

Company Registration No. 02584541 (England and Wales)

QUEEN STREET FINANCE LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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QUEEN STREET FINANCE LTD

COMPANY INFORMATION

Director	Mr J G Cameron
Company number	02584541
Registered office	27-28 Queen Street London England EC4R1BB
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 2020

The director presents the strategic report for the year ended 31 December 2020.

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 director expects that the company will grow its business both in core markets and new markets and this will lead to an improvement in the company's financial result and significant growth in the number of clients, client assets, and trading volumes.

Principal risks and uncertainties

As service provider the director considers 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 trading 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, procedures and a disaster recovery programme.

Development and performance

At the year end the company had net assets of £259,371 (2019: £200,448)

Key performance indicators

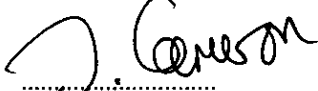
The company's key financial performance indicators are turnover, overall expenditure and the company's net assets position.

Director's statement of compliance with duty to promoting the success of the company

The director of the company has acted in a way that he considers, in good faith, would most likely promote the success of the company for the benefit of its shareholders, employees and customers as a whole, and in doing so, the director has considered (amongst other matters):

- the likely consequences of any decision in the long term,
- the interest of the company's employees,
- the need to foster the company's business relationships with customer and others,
- the impact of the company's operations on the community and environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly among shareholders, employees and customers of the company.

On behalf of the board


.....
Mr J G Cameron 22.4.2021
Director
.....

QUEEN STREET FINANCE LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents his annual report and financial statements for the year ended 31 December 2020.

Principal activities

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

Results and dividends

The results for the year are set out on page 7.

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

Director

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

Mr J G Cameron

Financial instruments

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company does not use interest rate derivatives to manage its exposure to changes in interest rates.

Foreign currency risk

The company's principle foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

Credit risk

Investments of cash surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Cash flow risk

Cash flow risks are that the company does not have sufficient financial resources to meet its obligations as they fall due. The company has controls in place to minimise the risk.

Post reporting date events

The most significant subsequent events have been related to the ongoing COVID-19 global pandemic and the full implementation of Brexit on 31 December 2020 which had consequences for UK Financial Services firms supplying the EEA.

Management has considered the possible impact and have taken appropriate measures to mitigate any potential interruption to the business.

Future developments

The director is confident about the company's progress and believes the company is well placed to make further progress during the coming year. The company will continue to expand its client base by means of organic growth.

QUEEN STREET FINANCE LTD

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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:

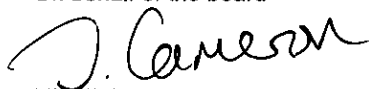
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

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



Mr J G Cameron
Director

22.4.2021
Date:

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 2020 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 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 2020 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 director determines 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 has 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the financial services sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Financial Conduct Authority (FCA), Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

QUEEN STREET FINANCE LTD

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

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates as set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the FCA and reviewing the company's compliance monitoring procedures and findings.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or through collusion.

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 him 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

Chartered Accountants
Statutory Auditor

22/04/2024

43 - 45 Dorset Street
London
W1U 7NA

QUEEN STREET FINANCE LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	595,438	357,805
Cost of sales		(31,611)	(40,260)
Gross profit		563,827	317,545
Administrative expenses		(712,111)	(618,210)
Other operating income		-	33,963
Operating loss	4	(148,284)	(266,702)
Interest receivable and similar income	6	32,974	596
Interest payable and similar expenses	7	(18,788)	(19,956)
Loss before taxation		(134,098)	(286,062)
Tax on loss	8	-	-
Loss for the financial year		(134,098)	(286,062)

