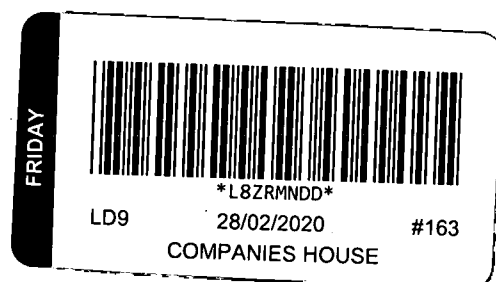


**Company No: 04285055**

**VINCOS LIMITED**  
**GROUP FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2019**



**VINCOS LIMITED**  
**GROUP FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2019**

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# VINCOS LIMITED

## COMPANY INFORMATION

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**Directors** V A Tchenguiz BSc MBA  
M D Watson BA FCA

**Secretary** A S Fitzpatrick ACA

**Auditor** RSM UK Audit LLP  
Chartered Accountants  
3rd Floor  
One London Square  
Cross Lanes  
Guildford  
Surrey  
GU1 1UN

**Registered Office** 5th Floor  
Leconfield House  
Curzon Street  
London  
W1J 5JA

# VINCOS LIMITED

## STRATEGIC REPORT

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### Principal Activities and Review of the Business

The principal activities of the Group and Company during the year were the provision of support services, including treasury services and legal support, to its related parties, the provision of investment advisory services to its ultimate controlling party, the Tchenguiz Family Trust, in respect of its private equity and commercial and residential property investments, the provision of investment monitoring services to other trusts related to the Tchenguiz Family Trust, and the maintenance of existing offset transactions.

The Group has made an operating profit before exceptional items and before provisions against group and related company debts of £936,927 (2018: £853,696) from providing services under its long-term arrangements. The turnover has decreased in the year as a result of decreased costs being incurred on behalf of other companies within the Tchenguiz Family Trust and subsequently recharged to the relevant related parties.

The Directors consider that in light of the current economic climate and Vincos Limited's role in providing treasury services and legal support to its ultimate holding company, its fellow subsidiaries, and related parties that are also ultimately controlled by the Tchenguiz Family Trust and in providing investment advisory services to its ultimate controlling party, that the result for the year, and the year-end position of the Group, was satisfactory.

### Financial risks, uncertainties and key performance indicators

The Group has identified that its key risk results from its treasury function where it acts as an intermediary for providing finance to related companies.

The risk is mitigated by all balances and sources of additional financing being with companies within the Tchenguiz Family Trust. In addition, the directors review the recoverability of group and related balances in total. If required, provisions are made where the underlying net assets of the related company cannot support the balance owed.

The group has further reduced its financial risk after the year-end by settling a significant amount of the related party creditor outstanding at the year-end by issuing new share capital. Further detail is set out in Note 25.

The Group does not seek to monitor its performance using any particular key performance indicators as a substantial portion of its business is the provision of services to its related entities. The Group, however, seeks to mitigate its risks through the monitoring of all investment decisions and businesses within the Group.

BY ORDER OF THE BOARD



**Michael Watson**  
Director

24 February 2020

# **VINCOS LIMITED**

## **DIRECTORS' REPORT**

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The Directors present their report and the audited group financial statements for the year ended 31 May 2019.

### **Directors**

The following Directors have held office since 1 June 2018:

V A Tchenguiz  
M D Watson

### **Dividends**

The Directors do not recommend the payment of a dividend.

### **Future Developments**

The Group and Company will continue to provide support services, including treasury services and legal support, to its related parties, the provision of investment advisory services to its ultimate controlling party, the Tchenguiz Family Trust, in respect of its private equity and commercial and residential property investments, the provision of investment monitoring services to other Trusts related to the Tchenguiz Family Trust, and the maintenance of existing offset transactions.

### **Events after the end of the reporting period**

On 29 January 2020, debt that was owed by Vincos Limited to Rotch Property Group Limited and Greenflat Limited (see Note 23) was ultimately assigned to Ciano Investments Limited, the immediate parent company of Vincos Limited.

