Company Number 05123368

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2018

FOR

CRAVEN HOUSE CAPITAL PLC

CRAVEN HOUSE CAPITAL PLC

CONTENTS OF THE FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 MAY 2018

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2018

DIRECTORS:	Mr R Burrows (resigned October 2018) Mr M J Pajak Mr B S Bindra Mr C P Morrison
SECRETARY:	Mr B Winters
REGISTERED OFFICE:	776-778 Barking Road London E13 9PJ
REGISTERED NUMBER:	05123368 (England and Wales)
AUDITOR:	RBK Business Advisers Chartered Accountants & Statutory Audit Firm Boole House Beech Hill Road Clonskeagh Dublin 4 D04 A563 Ireland
BANKERS:	Royal Bank of Scotland 280 Bishopsgate London EC2M 4RB
NOMINATED ADVISER:	Spark Advisory Partners Ltd 5 St John's Lane London EC1M 48H

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MAY 2018

Dear Shareholder

I am pleased to provide an introduction to the annual report and financial statements for Craven House Capital Plc for the year ending 31 May 2018.

From a transactional perspective there was limited activity during the year, which is reflected in the marginal change in NAV during the period from $25.3m at May 2017 to $24.9m at May 2018. However the year to May 2018 was a very active period for the Company as it embarked on the migration of holdings to publicly listed companies and expansion into North America. Further details of this activity are outlined in the Investment Manager's report below.

After the end of the reporting period, we announced plans to authorise the directors to buy-back and cancel up to $5,000,000 of the Company's common shares. This action is progressing and is now subject of the required court application. We look forward to updating shareholders with our progress in the coming weeks. In addition, we intend to formally evaluate the value and benefit to the Company and our shareholders of maintaining our listing on the AIM. The rationale for this analysis is outlined further in the Investment Managers report below.

Finally, I would like to take this opportunity to thank Mr. Richard Burrows, who stepped down from the board in October following completion of his two-year term. His guidance and experience were a great benefit to the Company and his fellow board members.

Mark Pajak
Acting Chairman

Statement by the Investment Manager

For the year ending 31 May 2018, Craven House Capital Plc (referred to as the "Company" or "Craven") reported an increase in the gross asset value of its holdings from $26.5m to $28.1m, with decreases in the values of our holdings in Craven House Angola Lda and Kwikbuild Corporation more than offset by the increase in the valuation of Qeton Ltd and the valuation of shares in DLC Holdings Corp following the transfer of Craven's holdings in Ceniako Ltd and Craven House Industries Ltd. Overall there was a marginal decrease in NAV during the period from $25.3m at May 2017 to $24.9m; the result of a net increase in amounts owed by the Company to its subsidiaries as funds have been passed to the parent for redeployment (further detailed in note 15 below). Non-related party creditors increased only slightly during the year from $1.1m to $1.2m as of May 2018, $800,000 of which (as previously announced) is in the form of a convertible loan with GEM Investments America not due until 2022. On a per share basis this equated to a 1.6% decrease in NAV from $10.11 per share to $9.95 per share.

2018 was the first full year of operations after our comprehensive restructuring in the year to May 2017. It also marked the first year of expansion into North America. Additionally 2018 represented the first year in which we embarked on our previously announced strategy to migrate our holdings in private companies into holdings in companies listed on a recognised exchange.

All of our investments are held through our 100% owned Irish subsidiary Craven Industrial Holdings Plc. As was the case in previous years, investments are held at fair value in accordance with the IPEVC guidelines. Details of valuation methodologies are provided in the notes to the accounts. A summary of the Company's investments is as follows with further information provided in notes 8 and 14 below;

Investment	**Value at 31 May 2018**	**Value at 31 May 2017**
Shares in Craven Industrial Holdings Plc	$26,993,468	$26,402,875
Comprising:		
Shares in DLC Holdings Corp.	$11,083,190	-
Shares in Qeton Ltd	$1,787,286	$576,079
Shares in Craven House Angola LDA	$8,733,274	$9,247,975
Shares in Craven House Capital North America LLC	$2,677,994	-
Shares in Kwikbuild Corporation Ltd	$2,711,724	$4,775,418
Shares in Ceniako Ltd	-	$3,937,840
Shares in Craven House Industries Ltd	-	$5,365,563
Loans made by Craven Industrial Holdings Plc	-	$2,500,000

DLC Holdings Corp is a Toronto Stock Exchange listed agricultural investment company. At present its assets are comprised of a macadamia processing facility in South Africa and a portfolio of agricultural ocean front land in Brazil. Management are actively analysing further investment opportunities in both developed and emerging markets with a stated desire to diversify across commodities, weather systems and political jurisdictions. Craven, through its subsidiary holdings, remains the controlling shareholder in DLC Holdings Corp. We believe that a listed security whose assets are comprised of unencumbered freehold land will serve as an excellent inflation hedge and store of value over the coming years. This is a long term holding for the Company which we expect will appreciate in value even in times of financial and political crisis. Shares in DLC Holdings Corp are valued on a mark-to-market basis. As of 31 May 2018 shares in DLC were trading at CAD$0.25 per share. As of the date of this report the shares were trading at CAD$0.15 per share.

Qeton Ltd is a joint venture company focusing on the distribution of mobile phones, tablet computers and accessories into emerging markets. As of 31 May 2018, this entity had a cash plus receivables balance of over €1,500,000 and had recorded a profit of €612,753 in the prior twelve months. As long as the target markets where Qeton imports its products remain capital constrained this will prove a lucrative trading opportunity.

Craven House Angola continued to provide local currency financing to local subsidiaries of US and European companies in the consumer electronic and energy sectors. Angola remains a challenging operating environment with strict capital controls which constrain commerce. Our partners in Angola continue to operate successfully despite the exogenous forces which have debilitated many of their competitors. The banking system and access to foreign currency is entirely dependent on the sale of petroleum for export. Our ability to place loans under attractive terms is inextricably linked to the shortages of hard currency. These shortages are the result of falling oil prices and ill-timed borrowings by the Angolan government to be repaid to their Chinese creditors in barrels of oil. If the price of oil increases and the Angolan current account recovers our financing may no longer be needed. It is our belief that this is likely within the next twenty-four months and will also coincide with the lifting of capital controls. If this were to happen we will likely repatriate our funds in Angola and seek opportunities elsewhere.

Kwikbuild Corporation Ltd saw a reduction in its fair value during the year. The majority of this reduction resulted from payments received from a non-performing loan portfolio (as previously announced), the proceeds of which were passed up to the parent company for redistribution.

Craven House Capital North America is a newly formed subsidiary which will hold our North American investments. As of the end of May 2018 its principal investment was in the shares of IIU Inc. IIU is engaged in the provision of short-term international medical insurance. We believe the market for medical insurance internationally is growing and the company is in a position to expand its sales and marketing efforts into new markets. Craven House believes its experience in multiple emerging markets will aid the company in its expansion efforts. Craven House Capital North America is also actively exploring other opportunities in listed securities and real estate.

Outlook

We remain engaged in the search for value investments. For the past several years the search was met by what can only be described as an equal measure of exasperation and frustration. Investors unfamiliar with our gloomy view of the investment landscape are well served to read the investment managers reports from the last four years in which we outline our inability to comprehend emerging or developed market valuations in both the private and public markets. In the last year's report we wrote the following;

"We believe this is the most difficult environment to find value in the public and private equity and credit markets we have ever experienced. Asset valuations are at almost incomprehensible levels while, in our view, global political risk and systemic financial risk is at at-least a fifty year high. Neither the possibility of a major market correction nor a destabilising political event is priced into any market. We believe the current situation is best characterised as "The Everything Bubble".... We are long-term deep value investors.... This strategy requires both the willingness to walk away from most investment opportunities and patience once capital is deployed. Most importantly, it requires the discipline to abstain from a market when we cannot understand or justify prevailing valuations."