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 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	9	2,437		16,194	
Investments	10	117,162		117,663	
		<u>119,599</u>		<u>133,857</u>	
Current assets					
Debtors	11	166,029		766,125	
Cash at bank and in hand		410,334		130,852	
		<u>576,363</u>		<u>896,977</u>	
Creditors: amounts falling due within one year	12	<u>(60,736)</u>		<u>(46,328)</u>	
Net current assets		<u>515,627</u>		<u>850,649</u>	
Total assets less current liabilities		<u>635,226</u>		<u>984,506</u>	
Creditors: amounts falling due after more than one year	13	<u>(375,855)</u>		<u>(784,058)</u>	
Net assets		<u><u>259,371</u></u>		<u><u>200,448</u></u>	
Capital and reserves					
Called up share capital	16	4,621,740		4,621,740	
Share premium account	17	27,708		27,708	
Other reserves	18	193,021		-	
Profit and loss reserves	19	(4,583,098)		(4,449,000)	
Total equity		<u><u>259,371</u></u>		<u><u>200,448</u></u>	

The financial statements were approved and signed by the director and authorised for issue on 22.4.2021



Mr J G Cameron
Director

Company Registration No. 02584541

QUEEN STREET FINANCE LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 January 2019		4,305,768	155,072	-	(4,162,938)	297,902
Year ended 31 December 2019:						
Loss and total comprehensive income for the year		-	-	-	(286,062)	(286,062)
Issue of share capital	16	160,800	(127,364)	-	-	33,436
Bonus issue of shares	16	155,172	-	-	-	155,172
Balance at 31 December 2019		4,621,740	27,708	-	(4,449,000)	200,448
Year ended 31 December 2020:						
Loss and total comprehensive income for the year		-	-	-	(134,098)	(134,098)
Transfers		-	-	193,021	-	193,021
Balance at 31 December 2020		4,621,740	27,708	193,021	(4,583,098)	259,371

QUEEN STREET FINANCE LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	24		482,165		(863,676)
Interest paid			(14,136)		(19,956)
Net cash inflow/(outflow) from operating activities			468,029		(883,632)
Investing activities					
Purchase of tangible fixed assets		(2,536)		(662)	
Proceeds on disposal of investments		501		1,156	
Receipts arising from loans made		(4,000)		-	
Interest received		32,670		596	
Net cash generated from investing activities			26,635		1,090
Financing activities					
Proceeds from issue of shares		-		188,608	
Repayment of borrowings		(215,182)		784,058	
Net cash (used in)/generated from financing activities			(215,182)		972,666
Net increase in cash and cash equivalents			279,482		90,124
Cash and cash equivalents at beginning of year			130,852		40,728
Cash and cash equivalents at end of year			410,334		130,852

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 27-28 Queen Street, London, England, EC4R1BB.

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. 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 from 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.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

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 and cash equivalents

Cash and cash equivalents 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.

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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.

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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.

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases 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 in the period are included in profit or loss.

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

	2020	2019
	£	£
Turnover analysed by class of business		
Fees and Commissions	595,438	357,805
	<u> </u>	<u> </u>
	2020	2019
	£	£
Other significant revenue		
Interest income	32,974	596
	<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 director to be a single global market.

4 Operating loss

	2020	2019
	£	£
Operating loss for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	2,516	-
Fees payable to the company's auditor for the audit of the company's financial statements	7,750	9,000
Depreciation of owned tangible fixed assets	16,293	17,923
Operating lease charges	114,938	110,283
	<u> </u>	<u> </u>

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Employees

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

	2020 Number	2019 Number
Director	1	1
Administration and finance	2	1
Front office	2	1
Compliance	1	1
Total	6	4

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	336,868	192,286
Social security costs	29,664	19,404
Pension costs	10,781	6,588
Total	377,313	218,278

6 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	44	596
Other interest income	32,930	-
Total income	32,974	596

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	32,974	596
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7 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	18,788	19,956

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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:

	2020 £	2019 £
Loss before taxation	(134,098)	(286,062)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(25,479)	(54,352)
Tax effect of expenses that are not deductible in determining taxable profit	453	595
Tax effect of income not taxable in determining taxable profit	(8)	(113)
Unutilised tax losses carried forward	23,265	51,617
Permanent capital allowances in excess of depreciation	(1,327)	2,253
Depreciation on assets not qualifying for tax allowances	3,096	-
Taxation charge for the year	-	-