Following this assignment of debt, Vincos Limited issued 40,000,000 ordinary shares of £1 each to Ciano Investments Limited therefore reducing the outstanding creditor balance.

### **Financial Risk Management**

The financial risk management objectives and policies of the Group have been included in the Strategic Report.

## VINCOS LIMITED

### DIRECTORS' REPORT (cont)

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#### Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 Group and the Company and of the profit or loss of the Group for that period.

In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement as to disclosure of information to the auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors 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 auditors are aware of that information.

#### Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

BY ORDER OF THE BOARD



**Michael Watson**  
Director

24 February 2020

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VINCOS LIMITED**

### **Opinion**

We have audited the financial statements of Vincos Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2019 which comprise the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated 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 group's and of the parent company's affairs as at 31 May 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 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 MEMBERS OF VINCOS LIMITED (Continued)**

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

In the light of the knowledge and understanding of the group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

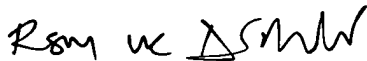
### **Auditor's responsibilities for the audit of the financial statements**

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.



Colin Roberts FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
3rd Floor  
One London Square  
Cross Lanes  
Guildford  
Surrey GU1 1UN

25 February 2020



**VINCOS LIMITED****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MAY 2019**

	Notes	2019 £	2018 £
<b>Turnover</b>	2	<b>9,904,960</b>	12,594,312
Administrative expenses;			
Administrative expenses		(9,050,033)	(11,822,616)
Movement of provisions against group and related company debts		328	823,150
Total administrative expenses		<u>(9,049,705)</u>	<u>(10,999,466)</u>
Other operating income	3	<b>82,000</b>	389,758
<b>Operating profit</b>		<b><u>937,255</u></b>	<b><u>1,984,604</u></b>
Interest receivable and similar income	4	<b>412,267</b>	269,074
Interest payable and similar expenses	5	(2,521)	(217,385)
<b>Profit before taxation</b>	6	<b><u>1,347,001</u></b>	<b><u>2,036,293</u></b>
Taxation	10	-	(41,841)
<b>Profit after taxation and profit for the financial year</b>		<b><u><u>1,347,001</u></u></b>	<b><u><u>1,994,452</u></u></b>
 <b>Total comprehensive income for the year</b>		 <b><u><u>1,347,001</u></u></b>	 <b><u><u>1,994,452</u></u></b>
 <b>Profit for the year attributable to:</b>			
Owners of the parent		<b><u><u>1,347,001</u></u></b>	<b><u><u>1,994,452</u></u></b>
 <b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent		<b><u><u>1,347,001</u></u></b>	<b><u><u>1,994,452</u></u></b>

# VINCOS LIMITED

## STATEMENTS OF FINANCIAL POSITION (Company Registration Number: 04285055)

AT 31 MAY 2019

	Notes	Group		Company	
		2019 £	2018 £	2019 £	2018 £
<b>Fixed assets</b>					
Tangible assets	11	131,124	200,689	31,944	29,252
Investments	12	-	-	2	2
		<u>131,124</u>	<u>200,689</u>	<u>31,946</u>	<u>29,254</u>
<b>Current assets</b>					
Debtors due within one year	13	17,109,576	14,508,325	16,981,486	14,896,473
Debtors due after more than one year	13	4,423,932	4,423,932	3,559,729	3,559,729
Total debtors		<u>21,533,508</u>	<u>18,932,257</u>	<u>20,541,215</u>	<u>18,456,202</u>
Cash at bank and in hand	14	911,316	1,449,415	873,645	1,407,905
		<u>22,444,824</u>	<u>20,381,672</u>	<u>21,414,860</u>	<u>19,864,107</u>
<b>Current liabilities</b>					
Creditors: Amounts falling due within one year	15	(45,236,391)	(53,943,809)	(44,345,865)	(53,448,204)
<b>Net current liabilities</b>		<u>(22,791,567)</u>	<u>(33,562,137)</u>	<u>(22,931,005)</u>	<u>(33,584,097)</u>
<b>Total assets less current liabilities</b>		<u>(22,660,443)</u>	<u>(33,361,448)</u>	<u>(22,899,059)</u>	<u>(33,554,843)</u>
<b>Creditors: Amounts falling due after more than one year</b>	16	(100,878)	(146,873)	-	-
<b>Net liabilities</b>		<u>(22,761,321)</u>	<u>(33,508,321)</u>	<u>(22,899,059)</u>	<u>(33,554,843)</u>
<b>Capital and reserves</b>					
Called up share capital	19	9,400,000	1	9,400,000	1
Profit and loss account		<u>(32,161,321)</u>	<u>(33,508,322)</u>	<u>(32,299,059)</u>	<u>(33,554,844)</u>
<b>Equity attributable to owners of the parent</b>		<u>(22,761,321)</u>	<u>(33,508,321)</u>	<u>(22,899,059)</u>	<u>(33,554,843)</u>