Since we penned the above there has been a reluctant and modest market realisation that perhaps the liquidity driven rise in asset prices is unsustainable. Argentina's 7.5% century bond we discussed last year may well prove to be the high water mark for financial folly. We continue to plan for falling markets. We believe we have reached an inflection point. Where in the recent past the markets rise seemed impervious to bad news or geopolitical uncertainty, we suspect the near future will see markets react violently to anything less than an ideal economic or political situation. We expect global investment performance to be driven more by capital flows out of risk assets than by economic fundamentals. Naturally, we could be wrong but we are preparing for opportunities created by wild swings in asset prices as algorithms trigger large scale liquidations which in turn drive investors towards the perceived safety of liquid sovereign debt.

As mentioned last year, we are starting to see pockets of value in corners of the market such as US and UK microcap companies. Companies with market capitalisations of less than $50 million have been ignored or abandoned by investors. Some have been passed over for good reason but others have fallen through the cracks caused by the move to indexation, passive investing and the liquidity driven algorithms that comprise much of the modern day trading volume. We believe an activist approach in small companies with very low amounts of management shareholding could prove lucrative over time.

The Big Picture: Politics and Demographics

As indicated above, we remain concerned that investors and capital allocators seem content to ignore fundamental shifts in the economic and geopolitical landscape. The majority of asset managers seem to have succumbed to the availability heuristic when it comes to putting funds to work. Like the commuter who regularly runs an early morning stop sign and thinks it is safer because "there is never anyone on this road" investors are eager to stick with what is working.

These investors seem not to have noticed that the political order is changing significantly. Having spent a significant time over the past year in the US this change seems more stark than when viewed from the UK or Hong Kong. The popular press and social media seem content to blame the current geopolitical situation on an outsized personality driving an unpopular agenda from the White House. Our sense, having travelled the nation in search of acquisitions, is that the majority of Americans believe that the post World War II order no longer benefits them. It is important to understand that the Breton Woods economic system based on global trade was primarily a national security policy from the American perspective. The US government willingly subsidised the growth of allied nations through trade and aid in order to maintain a Cold War state of equilibrium and ensure access to essential energy resources. The US government willingly agreed to fund the costs of trade through security agreements, naval protection of trade lanes and trading regimes unfavourable to the US. They did this to deter the communist nuclear threat. We believe it is important to understand that Americans, both political and civilian, never believed they benefited economically from the trading regime of the past six decades. Americans viewed the trade regime as a way of ensuring peace and prosperity by lifting those potentially hostile to their interests, out of desperate poverty and ensuring the flow of vital energy resources.

Outside of North America the consensus opinion has long been that the US has always enjoyed throwing its weight around militarily, politically and more recently through financial regulation. Since the end of the Cold War it was seen as a vulgar and arrogant victory lap. However, this attitude is changing rapidly. It is not just the current White House that is re-thinking the benefits of a global military presence; it is the nation at large. A war weary nation is drifting rapidly towards a policy of isolationism. Most unusually it is a view held across the political spectrum. With the US having achieved energy independence it seems that the outrage of the G7 leaders is not aimed at a single head of state but rather a new economic and political reality. The US citizenry no longer feels it is in its interest to fund what they believe is the antiquated Breton Woods era order. They are especially outraged at the continental Europeans who many Americans feel are generally hostile ingrates with short memories. As unpopular as George W. Bush and the Iraq war has become, many Americans on the right and left are indignant at how the French and the Germans failed to support the effort and yet expect the US to fund NATO and provide trade incentives with the EU that are last vestiges of the Marshall Plan.

There is much talk about the "trade war" with China. It is unpopular internationally but that does not mean it is not effective. Quite the opposite, it is easily survivable by the US but catastrophic to the Chinese who are already struggling with slower growth and rising internal indebtedness. Importantly our estimation is that Americans from all walks of life except those who work in finance and the media believe that China has taken advantage of America either through the "China price" which bankrupted American industry or through corporate espionage and intellectual property theft. There is a groundswell of support for tough policies targeting China even by those who find the current White House administration lacking in almost every other way. We believe this will have lasting ramifications well beyond the current political cycle. This will put further strain on China's already shaky banking system. It will also result in slower job growth as US corporations fearful of further tensions between the countries relocate operations and choose subcontractors within the NAFTA zone. Even if there is a "truce" in the US China "trade war" this trend will not reverse anytime soon and the shift will only intensify.

It is not only Europe and China that are rapidly realising the significance of an American shift in policy. Emerging markets, especially those who borrow in US dollars, are the first to feel the pain when the Federal Reserve raises rates. Importantly, it is the Breton Woods inspired global order that has allowed the growth in emerging market economies. What is Russia, Angola or Nigeria without global energy markets? Where is Brazil and Argentina without international credit and global agricultural markets? Emerging markets around the world have based their economic system on the export of raw materials and the importation of the goods demanded by a rising middle class. The system is currently on an unstable foundation. America, through the less-than-subtle actions of the current administration, has put the world on notice that the current system is about to change. The United States is the only region in the world that can provide for its energy and food needs internally and within its immediate sphere (NAFTA) and can produce enough goods and services to grow the economy. The US is the least trade dependent major economy in the world. In 2017 only 8.2% of GDP came from merchandise exports and a third of that was within NAFTA. We do not believe this inward economic policy shift can be discounted as the misguided tantrum of an individual who is temporarily in power. We believe the expectation that international trade and security relationships will revert to previous arrangements as soon as the US electoral system rights itself, is erroneous. From an economic and military security standpoint the US is on the verge of having global reach yet no significant global interests. This is a precarious situation for billions of people in the parts of the world that are entirely dependent on global security and trade previously guaranteed by the US at no cost. Investors must take this into account.

As the old adage goes, demographics are destiny. Our analysis of the demographic data reveals that the US is not only the preeminent provider of global capital but also the preeminent global consumer. This is largely because of two large generations at the top and the bottom of the demographic chart. The baby boomers provide the capital while the millennials provide the consumer appetite. This is in stark contrast to the rest of the developed world where the millennial generation is nowhere near large enough to sustain a domestic consumption based economy.

Continental Europe and China have a significant demographic handicap. An older population consumes less thereby creating a greater need to find export markets for domestic manufacturers. Robotics can eliminate the stresses of a shrinking workforce but robots don't buy what they produce. Europe and China have a top- heavy demographic inverted pyramid combined with export driven economies and heavily protected domestic markets. The lack of productive earners in comparison from ageing recipients of entitlements is exacerbated by increased spending requirements on security. Europe is dependent on both the security pledges and market access provided by the US. They cannot afford to shore up their periphery banks and pay for their own defence. China is an export driven economy which needs the US market for their manufactured goods and the foreign capital generated by export sales. Without either, the Chinese economic and social stability is under threat. Clearly both Europe and China are right to be concerned that the US is the only country which has the demographic and economic capacity to absorb their exports exactly at the point in time where Americans are less likely to support such arrangements.

American Baby Boomers financed the last two booms chasing that magical few percentage points needed to retire in comfort. This large capital rich demographic has created an unprecedented investment pool which has been hampered by its own success. The sheer size of these funds combined with abnormally low rates has pushed these near retirees further and further out on the risk curve. Petrified by the losses in '08 and '09 but emboldened by a belief that central bankers had their backs they chased the returns across the globe. Unable to match inflation with bank deposits and government bonds, the boomers and the institutions that manage their pensions pushed up asset prices across the globe. The velocity of capital increased as cheap money and a fast approaching retirement age incentivised the boomers to invest while they still had earning power. However, by 2022 the majority of boomers will be in retirement. The home bias and risk aversion will set in naturally as well as the statutory requirements which force the liquidation of tax advantaged retirement accounts. This will pull an extraordinary amount of funds from the capital markets.

The dichotomy of an inward focused, self-sufficient US economy and the soon to be withdrawn investment capital of the baby boomers presents a very interesting investment opportunity. As mentioned previously, equity markets in the developed world have moved away from traditional analysis of individual companies. Capital is directed either to passive index funds which are designed to provide the investor with the average return of a particular grouping or increasingly to algorithmic trading strategies that base purchases and sales of securities primarily on price action rather than the underlying performance of a company. We believe that a great deal of the stock market performance over the past decade has been driven by fund flows rather than economic or operational performance. Many small companies are all but un-investible if they are not represented in an index or lack the trading volume to attract the algorithms. This will only increase as the demographics outlined above force capital from equities into liquid safe havens.

