

Company Registration No. 02584541 (England and Wales)

QUEEN STREET FINANCE LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



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QUEEN STREET FINANCE LTD

COMPANY INFORMATION

Director	James Griswold Cameron
Company number	02584541
Registered office	1st Floor, Aldermay House, 10-15 Queen Street, London England EC4N 1TX
Auditor	Fisher, Sassoon & Marks 43 - 45 Dorset Street London W1U 7NA

QUEEN STREET FINANCE LTD

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QUEEN STREET FINANCE LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents the strategic report for the year ended 31 December 2018.

Fair review of the business

The company's business developed in line with the board's expectations and the results for the year and the financial position at the year end were considered satisfactory given industry conditions and general economic uncertainties.

The company continues to look for opportunities both in the UK and overseas. Therefore, the directors expect that the company will grow its business both in its core market and new markets and this will lead to an improvement in the company's financial results and significant growth in client numbers, client assets and trade volumes.

Principal risks and uncertainties

As a service provider the directors consider that the key financial risk exposures faced by the company relate to counterparty credit risk and the need to maintain sufficient liquidity to satisfy regulatory capital requirements and working capital needs. The company does not take trade positions which expose it to material price risk and nor does it have a material exposure to foreign exchange movements.

The company's financial risk management objectives are therefore to minimise the key financial risks through having clearly defined terms of business with counterparties and stringent credit control over transactions with them and regular monitoring of cash flow and management accounts to ensure regulatory capital requirements are not breached and the company maintains adequate working capital.

The principal non financial risks faced by the company relate to information technology failure. This is mitigated by having appropriate back up systems and procedures and a disaster recovery programme.

Key performance indicators

We consider that our key financial performance indicators are turnover, overall expenditure and the company's net assets position.

On behalf of the board



James Griswold Cameron

Director

17 April 2019

QUEEN STREET FINANCE LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The director presents his annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company is that of holding client assets and other administrative services.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

James Griswold Cameron

Results and dividends

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

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Post reporting date events

There are no matters to report

Auditor

Fisher, Sassoon & Marks were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

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

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

QUEEN STREET FINANCE LTD

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



James Griswold Cameron

Director

17 April 2019

QUEEN STREET FINANCE LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF QUEEN STREET FINANCE LTD

Opinion

We have audited the financial statements of Queen Street Finance Ltd (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and 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 FRS 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 2018 and of its loss 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 Auditor's *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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

QUEEN STREET FINANCE LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF QUEEN STREET FINANCE LTD

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 and the director's report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 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.


Jonathan Marks (Senior Statutory Auditor)
for and on behalf of Fisher, Sassoon & Marks

17 April 2019

Chartered Accountants
Statutory Auditor

43 - 45 Dorset Street
London
W1U 7NA

QUEEN STREET FINANCE LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	3	305,118	-
Cost of sales		(18,763)	-
Gross profit		<u>286,355</u>	<u>-</u>
Administrative expenses		(471,875)	(198,840)
Other operating income		56,222	107,459
Fair value movements			124
Operating loss	4	<u>(129,298)</u>	<u>(91,257)</u>
Interest receivable and similar income	6	51	75
Interest payable and similar expenses	7	(5)	(443)
Loss before taxation		<u>(129,252)</u>	<u>(91,625)</u>
Tax on loss	8	-	-
Loss for the financial year		<u><u>(129,252)</u></u>	<u><u>(91,625)</u></u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

QUEEN STREET FINANCE LTD

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	9		33,455		49,293
Investments	10		118,819		118,334
			<u>152,274</u>		<u>167,627</u>
Current assets					
Debtors	12	169,627		34,584	
Cash at bank and in hand		40,728		396,627	
		<u>210,355</u>		<u>431,211</u>	
Creditors: amounts falling due within one year	13	(64,727)		(447,156)	
Net current assets/(liabilities)			<u>145,628</u>		<u>(15,945)</u>
Total assets less current liabilities			<u>297,902</u>		<u>151,682</u>
Capital and reserves					
Called up share capital	15		4,305,768		4,160,868
Share premium account			155,072		24,500
Profit and loss reserves			(4,162,938)		(4,033,686)
Total equity			<u>297,902</u>		<u>151,682</u>

The financial statements were approved and signed by the director and authorised for issue on 17 April 2019



