	(1,000,000)	-	(1,000,000)
<b>Total</b>	<b><u>(730,104)</u></b>	<b><u>(155,123)</u></b>	<b><u>(885,227)</u></b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019

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1. **STATUTORY INFORMATION**

Queros Capital Partners Plc is a public company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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. The financial statements have been prepared under the historical cost convention.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described above, the directors of the company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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 accounting policies**

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Revenue recognition**

As described at "Revenue recognition" above, the criteria to recognise revenue require reliable measurements. In determining these measurements, directors are required to make judgements which have a material effect on the financial statements. These judgements are based on past experience and are continually evaluated and refined as required.

**Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**Income taxes**

The company is subject to income taxes in the UK. The company makes estimates and judgements in determining income tax expense for financial statement purposes and recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. During the current year, the directors anticipate there are no tax audit issues.

**Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less. In the cash-flow statement, cash and cash equivalents are shown net of bank overdrafts, which are included as current borrowings in liabilities on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019

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2. ACCOUNTING POLICIES - continued

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Level of rounding**

The figures presented in the financial statements are rounded to the nearest pound.

**Revenue recognition**

For revenue arising from the rendering of services, provided that all of the following criteria are met, revenue is recognised by reference to the stage of completion of the transaction at the financial position date:

- the amount of revenue can be measured reliably; it is probable that the economic benefits will flow to the seller;
- the stage of completion at the financial position date can be measured reliably; and
- and the costs incurred, or to be incurred, in respect of the transaction can be measured reliably.

When the above criteria are not met, revenue arising from the rendering of services is recognised only to the extent of the expenses recognised that are recoverable.

**Interest Income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Income tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019

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2. ACCOUNTING POLICIES - continued

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Trade and other receivables**

Trade and other receivables are recognised initially at fair value, which is equivalent to amortised cost, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due. Such evidence includes ageing of the debt, persistent lack of communication and internal awareness of third party trading difficulties.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Trade and other payables**

Trade and other payables are recognised initially at fair value, which is equivalent to amortised cost. The company accrues for all goods and services consumed but as yet unbilled at amounts representing management's best estimate of fair value.

**Financial instruments**

Financial assets and financial liabilities are recognised on the statement of financial position when the company becomes a party to the contractual provisions of the instruments.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

**Loans and receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables (including trade and other receivables) are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

**Financial liabilities at fair value through profit or loss (FVTPL)**

Financial liabilities are classified as at FVTPL. Financial liabilities at fair value through profit or loss are initially measured at fair value and subsequently stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line in the statement of profit or loss and other comprehensive income.

**Other financial liabilities**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES - continued

**Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on page 2. The financial position of the company, its cash flows, are also described in the aforementioned report.

At the year end, the Statement of Financial Position shows assets in excess of liabilities by £94,216 (2018:£82,105). From the company's forecasts and projections, taking into account the current economic conditions due to COVID19 & Brexit, the directors have reasonable expectation that the company will maintain its performance for the foreseeable future. As explained in the strategic report and note 19, the company has adequate measures in place to mitigate the impact of COVID19. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3. TURNOVER

The turnover and profit before taxation are attributable to the two principal activities of the company, as follows:

Consultancy income -UK: £35,000 (2018: £45,000)  
Investment income- UK £619,078 (2018: £420,074)

4. EMPLOYEES AND DIRECTORS

	31.12.19	31.12.18
	£	£
Wages and salaries	<u>43,979</u>	<u>33,754</u>

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

	31.12.19	31.12.18
Administrative staff	<u>-</u>	<u>3</u>

	31.12.19	31.12.18
	£	£
Directors' remuneration	<u>43,979</u>	<u>33,754</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.19	31.12.18
	£	£
Other operating leases	2,520	-
Foreign exchange differences	<u>6</u>	<u>-</u>

6. AUDITORS' REMUNERATION

	31.12.19	31.12.18
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>9,960</u>	<u>9,600</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019