The Company's profit for the year and total comprehensive income for the year was £1,255,785 (2018: £1,947,928).

The financial statements were approved by the Board of Directors and authorised for issue on 24 February 2020 and are signed on its behalf by:

*Michael Watson*

Michael Watson  
Director

**VINCOS LIMITED****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MAY 2019**

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	<b>Attributable to owners of the parent</b>		
	<b>Share capital</b>	<b>Profit &amp; loss Account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 June 2017</b>	<b>1</b>	<b>(35,502,774)</b>	<b>(35,502,773)</b>
Profit for the year	-	1,994,452	1,994,452
Total comprehensive income for the year	-	1,994,452	1,994,452
<b>Balance at 31 May 2018</b>	<b>1</b>	<b>(33,508,322)</b>	<b>(33,508,321)</b>
Profit for the year	-	1,347,001	1,347,001
Transactions with owners:- Issue of shares	9,399,999	-	9,399,999
Total comprehensive income for the year	9,399,999	1,347,001	10,747,000
<b>Balance at 31 May 2019</b>	<b>9,400,000</b>	<b>(32,161,321)</b>	<b>(22,761,321)</b>

**VINCOS LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MAY 2019**

	Share capital	Profit & loss account	Total
	£	£	£
<b>Balance at 1 June 2017</b>	<b>1</b>	<b>(35,502,772)</b>	<b>(35,502,771)</b>
Profit for the year	-	1,947,928	1,947,928
Total comprehensive income for the year	-	1,947,928	1,947,928
<b>Balance at 31 May 2018</b>	<b>1</b>	<b>(33,554,844)</b>	<b>(33,554,843)</b>
Profit for the year	-	1,255,785	1,255,785
Transactions with owners:- Issue of shares	9,399,999	-	9,399,999
Total comprehensive income for the year	9,399,999	1,255,785	10,655,784
<b>Balance at 31 May 2019</b>	<b>9,400,000</b>	<b>(32,299,059)</b>	<b>(22,899,059)</b>

# VINCOS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2019

	Notes	2019 £	2018 £
<b>Operating activities</b>			
Cash (used in)/generated from operations	20	(946,786)	450,665
Interest received	412,267	269,074	
Interest paid	(2,521)	(217,385)	
Income taxes paid	(41,841)	-	
		<u>367,905</u>	<u>51,689</u>
<b>Net cash (used in)/generated from operating activities</b>		<u>(578,881)</u>	<u>502,354</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets	(10,228)	(27,724)	
<b>Net cash used in investing activities</b>		<u>(10,228)</u>	<u>(27,724)</u>
<b>Financing activities</b>			
Proceeds from issuance of ordinary shares	51,010	-	
<b>Net cash used in financing activities</b>		<u>51,010</u>	<u>-</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(538,099)</u>	<u>474,630</u>
Cash and cash equivalents at beginning of year		<u>1,449,415</u>	<u>974,785</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>911,316</u></u>	<u><u>1,449,415</u></u>

# **VINCOS LIMITED**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

### **ACCOUNTING POLICIES**

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#### **General information**

Vincos Limited ("the Company") is a private company limited by shares, and is registered, domiciled and incorporated in England.