The company has accumulated tax losses of £7,207,990 (2019: 7,085,586) which are available to offset against future trading profit of the same trade. The resulting deferred tax asset of £1,373,580 (2019: £1,342,293) 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 2020	160,130	30,789	71,808	262,727
Additions	-	800	1,736	2,536
Disposals	(160,130)	(8,789)	(62,059)	(230,978)
At 31 December 2020	-	22,800	11,485	34,285
Depreciation and impairment				
At 1 January 2020	145,962	30,789	69,782	246,533
Depreciation charged in the year	14,168	89	2,036	16,293
Eliminated in respect of disposals	(160,130)	(8,789)	(62,059)	(230,978)
At 31 December 2020	-	22,089	9,759	31,848
Carrying amount				
At 31 December 2020	-	711	1,726	2,437
At 31 December 2019	14,168	-	2,026	16,194

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10 Fixed asset investments

	2020 £	2019 £
Listed investments	15,121	15,622
Unlisted investments	102,041	102,041
	<u>117,162</u>	<u>117,663</u>
Listed investments carrying amount	<u>15,121</u>	<u>15,622</u>

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 January 2020	117,663
Valuation changes	(501)
At 31 December 2020	<u>117,162</u>
Carrying amount	
At 31 December 2020	<u>117,162</u>
At 31 December 2019	<u>117,663</u>

11 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	110,161	75,581
Other debtors	25,799	651,306
Prepayments and accrued income	30,069	39,238
	<u>166,029</u>	<u>766,125</u>

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	16,985	4,251
Taxation and social security	22,303	15,214
Other creditors	4,680	-
Accruals and deferred income	16,768	26,863
	<u>60,736</u>	<u>46,328</u>

13 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Other borrowings	14	<u>375,855</u>	<u>784,058</u>

14 Loans and overdrafts

	2020 £	2019 £
Other loans	<u>375,855</u>	<u>784,058</u>
Payable after one year	<u>375,855</u>	<u>784,058</u>

The long-term loans represent Bonds which are unsecured and carry an interest rate charge of 3.25% per annum.

The Bonds are repayable 5 years from the date of issue being 14 February 2024. The company can repay all or part of the Bond at any time after the first anniversary of their issue.

15 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>10,781</u>	<u>6,588</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.

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of 0.678702p each	5,938,347	5,938,347	4,030,368	4,030,368
Ordinary B Shares of 0.20p each	2,956,862	2,956,862	591,372	591,372
	<u>8,895,209</u>	<u>8,895,209</u>	<u>4,621,740</u>	<u>4,621,740</u>

Both Ordinary and Class B shares carry no right to fixed income. Each share is entitled to one vote in any circumstances.

17 Share premium account

	2020 £	2019 £
At the beginning of the year	27,708	155,072
Issue of new shares	-	(127,364)
At the end of the year	<u>27,708</u>	<u>27,708</u>

18 Other reserves

	£
At the beginning of the prior year	-
At the end of the prior year	-
Additions	193,021
At the end of the current year	<u>193,021</u>

During the year the company created an Earmarked Reserve for Eastmark Investments Ltd to the sum of £193,021 (\$250,000). The sum is non-repayable except in the case of the company ceasing to trade and after all other liabilities have been settled.

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Profit and loss reserves

	2020 £	2019 £
At the beginning of the year	(4,449,000)	(4,162,938)
Loss for the year	(134,098)	(286,062)
At the end of the year	<u>(4,583,098)</u>	<u>(4,449,000)</u>

20 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:

	2020 £	2019 £
Within one year	<u>11,500</u>	<u>70,642</u>

21 Events after the reporting date

The company has monitored developments in respect of the Brexit from the European Union and has concluded that the developments will not have a significant impact on the Company.