We believe demographic and political shifts will provide exciting opportunities in North America where a sustainable economy combined with withdrawal of capital from the equity markets will offer great value for activist investors interested in taking influential board level stakes in small profitable companies. We also believe there will be an opportunity to purchase private companies at compelling valuations from the retiring baby boomers who have no natural exit. We believe that a strategy of buying both public and private companies in North America over the next decade will provide exceptional returns on capital.

If the change in the traditional trade and security alliances plays out as we expect, emerging markets will once again be priced at the appropriate discount to justify the inherent risks involved. A capital exodus is likely already underway and many of those who rushed into unfamiliar markets in search of a two hundred basis point arbitrage opportunity may find themselves with an expensive education in the effects of foreign capital flows. We are still on the lookout for compelling opportunities in emerging markets and believe several such as Mexico, Brazil, Poland and Argentina will offer up bargains in the near future as foreign investors flee in large numbers. When valuations are very low we will be buyers of assets because these countries benefit from positive demographics and self-sufficiency. For example Argentina, although struggling with the aftermath of two decades of profligate socialist government policy, exhibits many of the characteristics of the US. It is food and energy self sufficient, has no military threat for thousands of miles, has a young population and ample territory. Argentina at the bottom of a cycle can be very compelling.

Share Buy Backs

Finally, as announced previously, the Company plans to begin a program of repurchasing its shares for cancellation. The prospective resulting capital reduction requires court approval before any share buyback can be commenced and the matter will be going through the requisite court procedure during December. At prevailing prices Craven House shares trade at a steep discount to their intrinsic value. It is a complicated and involved process to first gain shareholder approval and then court approval to repurchase shares and cancel them. This process is ongoing and we are confident this will happen in due course. Buying back shares will create long term value for those shareholders who share our vision and have the patience to wait for opportunities to unfold. We believe that as existing investments are realised a portion of the proceeds can be utilised for further external investment and a portion will be used to retire shares as long as Craven House shares continue to trade at a discount. We, as the asset manager, will not be selling any shares and will likely be acquiring more shares in the market when it is permissible under the rules of the exchange. We continue to believe in the ability of the Company to achieve above average long-term returns.

The Value of an AIM Quote

Each year in this letter we actively caution prospective shareholders and existing shareholders not to purchase Craven House shares if they expect price appreciation or need liquidity in the near or medium term. Clearly our strategy, while increasing the value of the Company, does not resonate with other market participants. Maintaining an AIM quotation is costly and at times the restrictions of the AIM rules have prevented the consummation of what we believe were attractive investments. In particular the cost prohibitive fees associated with a reverse takeover have hampered the growth of the Company. As defined by the AIM, a reverse takeover is in effect the same as a new listing requiring an admission document and all the associated legal fees of an IPO. Given that one of the Class Tests states that any transaction larger than 100% of the market capitalisation constitutes a reverse takeover, this has hampered our ability to transact using our shares as acquisition capital. With Craven House shares trading at such a significant discount, we have been forced to abandon transactions and missed opportunities to create shareholder value.

This combined with a general lack of market interest in what we do has called into question the value of remaining an AIM quoted company. Most of our larger shareholders are not concerned with the market price of the shares. They share our long term view that the price is not indicative of the value of the Company. The price of our shares often swings up or down more than twenty percent on a trade as little as a few hundred or thousands of dollars. Foreign investors complain regularly that they cannot purchase AIM shares through their brokers. Annual costs to remain a listed company are at least $200,000, which may be better utilised as investment capital. We have previously been able to raise capital at a premium to the prevailing share price and use our shares as acquisition currency. This is no longer the case. In liaison with the board we therefore intend to formally evaluate the question of remaining an AIM quoted company. Any future decision on maintaining the AIM listing will be put to a shareholder vote in due course. Desmond Holdings will abstain from any future voting on the matter and will continue with whatever shareholders believe is the best way forward. Our intention is to hold our shares in Craven House indefinitely regardless of its status as a quoted company. In many ways relinquishing the quote would allow for a more dynamic company and the ability to share more with our shareholders without the restrictions associated with an AIM listing. We do, however, realise there are a number of smaller shareholders and the quotation may be important part of their investment requirements. As such we will defer to other shareholders which way they believe is best for the Company.

Desmond Holdings Ltd
Investment Manager to Craven House Capital Plc

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MAY 2018

The directors present the Strategic Report of Craven House Capital plc for the year ended 31 May 2018.

Principal activity
The Company's Investing Policy is to invest in or acquire a portfolio of companies, partnerships, joint ventures, businesses or other assets globally in any geographic jurisdiction. The Company will invest in both developed and developing markets and may from time to time invest in special situations including distressed equity and debt. The investments or acquisitions may be funded wholly by cash, the issue of new shares or debt, or a mix thereof, as the Board deems appropriate. The Company's equity interest in a proposed investment may range from a minority position to 100% ownership; the proposed investments may be either quoted or unquoted, although will likely be unquoted in the majority of cases. It is anticipated that the investments will be held for the medium-to-long term but the Board will place no minimum or maximum limit on the length of time that any investment may be held. The Company intends to deliver Shareholder returns through capital growth with a medium term objective of implementing a dividend policy.

Key performance indicators considered by the Company
The Company focuses on the key performance areas as outlined in its Investing Policy and concentrates on the Net Asset Value of investments, calculated on a per share basis. The Company's Investment Manager, Desmond Holdings Ltd, submits regular management reports to the Board of Directors, which includes a calculation of the Company's Net Asset Value. During the year NAV per share decreased by 1.6% from \$10.11 per share in May 2017 to \$9.95 per share in May 2018. The slight decrease in NAV per share was the result of increases in gross assets being offset by increases in payables and long-term creditors.

Review of the Business in the year
A comprehensive review of the Company's performance and business activities is included in the Investment Manager's Report above. Craven House continued to seek to acquire businesses in emerging and developed markets utilising its AIM quoted shares as acquisition currency. We also continue to target businesses with distressed shareholders in need of rapid liquidity. In April 2018, the Company successfully completed the transfer of its shareholdings in Ceniako Ltd and Craven House Industries Ltd to DLC Holdings Corp, a company listed on the Toronto Stock Exchange. Craven House also incorporated a new subsidiary, Craven House Capital North America LLC, to act as a holding company for the anticipated increased level of investment activity in North America. The Company also successfully completed the acquisition of a profitable insurance broker in May 2018. The status of the underlying investments of Craven Industrial Holdings Plc are disclosed in further detail in note 8 and note 14 below.

Position of the Company's business at the end of the year
The Company's NAV decreased slightly from \$25.3 million to \$24.9 million during the year. Total liabilities relative to assets remain low; creditors external to the Company totaled \$1.6m at the year end, \$800,000 of which is in the form of a convertible loan not due until 2022. The Company maintains minimal cash reserves as excess cash is deployed for investment at the subsidiary level. Sufficient cash is available to the Company from its subsidiaries to ensure it is able to meets its liabilities as they fall due. The Company has no employees; the majority of overhead expenditure relates to regulatory, accounting and audit costs.

Principal risks and uncertainties facing the business
The principal risks to the business continue to be the inherent instability in some of the markets in which we operate. Our strategy is directly exposed to swings in currencies, political and economic instability. Our continued focus on emerging markets and distressed sellers in developed markets expose the Company to these type of risks. These are risks that the Company actively seek as they provide the opportunity to acquire assets at a discount to their intrinsic value utilising our share capital at a premium to market prices.

Corporate governance
The directors place a high degree of importance on ensuring that high standards of Corporate Governance are maintained and have therefore chosen to apply the framework as provided by the Quoted Companies Alliance Corporate Governance Code (2018) (the 'QCA Code'). Further details are available on the Company's website.

Mr M J Pajak – Director of behalf of the Board **Date: 28th November 2018**

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MAY 2018

The directors present their annual report with the audited financial statements of the Company for the year ended 31 May 2018.