The address of the Company's registered office is 5th Floor, Leconfield House, Curzon Street, London, W1J 5JA and the address of its principal place of business is 35 Park Lane, London, W1K 1RB.

The Group consists of Vincos Limited and all of its subsidiaries.

The Company's and the Group's principal activities are shown in the Strategic Report.

#### **Basis of accounting**

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 presented in sterling, which is the functional currency of the Company and Group. 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 are set out below.

#### **Reduced disclosures**

The Company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:-

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument, basis of determining fair values, details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

#### **Company statement of comprehensive income**

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income as it prepares group accounts and the Company's individual statement of financial position shows the Company's profit or loss for the financial year.

# **VINCOS LIMITED**

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019**

### **ACCOUNTING POLICIES**

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#### **Basis of consolidation**

The consolidated financial statements incorporate those of Vincos Limited and all of its subsidiary undertakings (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 May.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **Going concern**

The Directors have reviewed the Group's working capital needs including the needs of the Group's operations and the portfolio management and the treasury function it carries out for its ultimate controlling party, the Tchenguiz Family Trust, and its fellow subsidiaries and related companies.

On 29 January 2020, £40,000,000 of the total £40,007,316 of debt that was owed at that date by Vincos Limited to Rotch Property Group Limited and Greenflat Limited (see Note 23) was ultimately assigned to Ciano Investments Limited, the immediate parent company of Vincos Limited. Following this assignment of debt, Vincos Limited issued 40,000,000 ordinary shares of £1 each to Ciano Investments Limited therefore reducing the outstanding creditor balance. As a result of these transactions, Vincos Limited no longer requires the ongoing support of Rotch Property Group Limited or Greenflat Limited.

Following the elimination of the majority of this debt from the balance sheet, the Directors have determined that the Group has, or can expect to have, sufficient working capital to meet its liabilities as they fall due for at least 12 months from the date of signing of these accounts. In view of this the Directors consider it appropriate to prepare the accounts on the going concern basis.

#### **Foreign currencies**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transactions.

All translation differences are taken to the profit and loss account.

#### **Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for the provision of services in the ordinary nature of the business. Turnover is shown net of Value Added Tax.

#### **Other operating income**

Rental income on assets leased under operating leases is recognised in the profit and loss account on an accruals basis over the term of the lease. The effect of rent reviews is only recognised when such reviews have been agreed with tenants. Where rents are subject to fixed indexation in lieu of rent reviews, the rents are recognised on a systematic basis as income in the periods in which they are earned.

Where a rent free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the earliest termination date.

# VINCOS LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

### ACCOUNTING POLICIES

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#### Retirement benefits

##### *Defined contribution plans*

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost less depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over the expected useful life as follows:

Computer hardware and software	-	25% per annum (reducing balance basis)
Fixtures, fittings and office equipment	-	15% per annum (reducing balance basis)
Leasehold improvements	-	Period of lease (from date of occupation)

#### Leases

##### *The Group as lessee – operating leases*

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases. Where a rent free period is included in a lease, the total rent payable under the lease to the termination date is allocated evenly over the period of the lease.

##### *The Group as lessor – operating leases*

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.



# VINCOS LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

### ACCOUNTING POLICIES

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#### **Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversal of impairment losses are recognised immediately in profit or loss.

#### **Financial instruments**

The Group and Company have elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group or Company becomes a party to the contractual provisions of the instrument, and are offset only when the Group and Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### *Basic financial assets*

Basic financial assets, which include trade, loans to group and related parties, other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost being the transaction price less any amounts settled and any impairment losses.

#### *Impairment of financial assets*

Financial assets 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. The impairment loss is recognised in profit or loss.

#### *Basic financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans and loans from group and related companies, 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.