James Griswold Cameron
Director

Company Registration No. 02584541

QUEEN STREET FINANCE LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2017		4,030,368	-	(3,942,061)	88,307
Year ended 31 December 2017:					
Loss and total comprehensive income for the year		-	-	(91,625)	(91,625)
Issue of share capital	15	130,500	24,500	-	155,000
Balance at 31 December 2017		4,160,868	24,500	(4,033,686)	151,682
Year ended 31 December 2018:					
Loss and total comprehensive income for the year		-	-	(129,252)	(129,252)
Issue of share capital	15	144,900	130,572	-	275,472
Balance at 31 December 2018		4,305,768	155,072	(4,162,938)	297,902

QUEEN STREET FINANCE LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	19		(629,130)		258,062
Investing activities					
Purchase of tangible fixed assets		(1,802)		(3,265)	
Proceeds on disposal of fixed asset investments		(485)		(16,293)	
Interest received		51		75	
Fair value gains		-		124	
Net cash used in investing activities			(2,236)		(19,359)
Financing activities					
Proceeds from issue of shares		275,472		155,000	
Interest paid		-		(443)	
Net cash generated from financing activities			275,472		154,557
Net (decrease)/increase in cash and cash equivalents			(355,899)		393,260
Cash and cash equivalents at beginning of year			396,627		3,367
Cash and cash equivalents at end of year			40,728		396,627

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Queen Street Finance Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor, Aldermay House, 10-15 Queen Street, London, England, EC4N 1TX.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents fees receivable from custodial services, trading, corporate finance advisory and other services, and is recognised when the company obtains the right for consideration in exchange for the services rendered net of VAT.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	10 years (10% per annum)
Fixtures and fittings	3 years (33.33% per annum)
Computers	3 years (33.33% per annum)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those 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 (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2018 £	2017 £
Turnover analysed by class of business		
	305,118	-
	<u> </u>	<u> </u>
	2018 £	2017 £
Other significant revenue		
Interest income	51	75
	<u> </u>	<u> </u>

The company's income is derived from custodial, trading and corporate finance advisory services which for the purposes of segmental analysis, is considered by the directors to be a single global market.

4 Operating loss

	2018 £	2017 £
Operating loss for the year is stated after charging:		
Exchange (gains)/losses	-	473
Fees payable to the company's auditor for the audit of the company's financial statements	7,500	8,020
Depreciation of owned tangible fixed assets	17,640	16,401
Operating lease charges	102,499	61,710
	<u> </u>	<u> </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £- (2017 - £473).

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2017 : 1).

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	63,860	-
Social security costs	2,452	-
Pension costs	3,339	-
	<u>69,651</u>	<u>-</u>

6 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	<u>51</u>	<u>75</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>51</u>	<u>75</u>
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7 Interest payable and similar expenses

	2018 £	2017 £
Other finance costs:		
Other interest	<u>5</u>	<u>443</u>

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Loss before taxation	(129,252)	(91,625)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	(24,558)	(17,409)
Tax effect of expenses that are not deductible in determining taxable profit	337	-
Tax effect of income not taxable in determining taxable profit	(9)	-
Unutilised tax losses carried forward	22,481	17,409
Permanent capital allowances in excess of depreciation	1,749	-
Taxation charge for the year	-	-

The company has accumulated tax losses of £6,814,515 (2017 : £6,696,244) which are available to offset against future profits of the same trade. The resulting deferred tax asset of £1,290,070 (2017 : £1,138,217) is not recognised as it is unclear whether and to what extent the company will be able to use the losses in future.

9 Tangible fixed assets

	Leasehold land and buildings £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 January 2018	160,130	30,789	69,344	260,263
Additions	-	-	1,802	1,802
At 31 December 2018	160,130	30,789	71,146	262,065
Depreciation and impairment				
At 1 January 2018	113,936	30,789	66,245	210,970
Depreciation charged in the year	16,013	-	1,627	17,640
At 31 December 2018	129,949	30,789	67,872	228,610
Carrying amount				
At 31 December 2018	30,181	-	3,274	33,455
At 31 December 2017	46,194	-	3,099	49,293

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

10 Fixed asset investments

	2018 £	2017 £
Listed investments	16,778	16,293
Unlisted investments	102,041	102,041
	<u>118,819</u>	<u>118,334</u>
 Listed investments carrying amount	 <u>16,778</u>	 <u>16,293</u>

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 January 2018	118,334
Valuation changes	485
At 31 December 2018	<u>118,819</u>
Carrying amount	
At 31 December 2018	<u>118,819</u>
At 31 December 2017	<u>118,334</u>

11 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	115,283	6,550
Equity instruments measured at cost less impairment	<u>118,819</u>	<u>118,334</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>62,651</u>	<u>447,156</u>

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

12 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	74,180	-
Other debtors	48,764	6,550
Prepayments and accrued income	46,683	28,034
	<u>169,627</u>	<u>34,584</u>