The Coronavirus (COVID-19) pandemic and connected economic restrictions have developed rapidly in 2020. The financial reporting effects of the COVID-19 outbreak are considered to be a non-adjusting post balance sheet event. At this stage, the impact on the company's business and results are limited.

22 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

During the period the company incurred professional fees to the sum of £24,000 from Bearstone Financial Ltd of which £6,000 were unpaid at the year end. J Cameron is a director and shareholder of this company.

At the year end the company was owed £4,000 due from J Cameron, director and shareholder of the company, which was subsequently repaid post year end on 26 January 2021.

At the year end the company owed an unsecured loan in the form of a 5 year bond instrument of \$250,000 to J Babayev a shareholder of the company. The loan carries an interest charge of 3.25% per annum.

At the year end the company owed an unsecured loan of \$250,000 to Mr S Azariaev, who is a connected person to Mr A Azaryayev a shareholder of the company. The loan is in the form of a bond instrument which carries an interest charge of 3.25% per annum.

23 Ultimate controlling party

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

QUEEN STREET FINANCE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Cash generated from/(absorbed by) operations

	2020 £	2019 £
Loss for the year after tax	(134,098)	(286,062)
Adjustments for:		
Finance costs	18,788	19,956
Investment income	(32,974)	(596)
Depreciation and impairment of tangible fixed assets	16,293	17,923
Movements in working capital:		
Decrease/(increase) in debtors	604,400	(596,498)
Increase/(decrease) in creditors	9,756	(18,399)
Cash generated from/(absorbed by) operations	482,165	(863,676)

25 Analysis of changes in net funds/(debt)

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	130,852	279,482	410,334
Borrowings excluding overdrafts	(784,058)	408,203	(375,855)
	<u>(653,206)</u>	<u>687,685</u>	<u>34,479</u>

APPENDIX 1

Queen Street Finance Ltd
Company Register No. 02584541

Pillar III Disclosures (Unaudited)
31 December 2020

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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 requirements firms are required to maintain to cover credit, market, and operational risks.

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. Queen Street Finance Ltd ("QSF") complies with the Capital Requirements Regulation (CRR) the IFPRU sourcebook of the FCA handbook and the relevant technical standards released by the European Banking Authority (EBA).

1.2 Verification

These disclosures have been prepared to comply with regulatory requirements and provide information on the capital adequacy, 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 ("QSF") 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

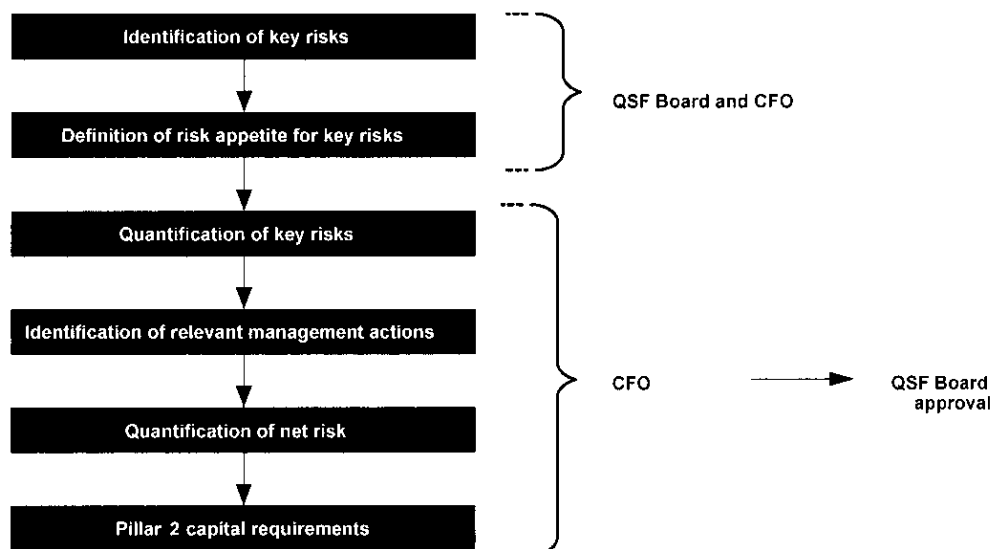
QSF has implemented a variety of controls to manage the risks the business is exposed to. Governance arrangements are in place to monitor and mitigate overarching and business wide risks. In addition, the firm has implemented specific and tailored controls to each operating function to monitor and mitigate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