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

#### *Equity instruments*

Equity instruments issued by the Company are recorded at the fair value of the proceeds received, net of direct issue costs. The Company has only basic financial instruments and has not chosen to designate financial instruments as at fair value through profit or loss.

# VINCOS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

### 1. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Critical accounting estimates and assumptions*

The Company makes estimates and assumptions concerning the future. The Directors do not consider any estimates and assumptions have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### *Critical areas of judgement*

The Directors do not consider there are critical areas of judgement that have a significant effect on the amounts recognised in the financial statements.

### 2. Turnover

Turnover represents income from the Group's principal activities, the provision of services, wholly undertaken in the United Kingdom.

### 3. Other operating income

	2019 £	2018 £
Refund of bank overcharge	-	307,758
Rent receivable	82,000	82,000
	<u>82,000</u>	<u>389,758</u>

In the prior year, the Company was informed by its bankers that it had been overcharged bank fees on certain international payments between August 2005 and December 2015. Accordingly, the amount above was received in the prior year in compensation for this error. The amount comprised the initial erroneous charges and interest thereon.

### 4. Interest receivable and similar income

	2019 £	2018 £
Interest receivable from group undertakings	251,317	251,317
Interest receivable from related undertakings	144,521	13,973
Bank interest receivable	10,271	1,024
Other interest receivable	6,158	2,760
	<u>412,267</u>	<u>269,074</u>

### 5. Interest payable and similar expenses

	2019 £	2018 £
Interest payable to related undertakings	2,521	217,385

# VINCOS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

### 6. Profit before taxation

	2019	2018
	£	£
This is stated after charging:		
Depreciation on tangible fixed assets	79,793	73,963
Exchange losses/(gains)	714	(18,773)
Operating lease rentals - land and buildings	935,575	934,975
Operating lease rentals - plant and machinery	13,348	47,812

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2019	2018
	£	£
Audit services:		
Company and consolidation	18,000	17,300
Subsidiary companies	4,350	4,200
Other services		
Taxation compliance services	600	500
	<u>22,950</u>	<u>22,000</u>

### 7. Employees and Directors

	2019	2018
	No.	No.
The average number of employees (including directors) during the year for both Group and Company was:-		
Management and administration	28	29

	£	£
Staff costs for the above persons (Group and Company):		
Wages and salaries	4,703,770	5,380,552
Pension costs	76,263	49,061
Social security costs	628,404	720,740
	<u>5,408,437</u>	<u>6,150,353</u>

#### Directors' emoluments:

Emoluments for qualifying services	952,930	944,387
Company contributions to money purchase pension schemes	9,343	6,206
	<u>962,273</u>	<u>950,593</u>

The remuneration of the highest paid Director was £799,392 (2018: £791,318). This Director also received £9,343 of contributions to money purchase pension schemes (2018: £6,206).

One Director accrued retirement benefits during the year (2018: One).

# VINCOS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MAY 2019

#### 8. Remuneration of key management personnel

The total remuneration of the Directors and members of management, who are considered to be the key personnel of the Group, was £1,092,684 (2018: £1,070,652) including employer's national insurance of £130,411 (2018: £128,003).

#### 9. Retirement benefits

The Group and Company operate a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Group in an independently administered fund. The contributions payable by the Company charged to profit and loss amounted to £76,263 (2018: £49,061). Contributions totalling £14,962 (2018: £10,384) were payable to the fund at the year end and are included in creditors.

#### 10. Taxation

	2019 £	2018 £
Current tax:		
UK corporation tax	-	41,841
Total tax on profit	-	41,841

Factors affecting current tax charge for year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (19%). The differences are explained below:

Group profit before taxation	1,347,001	2,036,293
Profit before taxation multiplied by standard rate of UK corporation tax 19% (2018: 19%)	255,930	386,896
Effects of:		
Non deductible expenses	16,978	2,937
Provision against loans to group companies	(62)	(145,168)
UK transfer pricing	(137,440)	(88,363)
Tax losses carried forward/(utilised)	56,004	(6,311)
Accelerated capital allowances not recognised as deferred tax	(25,982)	(34,582)
Group relief received without charge	(165,428)	(73,568)
Tax expense	-	41,841

The Group has losses available however a deferred tax asset has not been recognised on these losses as the transfer of economic benefits in the future is uncertain (see note 17).