DIVIDENDS
No dividends have been distributed during the year ended 31 May 2018. A fair review of the business and disclosure of the Company's activities and principal risks and uncertainties are included in the Investment Manager's Report and the Strategic Report.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the note 16 to the financial statements.

DIRECTORS
The directors who held office during the year were;

Mr R Burrows (resigned October 2018)
Mr M J Pajak
Mr B S Bindra
Mr C P Morrison

Directors' remuneration and details of service contracts are given in note 3 to the financial statements.

POLITICAL AND CHARITABLE CONTRIBUTIONS
No charitable or political donations were made during the year.

FINANCIAL RISK MANAGEMENT POLICIES
Information on the use of financial instruments by the Company and its management of financial risk is disclosed in note 14 to the financial statements.

FUTURE DEVELOPMENTS
In the coming year the Company will continue to execute its ongoing investment strategy by seeking transformative acquisition targets. Details of post year end transactions are disclosed in note 16.

SIGNIFICANT SHAREHOLDERS
Shareholders with holdings of more than 3% of the Company as of the date of this report are as follows;

Vidacos Nominees Ltd – 12.6%
Chase Nominees Ltd – 12.3%
WB Nominees Ltd – 12.3%
Mr. Martin Brink – 9.6%
Desmond Holdings Ltd – 9.4%*
Xenod Tour Oikod Epeix Afon – 8.2%
Ferlim Nominees 3.6%
Platform Securities Ltd – 3.2%
HSBC Client Holdings Nominee (UK) – 3.2%

*Connected to Mark Pajak, Non-Executive Director and Acting Chairman

DIRECTOR SHAREHOLDINGS
Shareholdings in the Company by directors as of the date of this report are as follows;

Mr B S Bindra – 9,536 ordinary shares of $1.00
Mr C P Morrison – 2,452 ordinary shares of $1.00

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 Company, and of the profit or loss for that period. In preparing these financial statements, the directors are required to:

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITOR

The auditor, Grant Thornton, resigned during the year and RBK Business Advisers, Chartered Accountants & Statutory Audit Firm ("RBK") were appointed. RBK will be proposed for re-appointment in accordance with Section 489 of the Companies Act 2006 at the forthcoming Annual General Meeting.

M. P

Mr M J Pajak – Director of behalf of the Board **Date: 28th November 2018**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRAVEN HOUSE CAPITAL PLC

Opinion

We have audited the financial statements of Craven House Capital plc (the 'company') for the year ended 31 May 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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, as applied to SME listed entities 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	*Description of risk*	*How the scope of our audit addressed the risk*
Investment valuation For the financial year ended 31 May 2018, investments measured at fair value amounted to $26,993,468 which represents 95% of total assets.	The company's assessment of the valuation of investments measured at fair value requires significant judgement.	Our audit work included but was not restricted to: • We reviewed the high level controls in operation in relation to investment valuations;

Key audit matters	*Description of risk*	*How the scope of our audit addressed the risk*
Investment valuation (continued) The valuation of investments is considered a key audit matter as investments represent significant balances on the statement of financial position.	There is a risk that the application of an inappropriate valuation methodology and/or the use of inappropriate assumptions could result in the valuation of investments being materially misstated as at 31 May 2018.	• We considered if the company's valuation policy is in line with The International Private Equity and Venture Capital Valuation (IPEV) guidelines and IFRS; • We reviewed and assessed the reasonableness of the assumptions applied in the investment managers' valuation memo for the financial year ended 31 May 2018; • For investments valued on a net assets basis, we reviewed the relevant financial statements and material assets and liabilities were selected for substantive testing; and • For listed investments, we obtained the share price from an independent third party and recalculated the valuation as at 31 May 2018.
Investment ownership and existence The ownership and existence of investments are considered a key audit matter as investments represent 95% of total assets on the statement of financial position.	There is a risk that the company does not own the rights to the investments or that the investments do not exist at the year ended 31 May 2018.	Our audit work included but was not restricted to: • We reviewed the predecessor auditor's work papers to verify the opening balances; • Shareholder registers were reviewed to confirm the shares were held by the company; • Shareholder and purchase agreements were reviewed to establish ownership; • Certificates of incorporation were reviewed for investments acquired during the financial year; and • Confirmations from independent third parties were reviewed where relevant and available.

This is not a complete list of all risks identified by our audit.

Our application of materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the company's financial statements as a whole to be $269,900. In determining this, we considered a range of benchmarks with specific focus on the financial assets at the statement of financial position date. This materiality level represents 1% of financial assets.

We report to the Audit Committee all identified unadjusted errors in excess of $13,500 which is set at 5% of planning materiality. Errors below that threshold would also be reported if, in our opinion as auditor, disclosure was required on qualitative grounds.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the company and its environment, including controls and assessing the risks of material misstatements.

We carried out a full scope audit of the company's financial statements. This included specific audit procedures where the extent of our audit work was based on our assessment of the risks of material misstatement.

All audit work to respond to the risks of material misstatement were performed directly by the audit engagement team. We set out the key audit matters that had the greatest impact on our audit strategy and scope within the key audit matters section below.

Other information

The other information comprises the information included in the Chairman's Statement, the Investment Manager's Report, the Strategic Report and the Report of the Directors. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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 Statement of Directors' Responsibilities set out on page 11, 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: https://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.

Brendan Mullally

Brendan Mullally

Senior Statutory Auditor
for and on behalf of RBK Business Advisers
Chartered Accountants & Statutory Audit Firm
Boole House, Beach Hill Office Campus
Beach Hill Road
Clonskeagh
Dublin 4
D04 A563
Ireland

Date: 28/11/2018

CRAVEN HOUSE CAPITAL PLC

INCOME STATEMENT
FOR THE YEAR ENDED 31 MAY 2018

	Notes	2018 $'000	2017 $'000
CONTINUING OPERATIONS			
Changes in fair value		**590**	3,354
Other operating income		**3**	-
Administrative expenses		**(988)**	(535)
OPERATING (LOSS)/PROFIT		**(395)**	2,819
Finance costs	4	**-**	(11)
Other gains	5	**-**	240
(LOSS)/PROFIT BEFORE INCOME TAX	5	**(395)**	3,048
Income tax	6	**-**	-
(LOSS)/PROFIT FOR THE YEAR		**(395)**	3,048
(Loss)/profit per share expressed in cents per share:			
Basic and diluted	7	**(15.80)**	135.98

The notes on pages 21 to 39 form part of the financial statements.

CRAVEN HOUSE CAPITAL PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2018

	2018 $'000	2017 $'000
(LOSS)/PROFIT FOR THE YEAR	**(395)**	3,048
Items that will be reclassified subsequently to profit or loss		
Foreign exchange difference arising on change in presentation currency	-	184
TOTAL COMPREHENSIVE INCOME RECOGNISED	**(395)**	3,232

The notes on pages 21 to 39 form part of the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2018

	Notes	2018 $'000	2017 $'000
ASSETS			
NON-CURRENT ASSETS			
Investments at fair value through profit or loss	8	**26,993**	26,403
		26,993	26,403
CURRENT ASSETS			
Trade and other receivables	9	**924**	75
Cash and cash equivalents	10	**213**	11
		1,137	86
TOTAL ASSETS		**28,130**	26,489
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	**12,594**	12,594
Share premium		**25,128**	25,128
Accumulated deficit		**(12,857)**	(12,462)
TOTAL EQUITY		**24,865**	25,260
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	**2,465**	1,229
NON-CURRENT LIABILITIES			
Loans and borrowings	13	**800**	-
TOTAL LIABILITIES		**3,265**	1,229
TOTAL EQUITY AND LIABILITIES		**28,130**	26,489

Approved and authorised for issue by the Board on 28th November 2018 and signed on its behalf by:

M. P...

....

Mr M J Pajak - Director

The notes on pages 21 to 39 form part of the financial statements.

