

# **Ludgate Investments Limited**

## **Report And Financial Statements**

*31 December 2019*

Rees Pollock  
Chartered Accountants



## **Ludgate Investments Limited**

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### **COMPANY INFORMATION**

<b>Directors</b>	C A L Sebag-Montefiore E A Sharashidze G-J H Voskamp
<b>Registered number</b>	04043908
<b>Registered office</b>	Third Floor, 20 Old Bailey London EC4M 7AN
<b>Independent auditor</b>	Rees Pollock 35 New Bridge Street London EC4V 6BW
<b>Bankers</b>	Barclays Bank Plc 19 Fleet Street London EC4P 4DR
<b>Solicitors</b>	Withers LLP 20 Old Bailey London EC4M 7AN

**DIRECTORS' REPORT**  
**For the year ended 31 December 2019**

The directors present their report and the financial statements for the year ended 31 December 2019.

**Results**

The profit for the year, after taxation, amounted to £178,494 (2018 - £21,263).

**Directors**

The directors who served during the year were:

C A L Sebag-Montefiore  
E A Sharashidze  
G-J H Voskamp  
J H J Voskamp (resigned 21 January 2020)

**Pillar III disclosures**

The company has documented the disclosures required by the FCA under BIPRU 11. These are available from the company's website ([www.ludgate.com](http://www.ludgate.com)).

**Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Engagement with suppliers, customers and others**

The Company maintains a strong business relationship with its principal customer as it seeks to optimise the value of the customer's investments and maximise returns to its shareholders. Staff costs, including directors' remuneration, are the major cost and the Company has few suppliers

**DIRECTORS' REPORT (CONTINUED)**  
**For the year ended 31 December 2019**

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 April 2020 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'G-J H Voskamp', with a stylized flourish at the end.

G-J H Voskamp  
Director

**STRATEGIC REPORT**

**For the year ended 31 December 2019**

**Focus in 2020**

The Directors' focus in 2020 is to continue to increase funds under advice or under management.

**Fund management**

The Company has focused its attention on fund management within the industrial and resource efficiency sector. It currently provides investment advice to Ludgate Environmental Limited ("LEL"), a Jersey domiciled investment company, which as at 31 December 2019 had an unaudited value of approximately £ 33 million (2018 £14 million) after share buybacks and the payment to shareholders as special dividends of cash received from realisations.

The Company seeks to maximise value for LEL shareholders and to develop other asset management income streams.

**Principal investments**

As at 31 December 2019, the Company's investment portfolio had a market value of approximately £0.45 million (2018 - £0.26 million).

**Principal risks and uncertainties**

The directors are unable to estimate the financial impact of the COVID-19 crisis on the company's assets in next year's financial statements with any certainty. However, in the light of prevailing market and macro-economic conditions, they consider that a decrease in value of investments held of some 15-20% since the balance sheet date resulting from the COVID-19 crisis, is not unreasonable.

**Financial key performance indicators**

Given the straightforward nature of the business, the directors are of the opinion that analysis, using KPIs, is not necessary for an understanding of the development, performance or position of the business.

**Directors' statement of compliance with duty to promote the success of the Company**

When performing their duty to promote the success of the Company for the benefit of its members as a whole, the directors have regard to the factors set out in Section 172 (1) Companies Act 2006, including (amongst others) the interests of employees, the need to foster relations with suppliers and customers and maintain a reputation for high standards of business conduct and impact on the environment and community.

This report was approved by the board on 23 April 2020 and signed on its behalf.



G-J H Voskamp  
Director

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LUDGATE INVESTMENTS LIMITED**

### **Opinion**

We have audited the financial statements of Ludgate Investments Limited (the 'Company') for the year ended 31 December 2019, which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The directors are 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.

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LUDGATE INVESTMENTS LIMITED (CONTINUED)**

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **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: [www.frc.org.uk/auditorsresponsibilities](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.