**VINCOS LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MAY 2019****11. Tangible fixed assets**

	<b>Leasehold improvements £</b>	<b>Group Fixtures, Fittings &amp; computer equipment £</b>	<b>Total £</b>	<b>Company Fixtures, Fittings &amp; computer equipment £</b>
<b>Cost</b>				
At 1 June 2018	697,845	66,177	764,022	66,177
Additions	-	10,228	10,228	10,228
<b>At 31 May 2019</b>	<b>697,845</b>	<b>76,405</b>	<b>774,250</b>	<b>76,405</b>
<b>Depreciation</b>				
At 1 June 2018	526,408	36,925	563,333	36,925
Charge for the year	72,257	7,536	79,793	7,536
<b>At 31 May 2019</b>	<b>598,665</b>	<b>44,461</b>	<b>643,126</b>	<b>44,461</b>
<b>Carrying Value</b>				
<b>At 31 May 2019</b>	<b>99,180</b>	<b>31,944</b>	<b>131,124</b>	<b>31,944</b>
<b>At 31 May 2018</b>	<b>171,437</b>	<b>29,252</b>	<b>200,689</b>	<b>29,252</b>

The depreciation charge for the year is recognised in administrative expenses.

# VINCOS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

### 12. Fixed asset investments

#### Company

	Shares in group undertakings
Cost and carrying amount	£
At 1 June 2018 and 31 May 2019	2

#### Subsidiary undertakings

Details of the Company's subsidiary undertakings are given below. The registered office of the Company's subsidiary undertakings is 5<sup>th</sup> Floor, Leconfield House, Curzon Street, London, W1J 5JA.

<i>Name of undertaking</i>	<i>Nature of business</i>	<i>Ownership</i>	<i>Class of shareholding</i>
Consensus Business Group Limited	Dormant	100%	Ordinary
Walkvalley Limited	Property letting	100%	Ordinary

Consensus Business Group Limited is exempt from the requirement for audit under section 480 of the Companies Act 2006.

### 13. Debtors

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
<i>Amounts due within one year:</i>				
Trade debtors	1,838,106	67,450	1,838,106	67,450
Amounts owed by group undertakings	3,119,480	2,923,957	3,710,341	3,727,925
Amounts owed by related undertakings	10,966,233	10,540,739	10,966,233	10,540,739
Other debtors	343,837	454,304	389,030	540,019
Prepayments and accrued income	841,920	521,875	77,776	20,340
	<b>17,109,576</b>	<b>14,508,325</b>	<b>16,981,486</b>	<b>14,896,473</b>
<i>Amounts due after more than one year:</i>				
Other debtors	864,203	864,203	-	-
Amounts owed by group undertakings	3,559,729	3,559,729	3,559,729	3,559,729
	<b>21,533,508</b>	<b>18,932,257</b>	<b>20,541,215</b>	<b>18,456,202</b>

The amounts owed by group undertakings within one year are interest free and have no fixed repayment dates and are therefore classified as short term.

The amounts owed by related undertakings within one year incurs interest at an average rate of 1.7%. The amount has no fixed repayment date and is therefore classified as short term.

The amount owed by group undertakings after more than one year is subordinated to the bank debt within the group undertaking and earns interest at an average rate of 7.1 % (2018: 7.1%). The bank debt in the group undertaking is not due to be settled in full until 2031.

# VINCOS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MAY 20119

#### 14. Cash at bank and in hand

Included in the Group and Company's cash at bank is £251,497 (2018: £250,849) of funds that are, effectively, not freely available as the funds are required to support the Group and Company's BACS payment facility.