CRAVEN HOUSE CAPITAL PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2018

	Called up share capital $'000	Share premium $'000	Reserves $'000	Accumulated deficit $'000	Total $'000
Balance at 1 June 2016	13,445	15,706	(184)	(18,157)	10,810
Changes in equity					
Issue of share capital	1,033	11,685	-	-	12,718
Transactions with owners	14,478	27,391	(184)	(18,157)	23,528
Profit for the year	-	-	-	3,048	3,048
Foreign exchange difference arising on change in functional currency	(1,884)	(2,263)	184	2,647	(1,316)
Balance at 31 May 2017	12,594	25,128	-	(12,462)	25,260
Changes in equity					
Issue of share capital	-	-	-	-	-
Transactions with owners	12,594	25,128	-	(12,462)	25,260
Loss for the year	-	-	-	(395)	(395)
Balance at 31 May 2018	12,594	25,128	-	(12,857)	24,865

The notes on pages 21 to 39 form part of the financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MAY 2018

	Notes	2018 $'000	2017 $'000
Cash flows from operating activities			
(Loss)/profit before income tax		**(395)**	3,048
Adjustments for non-cash items			
Finance costs		-	11
Fair value movement arising on investments		**(590)**	(3,354)
(Increase)/decrease in trade and other receivables		**(849)**	311
Increase in trade and other payables		**1,236**	484
Satisfaction of debt by way of share issue		-	(240)
Increase in loans and borrowings		**800**	-
Foreign exchange		-	(1,350)
Net cash generated by/(used in) operating activities		**202**	(1,090)
Cash flows from investing activities			
Equity investment		-	(10,245)
Acquisition of investments		**(2,500)**	(131)
Proceeds from disposal of investments		-	563
Proceeds from loan advances repaid		**2,500**	734
Net cash used in investing activities		-	(9,079)
Cash flows from financing activities			
Proceeds from issue of share capital		-	10,245
Repayment of convertible loans		-	(160)
Net cash from financing activities		-	10,085
Net increase/(decrease) in cash and cash equivalents		**202**	(84)
Cash and cash equivalents at the beginning of the year	10	**11**	95
Cash and cash equivalents at the end of the year	10	**213**	11

The notes on pages 21 to 39 form part of the financial statements.

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS as adopted by the EU.

Craven House Capital plc is a public company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on the company information page. The Company is listed on the AIM Market of the London Stock Exchange (ticker: CRV).

The directors have considered the definition of an investment entity in IFRS 10 as well as the associated application guidance. The directors consider that the Company has met the definition of an investment entity. The significant judgments and assumptions made by the directors in determining that the Company is an investment entity are that; it has obtained funds from investors (its shareholders) and is providing those investors with investment management services; it commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and it measures and evaluates the performance of substantially all of its investments on a fair value basis.

The main accounting implications for the preparation of the accounts as an investment entity are that the accounts are not prepared on a consolidated basis. Instead the Company's investments in its subsidiaries are accounted for at fair value through its profit and loss account.

The financial statements have been prepared under the historical cost convention, except to the extent varied below for fair value adjustments required by accounting standards, and in accordance with applicable International Financial Reporting Standards (IFRS) as adopted for use by the European Union. The principal accounting policies are set out below.

The financial statements are presented in US dollars which is the Company's functional currency. Amounts are rounded to the nearest thousand, unless otherwise stated.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Investment Manager's Report. The financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk. The Company has considerable financial resources. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

The Company maintains minimal cash reserves as excess cash is deployed for investment at the subsidiary level. There are some restrictions on the ability of certain subsidiaries to freely transfer funds to the Company. Capital controls in the respective jurisdictions mean that transfers to the Company from Craven House Angola LDA and the subsidiaries of Kwikbuild Corporation Ltd in South Africa mean that transfers must be authorised by the respective central banks in these locations. However, in addition to the cash on the Company's balance sheet, sufficient cash is freely available to the Company from its subsidiaries (in the form of inter-company loans or dividends) to ensure it is able to meet its liabilities as they fall due and the restrictions described do not ultimately place any risks to the operations / going concern status of the Company.

There are currently no commitments to provide support to any subsidiary, however the Company may elect to provide capital to its subsidiaries at any time to further its stated Investing Policy.

1. ACCOUNTING POLICIES – continued

The Company has applied for the first time certain amendments to the standards
Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses* (effective for annual periods beginning on or after 1 January 2017, endorsed by the European Union on 6 November 2017).

Amendments to IAS 7 *Disclosure Initiatives* (effective for annual periods beginning on or after 1 January 2017, endorsed by the European Union on 6 November 2017).

None of these amendments have had an effect on the Company's financial position and performance.

The following new and revised standards and interpretations have not been adopted by the Company, whether endorsed by the European Union or not
IFRS 15 *Revenue from Contracts with Customers* (effective for annual periods beginning on or after 1 January 2018, endorsed by the European Union on 22 September 2016).

IFRS 9 *Financial Instruments* and subsequent amendments (effective for annual periods beginning on or after 1 January 2018, endorsed by the European Union on 22 November 2016).

Amendments to IFRS 2 *Classification and Measurement of Share-Based Payment Transactions* (effective for annual periods beginning on or after 1 January 2018, endorsed by the European Union on 26 February 2018).

Annual improvements to IFRS Standards 2014-2016 Cycle (effective for annual periods beginning on or after 1 January 2018, endorsed by the European Union on 7 February 2018).

IFRIC 22 Foreign Currency Transactions and Advance Consideration (effective for annual periods beginning on or after 1 January 2018, endorsed by the European Union on 28 March 2018).

IFRIC 23 *Uncertainty Over Income Tax Treatments* (effective for annual periods beginning on or after 1 January 2019, not yet endorsed by the European Union).

Annual improvements to IFRS Standards 2015-2017 Cycle (effective for annual periods beginning on or after 1 January 2019, not yet endorsed by the European Union).

The Company has not assessed the impact of the adoption of these standards and interpretations on its financial statements on initial adoption.

Financial assets
Purchases or sales of financial assets are recognised at the date of the transaction. Where appropriate criteria are met, the Company makes use of the option of designating fixed asset investments upon initial recognition as financial assets at fair value through profit or loss. These criteria include that the fixed asset investment should meet the Company's published Investing Policy and form part of the Company's managed portfolio or similar investments. Such financial assets are carried at fair value and movements in fair value are recognised through profit and loss. For quoted securities, fair value is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted.

Measurement
Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed through profit and loss. Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value in accordance with International Private Equity and Venture Capital Valuation ("IPEVCV") guidelines, as the Company's business is to invest in financial assets with a view to profiting from their total return in the form of capital growth and income. Gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in the period in which they arise.

1. ACCOUNTING POLICIES - continued

Valuation of investments
A number of the Company's assets are measured at fair value for financial reporting purposes. The Investment Manager determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Investment Manager uses market-observable data to the extent it is available. The Investment Manager reports its findings to the Board of Directors of the Company every quarter to explain the cause of fluctuations in the fair value of the assets.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 8 and 14.

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements for those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly; and

Level 3 fair value measurements are those derived from inputs that are not based on observable market data.

a) Quoted investments

Where investments are quoted on recognised stock markets and an active market in the shares exists, the company values those investments at closing mid-market price on the reporting date. Where an active market does not exist those quoted investments are valued by the application of an appropriate valuation methodology as if the relevant investment was unquoted.

b) Unquoted investments

In estimating the fair value for an unquoted investment, the Company applies a methodology that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the total investment portfolio using reasonable data, market inputs, assumptions and estimates. Any changes in the above data, market inputs, assumptions and estimates will affect the fair value of an investment.

Financial liabilities and equity
Financial liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Financial liabilities are measured subsequently at amortised cost using the effective interest method.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities.

In accordance with IFRIC 19, when a financial liability is extinguished by the issue of equity, the equity instrument issued is measured at fair value and any difference between the financial liability extinguished and the measurement of the equity instrument is recognised in profit and loss

1. ACCOUNTING POLICIES - continued

Revenue recognition
Revenue recognition depends on the type of revenue concerned:

- Management fees are recognised as they are earned;
- Interest income is recognised as finance income using the effective interest rate model; and
- Investments are held at fair value and are revalued continually with any net change in fair value recognised in profit or loss.