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	27,652	16,048
Other taxation and social security	2,076	-
Other creditors	-	398,618
Accruals and deferred income	34,999	32,490
	<u>64,727</u>	<u>447,156</u>

14 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>3,339</u>	<u>-</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

15 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
6,590,847 Ordinary shares of 0.678702p each	4,160,868	4,160,868
724,500 Ordinary shares of 0.20p each	144,900	-
	<u>4,305,768</u>	<u>4,160,868</u>

During the year the company issued 724,500 ordinary shares of £0.20 per share. These shares have equal rights with the pre-existing ordinary shares, albeit with a lower nominal value. Share premium of £130,572.38 (2017 : £24,500) arose on this share issue.

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

16 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	84,770	84,770
Between two and five years	70,642	240,182
	<u>155,412</u>	<u>324,952</u>

17 Events after the reporting date

There are no matters to report.

18 Controlling party

The ultimate controlling party is considered to be Director, J Cameron by virtue of his shareholding in the company.

19 Cash generated from operations

	2018 £	2017 £
Loss for the year after tax	(129,252)	(91,625)
Adjustments for:		
Finance costs	5	443
Investment income	(51)	(75)
Fair value gains	-	(124)
Depreciation and impairment of tangible fixed assets	17,640	16,401
Movements in working capital:		
(Increase) in debtors	(135,043)	(16,848)
(Decrease)/increase in creditors	(382,429)	349,890
Cash (absorbed by)/generated from operations	<u>(629,130)</u>	<u>258,062</u>

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[QUEEN STREET FINANCE LTD]

Pillar III disclosures (unaudited)

1. Introduction

1.1 Background

The European Union Capital Requirements Directive (Basel II) came into force on 1st January 2007. This introduced consistent capital adequacy standards and an associated supervisory framework in the EU based on the Basel II Accord. On 1st January 2014, Basel III regulations, commonly known as CRD IV revised the definition of capital resources and included additional capital and disclosure requirements.

Pillar I set out the minimum capital resource requirement firms are required to maintain to cover credit, market risks. This is the higher of base capital requirement €125 as being €125 IFPRU limited licence firm ; quarter of the firm's annual fixed overheads requirements; or the sum of the Firm's Credit risk + Market risk.

Pillar II covers supervisory review process and requires firms to assess firm-specific risks not covered by Pillar I and, where necessary, maintain additional capital.

Pillar III requires firms to disclose information regarding their risk assessment process and capital resources with the aim to encourage market discipline by allowing market participants to assess key information on risk exposure and the risk assessment process.

1.2 Verification

These disclosures have been prepared in order to comply with regulatory requirements and provide information on the capital adequacy and certain capital requirement, and risk management policies and certain capital requirement.

1.3 Frequency

Disclosure will be made on an annual basis.

1.4 Media and location

The report will be published as an attachment to the Company's financial statements.

1.5 Scope

Queen Street Finance Ltd is categorised by the FCA as a €125 IFPRU limited licence firm with a permission to hold and control client's assets.

Pillar III disclosures (**unaudited**)

2. The risk management framework and governance structure

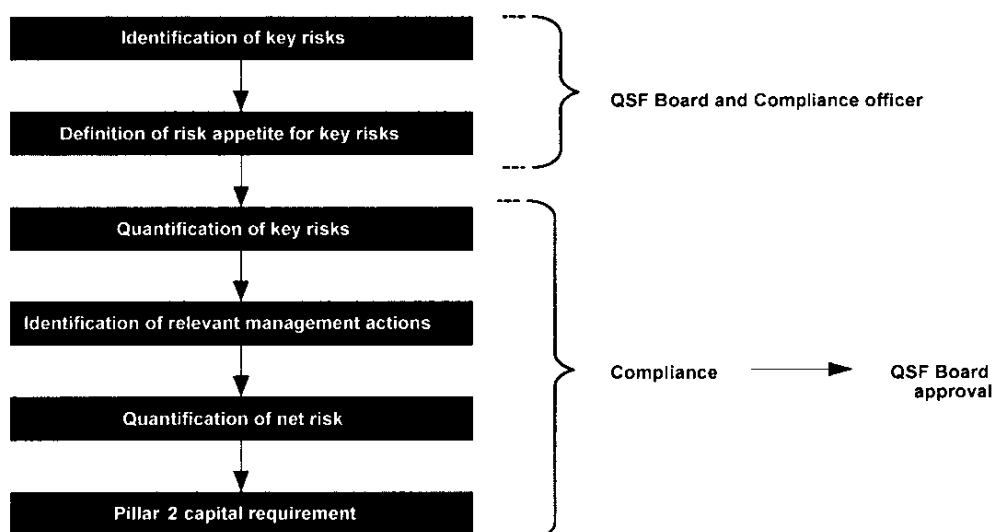
QSF has implemented a variety of controls to manage the risks the business is exposed to. Governance arrangements are in place to monitor and mitigate overarching and business wide risks. In addition, the Firm has implemented specific and tailored controls to each operating function to monitor and mitigate the risks at the operating level.