Peter Scott (Senior Statutory Auditor)  
for and on behalf of

**Rees Pollock**

Chartered Accountants, Statutory Auditor

35 New Bridge Street  
London  
EC4V 6BW

23 April 2020

**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**For the year ended 31 December 2019**

	Note	2019 £	2018 £
Turnover	4	330,213	324,184
Administrative expenses		(333,060)	(288,591)
<b>Operating (loss)/profit</b>	5	<b>(2,847)</b>	35,593
Income from investments		13,784	-
Fair value movements		167,460	(14,468)
Interest receivable and similar income		97	138
<b>Profit before tax</b>		<b>178,494</b>	21,263
Tax on profit	8	-	-
<b>Profit after tax</b>		<b>178,494</b>	21,263
Retained earnings at the beginning of the year		(73,683)	(94,946)
		(73,683)	(94,946)
Profit for the year		178,494	21,263
<b>Retained earnings at the end of the year</b>		<b>104,811</b>	(73,683)

The notes on pages 9 to 14 form part of these financial statements.



**BALANCE SHEET**  
**As at 31 December 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible fixed assets		-	-
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	116,960	88,736
Current asset investments	10	446,946	258,566
Cash at bank and in hand		48,433	86,233
		<u>612,339</u>	<u>433,535</u>
Creditors: amounts falling due within one year	11	(87,068)	(86,758)
<b>Net current assets</b>		<u>525,271</u>	<u>346,777</u>
<b>Total assets less current liabilities</b>		<u>525,271</u>	<u>346,777</u>
<b>Net assets</b>		<u>525,271</u>	<u>346,777</u>
<b>Capital and reserves</b>			
Called up share capital	12	420,460	420,460
Profit and loss account		104,811	(73,683)
		<u>525,271</u>	<u>346,777</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 April 2020.



G-J H Voskamp  
Director

The notes on pages 9 to 14 form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2019**

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	178,494	21,263
<b>Adjustments for:</b>		
Interest receivable	(97)	(138)
(Increase)/decrease in debtors	(28,224)	73,153
Increase/(decrease) in creditors	310	(20,439)
Fair value movements	(167,460)	14,468
Income from investments	(13,784)	-
<b>Net cash from operating activities</b>	<b>(30,761)</b>	<b>88,307</b>
<b>Cash flows from investing activities</b>		
Purchase of short term listed investments	(923)	(7,972)
Purchase of short term unlisted investments	(19,997)	-
Interest received	97	138
Dividends	13,784	-
<b>Net cash from investing activities</b>	<b>(7,039)</b>	<b>(7,834)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(37,800)</b>	<b>80,473</b>
Cash and cash equivalents at beginning of year	86,233	5,760
<b>Cash and cash equivalents at the end of year</b>	<b>48,433</b>	<b>86,233</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	48,433	86,233
	<b>48,433</b>	<b>86,233</b>

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 December 2019**

**1. General information**

Ludgate Investments Limited is a private company, limited by shares, incorporated in the United Kingdom and registered in England and Wales.

The Company's registered address is Third Floor, 20 Old Bailey, London, EC4M 7AN.

The principal activity is fund management.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

**2.2 Going concern policy**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Company continues to adopt the going concern basis of accounting in preparing the annual financial statements.

**2.3 Turnover**

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of value added tax. Fees are recognised over the period which the services are provided.

**2.4 Operating leases**

Rentals paid under operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

**2.5 Valuation of investments**

Investments in listed company shares are measured at market value less an appropriate liquidity discount at each balance sheet date. Movements in the market value are recognised in the statement of comprehensive income for the period.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

**2. Accounting policies (continued)**

**2.6 Financial instruments**

Apart from its investments, the Company does not trade in financial instruments and all such instruments arise directly from operations. All trade and other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter trade and other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The Company does not hold collateral against its trade and other receivables so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment. All cash is held with banks with strong external credit ratings.

Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are removed from the balance sheet when they are settled. As the Company only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

**2.7 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is sterling.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

**2.8 Taxation**

Tax is recognised in the statement of comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the Company's financial statements requires management to make significant accounting judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its significant accounting judgements and estimates.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made.