#### 15. Creditors: Amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	819,365	403,024	120,115	74,704
Amounts owed to group undertakings	76,226	-	76,226	-
Amounts owed to related undertakings	41,114,610	48,745,435	41,114,610	48,745,435
Other taxation and social security costs	-	109,132	-	109,132
Corporation tax	-	41,841	-	41,841
Other creditors	-	350,000	-	350,000
Accruals and deferred income	3,226,190	4,294,377	3,034,914	4,127,092
	<u>45,236,391</u>	<u>53,943,809</u>	<u>44,345,865</u>	<u>53,448,204</u>

Included within amounts owed to related undertakings is £41,114,610 (2018: £48,745,435) which is interest free and has no fixed repayment date.

Included in amounts owed to related undertakings above is £40,667,610 (2018: £48,697,435) due to Rotch Property Group Limited and Greenflat Limited of which, £40,000,000 has been assigned to the parent company, Ciano Investments Limited after the reporting date. Following this assignment of debt, Vincos Limited issued 40,000,000 ordinary shares of £1 each to Ciano Investments Limited therefore reducing the outstanding creditor balance.

#### 16. Creditors: Amounts falling due after more than one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Accruals and deferred income	100,878	146,873	-	-
	<u>100,878</u>	<u>146,873</u>	<u>-</u>	<u>-</u>

#### Group

The amounts falling due after more than one year are repayable as follows:

	2019	2018
	£	£
Repayable between two and five years	<u>100,878</u>	<u>146,873</u>

# VINCOS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

### 17. Deferred taxation

The analysis of the unprovided deferred tax position is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Unprovided</b>		<b>Unprovided</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred tax assets:				
Excess of depreciation over tax allowances	139,734	162,986	51,071	63,932
Tax losses available	1,970,632	1,917,316	1,916,642	1,864,790
	<u>2,110,366</u>	<u>2,080,302</u>	<u>1,967,713</u>	<u>1,928,722</u>

The deferred tax asset has not been recognised as the transfer of economic benefits in the future is uncertain.

### 18. Financial instruments

The carrying amounts of the Group and Company's financial instruments at 31 May were:

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Financial assets				
Debt instruments measured at amortised cost	<u>20,722,271</u>	<u>18,434,389</u>	<u>20,467,393</u>	<u>18,436,859</u>
Financial liabilities				
Measured at amortised cost	<u>45,315,640</u>	<u>53,922,658</u>	<u>44,330,903</u>	<u>53,286,847</u>

### 19. Share capital and reserves

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Share capital</b>		
Allotted, issued and fully paid:		
Equity		
9,400,000 (2018: 1) ordinary shares of £1	<u>9,400,000</u>	<u>1</u>

On the 31 May 2019, 9,399,999 £1 ordinary shares were issued, allotted and fully paid. Of this amount, £9,348,989 was a non-cash transaction settled through an inter-company account. The remaining £51,010 was settled in cash.

#### *Ordinary share rights*

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

#### **Reserves**

Reserves of the Group and Company represent the following;

#### *Profit and loss account*

Cumulative profit and loss net of distributions to owners.



# VINCOS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

### 20. Reconciliation of profit after tax to net cash (used in)/generated from operations

	2019 £	2018 £
<b>Profit after tax</b>	<b>1,347,001</b>	<b>1,994,452</b>
Adjustments for:		
Interest receivable and similar income	(412,267)	(269,074)
Interest payable and similar charges	2,521	217,385
Depreciation	79,793	73,963
Increase in debtors	(2,600,923)	(8,587,382)
Increase in creditors	637,417	7,802,630
Provision against group and related company debts	(328)	(823,150)
Taxation	-	41,841
	<b>(2,293,787)</b>	<b>(1,543,787)</b>
<b>Cash (used in)/generated from operations</b>	<b>(946,786)</b>	<b>450,665</b>

### 21. Commitments under operating leases

#### The Group as lessee:

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019		2018	
	Land and buildings £	Other £	Land and buildings £	Other £
Amounts due:-				
Within 1 year	962,193	5,574	962,193	5,574
Within 2 - 5 years	3,202,260	1,858	1,318,073	7,432
Over 5 years	1,604,706	-	-	-

#### The Company as lessee:

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Other	
	2019 £	2018 £
Amounts due:-		
Within 1 year	5,574	5,574

# VINCOS LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2019

### 22. Contingencies and guarantees

The Company has undertaken to provide limited financial support to certain of its subsidiary undertakings and to certain of its related party undertakings which are ultimately controlled by the Tchenguiz Family Trust, to assist them in meeting their operational costs as they arise should this be necessary.