The Board of Director is the highest decision-making body and the Board has an active involvement in the identification of the Firm's key risks and in setting the risk appetite for the Firm. However, the more detailed assessment and quantification of the identified risks are delegated to the Compliance officer ("CO").

The CO is closely involved in the risk identification and quantification process. The CO produces financial, compliance reports including risks matters to the Board of Director on a regular basis and also helps determine the Firm's risk appetite for each of the identified key risks.

The firm has a contact with the compliance consultancy firm through which the Board and the CO gain external review on firm's risk assessment framework. This allows the Board to align effectively the FCA's requirements with the Firm's internal risk management arrangements.

The Firm adopted the following framework approach:



Pillar III disclosures (unaudited)

3. Types of risk

Concentration Risk

Concentration risk is the risk of loss arising from a material exposure to a particular group of counterparties.

QSF has three forecastable revenue streams that are entirely independent—the provision of compliance services, asset management service and provision of corporate finance, and it is considered unlikely that an impact of one will be similarly felt on the other.

QSF might be exposed to the counterparty and client concentration risk however this can be managed by opening new accounts with other counter parties and expanding client base.

As a result in the opinion of the Director of the Company is not overly exposed to specific counterparties or clients therefore no pillar II is added.

Market Risk

Market risk is the risk of any impact on QSF's financial position due to adverse movements caused by market variables such as interest rates, prices, credit spreads etc.

The firm's exposure to market risk in relation to equity prices is very limited. The company does not trade however, holds securities for investment purposes at present.

The firm also has a limited exchange rate risk.

The Director is satisfied that there are no specific risks arising from market risks against which a Pillar II add on should be taken.

Credit Risk

Credit risk is the risk that unexpected losses may arise as a result of the Company's clients and counterparties failing to meet their obligations to settle transactions.

QSF has implemented and maintained a strict policy of dealing only with high quality and credit worthy counterparties and clients who undergo due diligence prior to any commercial relationship begins.

By adhering to this policy the company has suffered no losses due to client default, unsettled trades or large exposures. In addition, QSF does not have any borrowings from third parties. The Director is satisfied that there is no specific risk arising from credit risk against which Pillar II add on is required.

[QUEEN STREET FINANCE LTD]

Pillar III disclosures (unaudited)

4. FCA Capital Adequacy

Projected capital position			
(£ 000)	Current Year to Dec 2018	Year 1 Dec 2019	Year 2 Dec 2020
Permanent share capital	4,461	4,661	4,661
Profit and loss account and other reserves	(4,163)	(4,008)	(3,960)
Total Capital Resources	298	653	701
Pillar 1			
Total credit risk	29	30	30
Total market risk	0	0	0
Quaterly Fixed overheads	150	138	138
Total Capital Requirements			
Base requirement €125k			
FX rate: 1.1149 based on HMRC Dec 2018 rate.	112	112	112
Total Pillar 1	150	138	138
Pillar 2 add on	0	0	0
Surplus / Deficit	148	515	563

[QUEEN STREET FINANCE LTD]

Pillar III disclosures (unaudited)

5. Queen Street Finance Ltd Capital resources

As at 31 December 2018	(£'000)
Tier 1 Capital Resources	298
Permanent share capital including premium	4,461
Profit and loss account and other reserves	(4,163)

as at 31 December 2018, Queen Street Finance Ltd had a surplus of £148K of regulatory capital.

[QUEEN STREET FINANCE LTD]

Pillar III disclosures (unaudited)

6. Queen Street Finance Ltd Capital resources requirement

Capital Requirements as at 31 December 2018

	(£'000)
Market Risk	0
Credit Risk	29
Foreign Currency	0
Quarterly fixed overheads	150
Total	<u>150</u>

Total Capital Requirements as at 31 December 2018

	(£'000)
Base capital requirements	<u>112</u>
Total Capital resources requirement	<u>150</u>

Regulatory Capital surplus as at 31 December 2018

	(£'000)
Capital resources	298
Less Capital resources requirement	<u>(150)</u>
	<u>148</u>