The board of director is the highest decision-making body. The board has 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 Chief Finance Officer ("CFO") due to the size of the firm.

The CFO is closely involved in the risk identification and quantification process. The CFO produces financial and regulatory reports including risks matters to the board of director on a regular basis. CFO also helps determine the firm's risk appetite for each of the identified key risks.

The firm uses the regulatory support of consultants to gain more detailed understanding of the FCA's capital regime and its rules. 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 is exposed to the counterparty and client concentration risks however, this can be managed by opening new accounts with other counter parties, expanding client base, and diversifying income stream.

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

As a result, in the opinion of the board of the firm it 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, and credit spreads.

The firm's exposure to market risk is limited as it does not trade on own account nor it has a large cash reserve.

The firm is exposed to exchange rate risk due to that significant incomes are received in USD while the most of expenses are incurred in GBP. The firm's base currency is also GBP. However, the level of total exposure is minimal.

The board 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 firm's clients and/or counterparties failing to meet their obligations to settle transactions.

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

QSF, being a small sized firm, does not have high cash reserve on a long-term basis and the cash holdings at banks/brokers are normally within FSCS compensation scheme limit. The firm has not suffered from any major losses due to client default, unsettled trades, or large exposures.

The board is satisfied that there is no specific risk arising from credit risk against which a Pillar II add on is required.

Pillar III disclosures (**unaudited**)**4. Capital Adequacy**

The capital requirement of QSF, being a €125 IFPRU limited licence firm, is the higher of base capital requirement of €125K; quarter of the firm's annual fixed overheads requirements; or the sum of the firm's Credit risk + Market risk.

Projected capital position				
(£ 000)	Current Year Dec 2020	Year 1 Dec 2021	Year 2 Dec 2022	Year 3 Dec 2023
Permanent share capital	4,649	4,649	5,149	5,149
Other reserves	193	193	193	193
Profit and loss account and other reserves	(4,583)	(4,584)	(4,478)	(4,137)
Pillar 1				
Total credit risk	30	35	48	58
Total market risk (Ye20 FX rate risk used for projections)	22	22	22	22
Total Pillar 1	52	57	70	80
Pillar 2 add on	0	0	0	0
Total Capital Requirements				
Base requirement €125k	112	112	112	112
FX rate: Bank of England Dec 2020 rate 1.1118 for Ye20 and projections				
Next Quarterly Fixed overheads	167	211	211	208
Surplus / Deficit	92	48	653	997

[QUEEN STREET FINANCE LTD]

Pillar III disclosures (unaudited)

5. Queen Street Finance Ltd Capital resources

As of 31 December 2020	(£'000)
Tier 1 Capital Resources	259
Permanent share capital including share premium	4,649
Other reserves	193
Profit and loss account and other reserves	(4,583)

as of 31 December 2020, Queen Street Finance Ltd had a surplus of £92K of regulatory capital.

Pillar III disclosures (unaudited)

6. Queen Street Finance Ltd Capital resources requirement

Capital Requirements as at 31 December 2020

	(£'000)
Market Risk (Foreign Currency)	22
Credit Risk	30
-	
Quarterly fixed overheads	167
Total	<u>167</u>

Total Capital Requirements as at 31 December 2020

	(£'000)
Base capital requirements	112
Total Capital resources requirement	<u>167</u>

Regulatory Capital surplus as at 31 December 2020

	(£'000)
Capital resources	259
Less Capital resources requirement	(167)
	<u>92</u>