Valuation of investments:

The directors apply a liquidity discount where in their opinion there are insufficient trading volumes to support the published market values.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

**4. Turnover**

All turnover arose within the United Kingdom.

**5. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Auditor's remuneration - audit	<b>11,500</b>	10,900
Auditor's remuneration- non-audit	<b>4,350</b>	4,550

Included in Auditor's remuneration is £4,500 (2018: £4,450) in relation to audit and non-audit services provided to Ludgate Capital Limited.

**6. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>217,860</b>	195,360
Social security costs	<b>23,499</b>	20,481

<b>241,359</b>	<b>215,841</b>
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The average monthly number of employees, including the directors, during the year was as follows:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Management staff	<b>2</b>	2
Administrative staff	<b>1</b>	1

<b>3</b>	<b>3</b>
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**7. Directors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Directors' emoluments	<b>152,500</b>	130,000

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2019

**8. Taxation**

	2019 £	2018 £
<b>Total current tax</b>	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	178,494	21,263
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - %)	33,914	4,040
<b>Effects of:</b>		
Expenses not deductible for tax purposes	703	2,360
Capital allowances for year in excess of depreciation	(190)	(232)
Unprovided deferred tax	(34,427)	(6,168)
<b>Total tax charge for the year</b>	-	-

**Factors that may affect future tax charges**

The company has not recognised a deferred tax asset of £793,753 (2018: £828,180). The unprovided deferred tax asset arises on carried forward tax losses and unrealised losses on investments. It has not been recognised due to uncertainties over the timing and nature of future profits in accordance with Section 29 of FRS 102.

**9. Debtors**

	2019 £	2018 £
Trade debtors	92,821	73,131
Other debtors	19,964	10,845
Prepayments and accrued income	4,175	4,760
	116,960	88,736

**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2019

**10. Current asset investments**

	2019 £	2018 £
Listed investments	47,345	68,662
Unlisted investments	399,601	189,904
	<u>446,946</u>	<u>258,566</u>

**11. Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	1,749	2,597
Amounts owed to group undertakings	34,295	35,045
Taxation and social security	9,091	7,347
Accruals and deferred income	41,933	41,769
	<u>87,068</u>	<u>86,758</u>

**12. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
4,204,604 Ordinary shares of £0.10 each	420,460	420,460
	<u>420,460</u>	<u>420,460</u>

**13. Analysis of net debt**

	At 1 January 2019 £	Cash flows £	Other non- cash changes £	At 31 December 2019 £
Cash at bank and in hand	86,233	(37,800)	-	48,433
Liquid investments	68,662	(923)	(20,394)	47,345
	<u>154,895</u>	<u>(38,723)</u>	<u>(20,394)</u>	<u>95,778</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

**14. Related party transactions**

Fees of £40,000 (2018 - £40,000) were charged to Rapid Action Packaging Limited during the year, a company of which G-J H Voskamp and E A Sharashidze are directors. At the year end £24,000 (2018 - £12,000) was outstanding. Recoverable expenses of £6,164 (2018 - £1,227) were charged to STX Services B.V. during the year, a company of which G-J H Voskamp is a director. At the year end £3,053 (2018 - £nil) was outstanding.

**15. Post balance sheet events**

The directors are unable to estimate the financial impact of the COVID-19 crisis on the company's assets in next year's financial statements with any certainty. However, in the light of prevailing market and macro-economic conditions, they consider that a decrease in value of investments held of some 15 - 20% since the balance sheet date resulting from the COVID-19 crisis, is not unreasonable.

**16. Controlling party**

Ludgate Capital Limited, a company incorporated in the United Kingdom, owns 100% of the ordinary share capital of the Company and is the immediate controlling party, representing the smallest and largest group of which the Company is a member for which group accounts are drawn up. Its registered office is Third Floor, 20 Old Bailey, London, EC4M 7AN. Copies of the group accounts can be obtained from Companies House.

The ultimate controlling party is G-J H Voskamp, a director.