7.	<b>INTEREST RECEIVABLE AND SIMILAR INCOME</b>	<b>31.12.19</b>	31.12.18
		£	£
	Deposit account interest	<u>43</u>	<u>12</u>
8.	<b>TAXATION</b>		
	<b>Analysis of the tax charge</b>		
	The tax charge on the profit for the year was as follows:	<b>31.12.19</b>	31.12.18
		£	£
	Current tax:		
	UK corporation tax	<u>2,841</u>	<u>2,934</u>
	Tax on profit	<u>2,841</u>	<u>2,934</u>
9.	<b>FIXED ASSET INVESTMENTS</b>		<b>Unlisted investment</b>
			£
	<b>COST</b>		
	At 1 January 2019		
	and 31 December 2019		<u>50,000</u>
	<b>NET BOOK VALUE</b>		
	At 31 December 2019		<u>50,000</u>
	At 31 December 2018		<u>50,000</u>
10.	<b>DEBTORS</b>	<b>31.12.19</b>	31.12.18
		£	£
	Amounts falling due within one year:		
	Trade debtors	776,922	352,994
	Other debtors	5,210,894	4,592,142
	Prepayments	14,431	29,028
		<u>6,002,247</u>	<u>4,974,164</u>
	Amounts falling due after more than one year:		
	Other debtors	<u>181,225</u>	<u>141,311</u>
	Aggregate amounts	<u>6,183,472</u>	<u>5,115,475</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019

10. **DEBTORS - continued**

Other debtors include unsecured loans to third parties of £5,164,538 (2018: £4,562,830). The majority of these investments are short-term loans, less than 12 months and are exclusively made to UK businesses with the following broad parameters:-

- Size of investment ranges between £15-80,000;
- Tenure of investments is for a minimum of six months and a maximum of 12 months;
- All loans are asset backed with personal guarantees;
- The interest rate averages 12% per annum.

Long term debtors are expenditure deferred in relation to legal and professional fees payable over the term of issued bond certificates.

11. **CASH AT BANK**

	31.12.19	31.12.18
	£	£
Bank current account	114,727	269,850
Cash in hand	46	46
	<u>114,773</u>	<u>269,896</u>

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.19	31.12.18
	£	£
Other loans (see note 14)	1,000,000	1,000,000
Trade creditors	901	6,917
Tax	42,007	48,088
Other creditors	20,456	5,046
Accruals and deferred income	112,665	93,215
	<u>1,176,029</u>	<u>1,153,266</u>

13. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.19	31.12.18
	£	£
Other creditors	<u>5,078,000</u>	<u>4,200,000</u>

At 31 December 2019, the company issued unsecured bonds for the amount of, £5,078,000 (2018: 4,200,000) of unsecured bonds in issue. Each bond has a nominal value of £1 and is repayable in 2025. These bonds carry an interest rate of 8 % per annum, due quarterly in arrears on March, June, September and December, payable 21 days after the quarter end.

14. **LOANS**

An analysis of the maturity of loans is given below:

	31.12.19	31.12.18
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>1,000,000</u>	<u>1,000,000</u>



NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2019

15. **SECURED DEBTS**

The other loan, and any future loan debt, is secured by a legal charge over the assets of the company.

16. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.19 £	31.12.18 £
50,100	Ordinary Shares	1	<u>50,100</u>	<u>50,100</u>

One share equals one vote, each having rights to dividends. So long as there are no rights attached to shares on winding-up etc. or redemption rights.

17. **RESERVES**

	Retained earnings £
At 1 January 2019	32,005
Profit for the year	12,111
At 31 December 2019	<u>44,116</u>

18. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

No advance, credit or guarantee were provided by the directors of the company.

19. **POST BALANCE SHEET EVENTS**

As disclosed in the strategic report Company has resolved to use its mandatory rights to change the coupon payment due from the quarter ending 31 March 2020 to be replaced and paid via the issuance of the Company's 8% bond under same terms and conditions instead of cash payments. This payment will be deemed as a full settlement in lieu of outstanding coupons payable quarterly. The Company resolved that the period of this change will be for 12 months (up to 31 March 2021) subject to further review.

An estimate of financial effect of this event cannot be made at present.

20. **ULTIMATE CONTROLLING PARTY**

The directors are the ultimate controlling parties of the company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.