The Company receives claims from time to time during the course of its business. Provisions are made if the claim is considered to be likely to succeed and the amounts involved can be reasonably assessed.

### 23. Related party transactions

The Group and Company provide funding to and receive funding from, the Tchenguiz Family Trust and certain companies controlled by the Tchenguiz Family Trust or companies in which the Trust has a significant interest. Details of the related party balances and transactions are set out below.

The Company has taken advantage of the exemptions provided by Chapter 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group. Group balances and transactions where less than 100% of the voting rights are controlled within the group and related party balances and transactions are as follows:

Included in:	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
<b>Trade debtors</b>				
Fairhold Services Limited	3,407	-	3,407	-
Rotch Property Group Limited	4,800	4,800	4,800	4,800
CSTI International Limited	4,800	2,400	4,800	2,400
Other related parties	1,776,100	11,250	1,776,100	11,250
	<u>1,789,107</u>	<u>18,450</u>	<u>1,789,107</u>	<u>18,450</u>

Included in:	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
<b>Amounts owed by related parties</b>				
Fairhold Services Limited	10,966,233	10,540,739	10,966,233	10,540,739
	<u>10,966,233</u>	<u>10,540,739</u>	<u>10,966,233</u>	<u>10,540,739</u>

Included in:	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
<b>Interest receivable:</b>				
Interest receivable from related parties:	144,521	13,973	144,521	13,973
	<u>144,521</u>	<u>13,973</u>	<u>144,521</u>	<u>13,973</u>

**FOR THE YEAR ENDED 31 MAY 2019**[illegible]

The terms of amounts owed from and to related parties and groups are discussed in notes 13 and 15 respectively.

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
<b>Fees receivable from related parties (included in turnover):</b>				
Euro Investments Overseas Limited and subsidiaries	<b>8,000,000</b>	11,000,000	<b>8,000,000</b>	11,000,000
Sunnymist Limited and subsidiaries	<b>48,000</b>	448,000	<b>48,000</b>	448,000
CSTI International Limited	<b>2,000</b>	2,000	<b>2,000</b>	2,000
Companies in other trusts related by common control	<b>1,796,960</b>	1,045,544	<b>1,796,960</b>	1,045,544
	<b>9,846,960</b>	12,495,544	<b>9,846,960</b>	12,495,544

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## VINCOS LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MAY 2019

#### 23. Related party transactions (continued)

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fees payable to related parties</b>				
<b>(included in administrative expenses):</b>				
Prime Estates Property Management Limited	<b>136,500</b>	134,000	<b>136,500</b>	134,000
Fairhold Services Limited	<b>26,146</b>	38,838	<b>26,146</b>	38,838
Rotch Property Group Limited	-	8,353	-	8,353
	<b>162,646</b>	181,191	<b>162,646</b>	181,191

#### 24. Ultimate parent and ultimate controlling party

The immediate parent company is Ciano Investments Limited, a company incorporated in the British Virgin Islands.

The ultimate parent company is Amora Investments Limited, a company incorporated in the British Virgin Islands.

The ultimate controlling party is the Tchenguiz Family Trust.

#### 25. Post balance sheet events

On 29 January 2020, debt that was owed by Vincos Limited to Rotch Property Group Limited and Greenflat Limited (see Note 23) was ultimately assigned to Ciano Investments Limited, the immediate parent company of Vincos Limited. Following this assignment of debt, Vincos Limited issued 40,000,000 ordinary shares of £1 each to Ciano Investments Limited therefore reducing the outstanding creditor balance.