The above policies on revenue recognition result in both deferred and accrued income.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax at rates substantively enacted at the statement of financial position date.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have enacted by the statement of financial position date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences between the Company's taxable profits and its results as stated in the financial information that arises from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial information. A deferred tax asset is only recognised for an unused tax loss carried forward if it is considered probable that there will be sufficient future taxable profits against which the loss can be utilised.

Foreign currencies
In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur; which form part of the net investment in a foreign operation and which are recognised in the foreign currency translation reserve.

For the purposes of presenting US dollar financial statements, the assets and liabilities of the Company's foreign operations are expressed using exchange rates prevailing at the statement of financial position date. Income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and recognised in a foreign currency translation reserve.

1. ACCOUNTING POLICIES – continued

Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the directors. The directors, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the senior management that make strategic decisions.

Critical accounting estimates and judgements
Preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Further information regarding the assumptions relied upon and sensitivity analysis around these assumptions is provided in note 14 below.

In particular, significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements relate to the valuation of investments.

The Company has made a number of investments in the form of equity instruments in private companies operating in emerging markets. The investee companies are generally at a key stage in their development and operating in an environment of uncertainty in capital markets. Should planned development prove successful, the value of the Company's investment is likely to increase, although there can be no guarantee that this will be the case. Should planned development prove unsuccessful, there is a material risk that the Company's investments may be impaired. The carrying amounts of investments are therefore highly sensitive to the assumption that the strategies of these investee companies will be successfully executed.

The directors have also determined that the Company meets IFRS 10's definition of an investment company and that the functional currency is appropriate given that underlying transactions, events and conditions that are most likely to impact on the Company's performance are more closely linked to the US dollar than GB sterling.

2. SEGMENTAL REPORTING

The operating segment has been determined and reviewed by the directors to be used to make strategic decisions. The directors consider there to be a single business segment being that of investing activities, therefore there is only one reportable segment.

3. EMPLOYEES AND DIRECTORS

	2018	2017
	$'000	$'000
Wages and salaries – directors' remuneration	114	104

The average monthly number of employees (including directors) during the year was as follows:

	2018	2017
Directors	4	4

The Company has no employees other than the directors.

Directors' remuneration is analysed as follows;

	2018	2017
	$'000	$'000
Fees:		
Mr R Burrows*	50	33
Mr M J Pajak	58	63
	108	96
Share based payments:		
Mr B S Bindra	3	3
Mr C P Morrison	3	5
	6	8
Total	114	104

*2017 *remuneration* previously reported as share-based payment

The service contracts of the directors who served during the year are as follows:

	Basic annual fee
Mr R Burrows	$50,000
Mr M J Pajak	£43,000
Mr B S Bindra	$6,000**
Mr C P Morrison	$6,000**

** Payable in new ordinary shares of the company at $1.00 per share

Desmond Holdings Ltd is the Company's Investment Manager. The directors are the key management of the Company. There were no directors (2017: none) to whom retirement benefits were accruing under money purchase schemes.

4. FINANCE COSTS

	2018	2017
	$'000	$'000
Loan interest	-	11
	-	11

5. (LOSS)/PROFIT BEFORE INCOME TAX

The (loss)/profit before income tax is stated after charging / (crediting):

	2018	2017 (restated)
	$'000	$'000
Rental charges	48	40
Fees payable to the Company's auditor for the audit of the Company's annual accounts	29	25
Foreign exchange losses/(gains)	61	(1,350)
Other gains arising on the satisfaction of debt by way of issue of ordinary share capital (restated)	-	(240)

6. INCOME TAX

Analysis of charge in the year

	2018	2017
	$'000	$'000
Current tax:	-	-
Deferred tax	-	-
Tax on (loss)/profit on ordinary activities	-	-

	2018	2017
	$'000	$'000
(Loss)/profit on ordinary activities before tax	(395)	3,048

Analysis of charge in the year

	2018	2017
	$'000	$'000
(Loss)/profit on ordinary activities multiplied by the Company's rate of corporation tax in the UK of 19% (2017: 20%)	(75)	610
Effects of:		
Losses carried forward/(utilised)	75	(610)
Current tax charge for the year as above	-	-

At 31 May 2018, the Company had UK tax losses of $3,258,487 (2017: $2,207,836) available to be carried forward and utilised against future taxable profits. A deferred tax asset of $619,113 (2017: $441,567) has not been recognised due to uncertainties over the timing of when taxable profits will arise.

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share has not been disclosed as the inclusion of the unexercised warrants described in note 11 would be non-dilutive.

7. EARNINGS PER SHARE - continued

Reconciliations are set out below.

	Earnings $'000	2018 Weighted average number of shares	Per-share amount cents
Basic EPS			
Earning attributable to ordinary shareholders	(395)	2,499,039	(15.80)

	Earnings $'000	2017 Weighted average number of shares	Per-share amount cents
Basic EPS			
Earning attributable to ordinary shareholders	3,048	2,241,518	135.98

8. INVESTMENTS

Investments at fair value through profit or loss

The Company adopted the valuation methodology prescribed in the IPEVCV guidelines to value its investments at fair value through profit and loss.

The Company had the following holdings at 31 May 2018:

Subsidiary Name	Holding	Principal Place of Business	Ownership Interest
Craven Industrial Holdings Plc	Direct	Ireland	100%
DLC Holdings Corp.	Indirect	Canada	68%
Qeton Ltd	Indirect	Ireland	50%
Craven House Angola LDA	Indirect	Angola	100%
Craven House Capital North America LLC	Indirect	USA	100%
Kwikbuild Corporation Ltd	Indirect	Isle of Man	97%

8. INVESTMENTS -continued

Investments at fair value through profit or loss

	Quoted equity investments $'000	Unquoted equity investments $'000	Total $'000
At 1 June 2016	-	8,119	8,119
Additions	-	16,531	16,531
Disposals	-	(1,601)	(1,601)
Fair value movement	-	3,354	3,354
At 31 May 2017	-	26,403	26,403
Additions	9,033	2,500	11,533
Disposals	-	(11,533)	(11,533)
Fair value movement	2,050	(1,460)	590
At 31 May 2018	11,083	15,910	26,993

Additions and disposals include the non-cash transfer of the Company's holdings in Craven House Industries Ltd and Ceniako Ltd to Toronto Stock Exchange listed entity, DLC Holdings Corp., for a combined consideration of $9,033,471.

Also included within additions and disposals is a loan of $2,500,000 which was repaid to the Company during the year, the proceeds of which, through the Company's US subsidiary, were used to acquire the entire share capital of IIU Inc.

8. INVESTMENTS - continued

Following a corporate restructuring undertaken during 2016, investments and loans were transferred from Craven House Capital Plc to its wholly owned subsidiary, Craven Industrial Holdings Plc. The revaluation outlined above therefore represents the valuation applied to the resulting investments held by Craven Industrial Holdings Plc or its subsidiaries as at 31 May 2018 and are described in further detail below.

Unquoted investments at 31 May 2018 have been measured on a Level 3 basis as no observable market data was available.

Shares in Craven Industrial Holdings Plc are valued at $26,993,468 representing a 100% holding. These have been valued based on the underlying investments within Craven Industrial Holdings Plc as at 31 May 2018. The value of Craven Industrial Holdings Plc is segmented across its principal investments as follows:

Shares in DLC Holdings Corp. are valued at $11,083,190 representing 13,676,700 common shares and 43,785,206 preferred shares, which are freely convertible into common shares. Shares in DLC Holdings Corp. are quoted on the Toronto Stock Exchange and were valued at $CAD 0.25 per share as at 31 May 2018.

Shares in Qeton Ltd are valued at $1,787,286 representing a 50% holding. This shareholding has been valued on an earnings multiple basis which the directors consider represents the best indication of the fair value at the year end. Qeton Ltd. generated EBITDA earnings of €612,753 during the year to 31 May 2018. Shares in Qeton Ltd have been valued at 5x EBITDA earnings. Qeton Ltd has no debt and no material liabilities.

Shares in Craven House Angola LDA are valued at $8,733,274 representing a 100% holding. This shareholding has been valued on the net assets of Craven House Angola LDA, which the directors consider represents the best indication of the fair value at the year end. The vast majority of the net assets of Craven House Angola LDA comprise principal and accrued interest on loan facilities made to companies operating in Angola. As of 31 May 2018 all of these loans are performing according to their contractual terms and have therefore been valued at face value plus accrued interest. Craven House Angola LDA has no debt and no material liabilities.

Shares in Craven House Capital North America LLC are valued at $2,677,994 representing a 100% holding. This shareholding has been valued on the net assets of Craven House Capital North America LLC, which the directors consider represents the best indication of the fair value at the year end. The vast majority of the assets of Craven House Capital North America LLC comprise shares in IIU, Inc (acquired in May 2018 and valued on a 'price-of-recent-investment' basis). Excluding amounts owed to the Company, Craven House Capital North America LLC has no debt and no material liabilities.

Shares in Kwikbuild Corporation Ltd are valued at $2,711,724 representing a 97% shareholding. This valuation is based on the value of the net assets of KwikBuild Corporation Ltd, which the directors believe represent the best indication of the fair value at the year-end. The vast majority of the net assets of Kwikbuild Corporation Ltd comprise shares in its wholly owned South African subsidiary, which are valued on a net asset basis. The South African subsidiary's assets comprise loan facilities, which are performing according to their contractual terms and real-estate holdings valued on market-comparables. Kwikbuild Corporation Ltd has no debt and no material liabilities.

9. TRADE AND OTHER RECEIVABLES

	2018	2017
	$'000	$'000
Current:		
Amounts owed by connected parties	900	61
Prepayments and accrued income	24	14
	924	75

Amounts owed by connected parties are interest free and repayable on demand.

10. CASH AND CASH EQUIVALENTS

	2018	2017
	$'000	$'000
Cash in bank	213	11

The amounts disclosed in the statement of cash flows in respect of cash and cash equivalents are in respect of the following statement of financial position amounts:

Year ended 31 May 2018

	31.5.18	1.6.17
	$'000	$'000
Cash and cash equivalents	213	11

Year ended 31 May 2017

	31.5.17	1.6.16
	$'000	$'000
Cash and cash equivalents	11	95

11. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid

Equity shares Number:	Class:	Nominal Value:	2018 $'000	2017 $'000
2,499,039	Ordinary	$1.00	2,437	2,437
77,979,412	Deferred	£0.09	9,234	9,234
77,979,412	Deferred	£0.009	923	923
			12,594	12,594

11. CALLED UP SHARE CAPITAL – continued

The aggregate nominal values of the ordinary and deferred shares include exchange differences arising from the translation of shares at historic rates and the translation at the rate prevailing at the date of the change in functional currency.

The deferred shares carry no entitlement to receive notice of any general meeting, to attend, speak or vote at such general meeting. Holders are not entitled to receive dividends and, on a winding up of the Company, holders of deferred shares are entitled to a return of capital only after the holder of each Ordinary share has received a return of capital together with a payment of £1 million per share. The deferred shares may be cancelled at any time for no consideration by way of a reduction in capital.

In the year ended 31 May 2018, the Company extended the time scale of 78,632 fully transferable exercisable warrants which were originally issued in the year ended 31 May 2012. At the date of issue, the warrants could be exercised on or before 30 June 2014, this period has now been extended to 30 June 2020. The warrants are exercisable at a price of $15.00 per share.

12. TRADE AND OTHER PAYABLES

	2018	2017
	$'000	$'000
Current:		
Trade payables	445	959
Amounts owed to connected parties	1,688	-
Accruals and deferred income	332	270
	2,465	1,229

Amounts owed to connected parties are interest free and repayable on demand.

13. LOANS AND BORROWINGS

	2018	2017
	$'000	$'000
Non-current:		
Other loans	800	-

During the year the Company entered into a $800,000 convertible loan note by way of settlement of a supplier's outstanding fees in the sum of £600,000. The note holder, GEM Investments America, has the right to convert the note at any time prior to maturity.

The loan note bears no interest and has a five year term.

14. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

Management has adopted certain policies on financial risk management with the objective of:

i. ensuring that appropriate funding strategies are adopted to meet the Company's short-term and long-term funding requirements taking into consideration the cost of funding, gearing levels and cash flow projections;

ii. ensuring that appropriate strategies are also adopted to manage related interest and currency risk funding; and

iii. ensuring that credit risks on receivables are properly managed.

Financial instrument by category

The accounting policies for financial instruments have been applied to the line items below:

Financial assets at fair value through profit or loss

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 fair value measurements for those derived from inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly; and

Level 3 fair value measurements are those derived from inputs that are not based on observable market data.

14. FINANCIAL INSTRUMENTS - continued

Unquoted equity investments held at fair value through profit or loss are valued in accordance with the IPEVCV guidelines as follows;

Investment valuation methodology	**2018 $'000**	2017 $'000
Quoted prices (unadjusted) (level 1)	11,083	-
Present value of future cash flows (level 2)	-	2,500
Earnings multiple basis (level 3)	1,787	
Net Assets (level 3)	14,123	23,903
	26,993	26,403

IFRS 13 and IFRS 7 requires the directors to consider the impact of changing one or more of the inputs used as part of the valuation process to reasonable possible alternative assumptions.

In relation to the Level 1 investment listed above, a 10% change in the share price of DLC Holdings Corp. would result in a decrease or increase in the valuation of this investment of $1,108,319. Shares in DLC Holdings Corp. are quoted in Canadian Dollars; a 10% fluctuation in the exchange rate between the US Dollar and the Canadian Dollar would result in a decrease or increase in the valuation of this investment of $1,007,563.

The Level 3 valuations listed above include inputs based on non-observable market data as outlined in note 8 above. The Investment Manager has derived a fair value for these investments based on the value of the underlying net assets of the respective investments and / or has considered prospective enterprise values for these investments from the perspective of a market participant.

The directors have considered a number of reasonable possible alternative assumptions regarding the value of the Level 3 investments. IFRS 13 requires an entity to disclose quantitative information about the significant unobservable inputs used.

A summary of the unobservable inputs, judgements and estimates made in relation to the Level 3 investments is as follows:

The valuation the Company's shareholding in Qeton Ltd is estimated on an earnings multiple basis. The Investment Manager has applied a 5x multiple of EBITDA earnings. This is judged to be a conservative and reasonable multiple. A 10% change in EBITDA earnings would result in a decrease or increase in the valuation of this investment of $178,729. Whilst foreign exchange fluctuations might impact Qeton Ltd's sales volumes, its sales and cost of sales are tied to US Dollars.

The valuation of Craven House Angola LDA is based on its net asset value as of 31 May 2018. These net assets almost exclusively comprise a portfolio of loan facilities. These loans have performed in accordance with their agreed, contractual terms and the respective borrowers' creditworthiness continues to be satisfactory. Therefore the Investment Manager has judged that outstanding principal of these loans and any accrued interest is a reasonable basis for valuation of the net assets of Craven House Angola LDA. The loans are either in US Dollars or are at pre-determined exchange rates tied to the US Dollar. It has been assumed that these loans continue to perform in accordance with their contractual terms and that losses associated with any unforeseen event of default are recovered from the security associated with the respective loans.

The valuation of Craven House North America LLC is based on its net asset value as of 31 May 2018. 89% of the net assets of Craven House Capital North America LLC are based on the value of the shares of IIU, Inc., which were acquired during May 2018. There has been no material changed to IIU, Inc's underlying business since acquisition and therefore a 'price of recent investment' basis is judged to be an appropriate valuation methodology.

14. FINANCIAL INSTRUMENTS – continued

Shares in KwikBuild Corporation Ltd are valued based on net asset value as of 31 May 2018. Over 95% of these net assets comprise the value of its shares in its wholly-owned South African subsidiary which are also valued on a net asset basis. 35% of the subsidiary's net assets comprise real-estate assets, which have been valued based on market comparables; A 10% fluctuation on the value of these real estate assets would result in a decrease or increase in the valuation of Kwikbuild Corporation of $95,453. The remaining assets of the subsidiary comprise a loan facility. The loan (denominated in US Dollars) has performed in accordance with its agreed, contractual terms and the borrowers' creditworthiness continues to be satisfactory. Therefore the Investment Manager has judged that the outstanding principal of this loan and accrued interest is a reasonable basis its valuation. It has been assumed that this loan continues to perform in accordance with its contractual terms and that losses associated with any unforeseen event of default are recovered from the security associated with the loan.

The valuation method applied to each equity investment is that which is considered most appropriate with regard to the stage of development of the investee business and the IPEVCV guidelines.

All other financial instruments, including cash and cash equivalents, trade and other receivables, trade and other payables and loans and borrowings, are measured at amortised cost.

Due to their short-term nature, the carrying values of cash and cash equivalents, trade and other receivables, trade and other payables and loans and borrowings approximates their fair value.

Credit risk

The Company's credit risk is primarily attributable to other receivables. Management has a credit policy in place and the exposure to credit risks is monitored on an ongoing basis. In respect of other receivables, individual credit evaluations are performed whenever necessary. The Company's maximum exposure to credit risk is represented by loans, both those held as unquoted investments and included in other receivables, and cash balances. The Company monitors the financial position of borrowing entities on an ongoing basis and is satisfied with the quality of the debt. Investment of surplus cash balances are reviewed on an annual basis by the Company and it is satisfied with the choice of institution.

Interest rate risk

The Company currently operates with positive cash and cash equivalents as a result of issuing share capital in anticipation of future funding requirements. As the Company has no borrowings from the bank and the amount of deposits in the bank are not significant, the exposure to interest rate risk is not significant to the Company.

Liquidity risk

The Company manages its liquidity requirements by the use of both short-term and long-term cash flow forecasts. The Company's policy to ensure facilities are available as required is to issue equity share capital in accordance with agreed settlement terms with vendors or professional firms, and are typically due within one year unless otherwise stated.

The Company maintains minimal cash reserves as excess cash is deployed for investment at the subsidiary level. Sufficient cash is available to the Company from its subsidiaries to ensure it is able to meets its liabilities as they fall due.

14. FINANCIAL INSTRUMENTS – continued

The table below summarises the maturity profile of the Company's financial liabilities based on contractual discounted payments.

Year ended 31 May 2018	On demand $'000	Less than 3 months $'000	3 to 12 months $'000	More than 12 Months $'000	Total $'000
Trade payables	445	-	-	-	445
Other payables	1,688			-	1,688
Accruals and deferred income	332	-	-	-	332
Loans and borrowings	-	-	-	800	800
	2,465	-	-	800	3,265
Year ended 31 May 2017					
Trade payables	959	-	-	-	959
Accruals and deferred income	270	-	-	-	270
	1,229	-	-	-	1,229

Price risks

The Company's securities are susceptible to price risk arising from uncertainties about future value of its investments. This price risk is the risk that the fair value of future cash flows will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual investment or financial instrument or its holder or factors affecting all similar financial instruments or investments traded in the market.

During the year under review, the Company did not hedge against movements in the value of its investments. A 10% increase/decrease in the fair value of investments would result in a $2,699,347 (2017: $2,640,288 increase/decrease in the net asset value).

While investments in companies whose business operations are based in emerging markets may offer the opportunity for significant capital gains, such investments also involve a degree of business and financial risk, in particular for unquoted investments.

Generally, the Company is prepared to hold unquoted investments for a medium to long time frame, in particular if an admission to trading on a stock exchange has not yet been planned. Sale of securities in unquoted investments may result in a discount to the book value.

Currency risks

The Company is exposed to foreign currency risk on its investments held at fair value and adverse movements in foreign exchange rates will reduce the values of these investments. There is no systematic hedging in foreign currencies against such possible losses on translation/realisation.

Foreign exchange volatility is significantly reduced following the transition to US Dollar as the Company's currency exposures are now more closely matched to its functional and reporting currency. The Company's exposure to other foreign currency changes is not deemed to be material as the vast majority of the Company's underlying investments are US Dollar based.

14. FINANCIAL INSTRUMENTS – continued

Capital management

The Company's financial strategy is to utilise its resources to further grow its portfolio. The Company keeps investors and the market informed of its progress with its portfolio through periodic announcements and raises additional equity finance at appropriate times. The Company regularly reviews and manages its capital structure for the portfolio companies to maintain a balance between the higher shareholder returns that might be possible with certain levels of borrowing for the portfolio and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure of the portfolio in the light of changes in economic conditions. Although the Company has utilised loans from shareholders to acquire investments, it is the Company's policy as far as possible to finance its investing activities with equity and not to have gearing in its portfolio.

At the statement of financial position date the capital structure of the Company consisted of borrowings disclosed in note 13, cash and cash equivalents and equity comprising issued capital and reserves.

The table below sets out the Company's classification of each class of financial assets/liabilities, their fair values (where appropriate) and under which valuation method they are valued:

	Note	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total carrying amount and Fair Value $'000
31 May 2018					
Loans and receivables					
Trade and other			-	-	
receivables	9	-	-	924	924
Cash and cash equivalents	10	213	-	-	213
		213	-	924	1,137
Liabilities at amortised cost					
Trade and other payables	12	-	-	(2,465)	(2,465)
Loans and borrowings	13	-	-	(800)	(800)
		-	-	(3,265)	(3,265)
Fair value through profit and loss					
Investments	8	11,083	-	15,910	26,993
		11,296	-	13,569	24,865
31 May 2017 (Restated)					
Loans and receivables					
Trade and other		-	-	75	75
receivables	9				
Cash and cash equivalents	10	11	-	-	11
		11	-	75	86
Liabilities at amortised cost					
Trade and other payables	12	-	-	(1,229)	(1,229)
Fair value through profit and loss					
Investments	8	-	2,500	23,903	26,403
		11	2,500	22,749	25,260

15. RELATED PARTY DISCLOSURES

During the year, the Company entered into the following transactions with related parties:

Loan to Craven Industrial Holdings Plc
During the year, the Company made a number of loans to its subsidiary Craven Industrial Holdings Plc. At the year end the outstanding balance was $38,969 (2017: $50,595).

Loan to Craven House Capital North America LLC
During the year, the Company made a number of loans to its subsidiary Craven House Capital North America LLC. At the year end the outstanding balance was $793,629 (2017: $Nil).

Loan *from* Craven House Angola LDA
During the year, the Company received a number of loans from its subsidiary Craven House Angola LDA. At the year end the outstanding balance was $896,781 (2017: $Nil).

Loan from Kwikbuild Corporation Ltd
During the year, the Company received a number of loans from its subsidiary Kwikbuild Corporation Ltd. At the year end the outstanding balance was $785,294 (2017: $Nil).

All loans are interest free and repayable on demand.

Sales to 7Mobile LDA
During the year, the Company's subsidiary, Qeton Ltd, made sales totalling €1,761,013 to 7Mobile LDA. 7Mobile LDA shares a director with Craven House Capital Angola LDA. At the year end, amounts receivable by Qeton Ltd. from 7Mobile LDA were €1,485,747.

Management fees payable to Desmond Holdings Limited
Desmond Holdings Limited, the Investment Manager of the Company, is related to the Company by virtue of Mr M J Pajak's common directorship. During the year, the Company incurred management fees of $244,029 (2017: $215,985) from Desmond Holdings Limited. At the year end, an amount of $402,400 (2017: $161,089) was due to Desmond Holdings Limited.

Directors and key management
All key management personnel are directors and appropriate disclosure with respect to them is made in note 3 of the financial statements. There are no other contracts of significance in which any director has or had during the year a material interest.

16. EVENTS AFTER THE REPORTING PERIOD

24 August 2018: The Company passed a resolution to grant the Company the general and unconditional authority to purchase and cancel up to $5,000,000 of its own ordinary common shares. This is currently subject to the approval of a reduction in capital by the High Court.

14 November 2018: The Company acquired 640,000 common shares of LM Funding America, Inc. (NASDAQ: LMFA).