

COMPANY REGISTRATION NUMBER: 05433451



Basset & Gold Plc
Financial Statements
30 September 2017



SHAW WALLACE
Chartered accountant & statutory auditor
43 Manchester Street
London
W1U 7LP

Basset & Gold Plc
Financial Statements
Year ended 30 September 2017

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Basset & Gold Plc

Officers and Professional Advisers

The board of directors	D Smith G Hadas
Company secretary	David Malcolm Kaye
Registered office	23 Finsbury Circus London United Kingdom EC2M 7EA
Auditor	Shaw Wallace Chartered accountant & statutory auditor 43 Manchester Street London W1U 7LP
Solicitors	New Laws Legal 6 Percy Street London W1T 1DQ

Basset & Gold Plc

Strategic Report

Year ended 30 September 2017

Fair review of the business

The company provides marketplace lenders and UK businesses with asset-backed financing and investment capital. Since 2016, the company has been issuing bonds in order to boost its operations. The bonds are promoted to the public and corporate investors by Basset Gold Ltd, operating as an appointed representative of an FCA authorised entity. The company is pleased to announce that after the year-end, an associate company, B&G Finance Ltd, obtained its own FCA authorisation and is now responsible for the promotion of the bonds.

The company derives its profit from the margin between the interest that it receives from its financing and investment activities and its cost of capital. Basset & Gold Plc has had a successful year, with positive outcomes for growth in revenue, profitability and shareholders' equity.

This performance stems from an outstanding growth in demand for its bonds, which has allowed it to increase its revenue and the associated gross profit margin.

The directors are confident that the company will continue to benefit from material growth in these underlying metrics in the coming years which will result in very positive outcomes for revenue, profitability and shareholders' equity.

Principal risks and uncertainties

The company faces a number of business risks and uncertainties and is affected by the general economic climate, in common with many firms. Principal risks are as follows -

Loan default

The key risk that the company faces is the recoverability of its monies advanced under the indirect financing facility (capital and interest payments). Though to date the company has not suffered any defaults or losses, it also puts in place asset-backed securities and additional forms of protection that should in the opinion of the directors provide security for the monies advanced.

Regulation and reputational risk

Personal finance is one of the most highly regulated commercial sectors in the UK, which results in significant compliance challenges for all companies operating therein. While the company itself is not an FCA authorised entity, it does rely on a small number of associate entities (which are either FCA authorised themselves or act as appointed representatives of other FCA authorised companies) acting together to help clients find safe homes for their savings. Any break in the chain, from these associate entities suffering repercussions from some FCA censure, could result in a disruption to its sales (demand for its bonds, however this should not affect the solvency of the company but only its future growth).

Key performance indicators

When evaluating the company's business activities, there are several key performance indicators that in the opinion of the directors provide a view of the ongoing performance of the company's business activities. The company's activities are affected on the one hand by the amount of capital available and the associated growth through new issuance of bonds and other potential financing and on the other hand on the performance of its investments and debt facilities.

In terms of the company's financing, it is the directors opinion that if the company continues to raise financing at its current pace that for the next few years then the company will continue to see growth through the effective "stacking" of its income that is spread over several years. In the event that the company shows growth in terms of new funds available to it, the company's income growth should be sustainable for a longer period of time.

With regards to the company's investments and debt financing activities, the key performance indicator is loan performance, including but not limited to the principal and interest repayments and their punctuality. To date the company has not suffered any delays or defaults in this regard however it is an area that is closely monitored by the directors of the company.

Basset & Gold Plc

Strategic Report *(continued)*

Year ended 30 September 2017

Future developments

As noted in the previous year's financial statements, the directors wanted to seize on the impressive demand shown for their bonds during the period to 30 September 2016. The directors are pleased to report that this objective was achieved and, in fact, the demand in the year-ended 30 September 2017 was even greater than had been forecast and, therefore, confidently restate this objective for the upcoming year.

Financial instruments

The company does not enter into any designated hedging transactions and conducts, save for a trivial number of items of a trivial amount, all of its transactions in sterling.

This report was approved by the board of directors on 30 March 2018 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'D Smith', written in a cursive style.

D Smith
Director

Basset & Gold Plc

Directors' Report

Year ended 30 September 2017

The directors present their report and the financial statements of the company for the year ended 30 September 2017.

Principal activities

The company provides marketplace lenders and UK businesses with asset-backed financing and investment capital.

Directors

The directors who served the company during the year were as follows:

D I Sordo	
D Smith	(Appointed 30 December 2016)
C Savva	(Resigned 31 October 2016)
P T Hall	(Served from 31 October 2016 to 30 December 2016)
J A Bedford	(Served from 31 October 2016 to 27 January 2017)

Both Mr. Hall and Mr. Bedford were appointed as nominated directors as part of an agreement with their FCA regulated firm that provides Appointed Representatives with a regulatory umbrella. Seeing as this agreement did not develop as expected, the relationship was terminated and the directors were replaced.

Dividends

The directors do not recommend the payment of a dividend.

Financial instruments

Company's objective, policies, strategies and risks with regard to financial instrument can be found in strategic report to the financial statements.

Events after the end of the reporting period

There are no events that have occurred since 30 September 2017 which would make the present financial position materially difference from that shown by the statement of financial position at that date or would require adjustment to or disclosure in the annual financial statements.

Going concern

The directors consider that the Company has adequate capital and liquid resources, an appropriate business model and financial structure and suitable arrangements in place for it to be able to continue in operational existence for the foreseeable future. Therefore the directors believe it appropriate for the financial statements to be prepared on a going concern basis.

Directors' responsibilities statement

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

Basset & Gold Plc

Directors' Report *(continued)*

Year ended 30 September 2017

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 30 March 2018 and signed on behalf of the board by:



D Smith
Director

Basset & Gold Plc

Independent Auditor's Report to the Members of Basset & Gold Plc

Year ended 30 September 2017

Opinion

We have audited the financial statements of Basset & Gold Plc (the 'company') for the year ended 30 September 2017 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Basset & Gold Plc

Independent Auditor's Report to the Members of Basset & Gold Plc *(continued)*

Year ended 30 September 2017

Emphasis of matter

In forming our opinion, which is unmodified, on the financial statements we draw attention to Note 11 to the financial statements. The Investment comprises entirely of loans to River Bloom Ltd, an associated special purpose vehicle company domiciled in Cyprus. The valuation and recoverability of this loan from River Bloom Ltd is predicated on its financial strength. While the co-terminous audited financial statements of this entity are not available, the directors of Basset & Gold Plc have carried out a thorough impairment review of its profitability, solvency and liquidity and are satisfied it maintains its ability to service the facility.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Basset & Gold Plc

Independent Auditor's Report to the Members of Basset & Gold Plc *(continued)*

Year ended 30 September 2017

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Basset & Gold Plc

Independent Auditor's Report to the Members of Basset & Gold Plc *(continued)*

Year ended 30 September 2017

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hitesh Gadhia (Senior Statutory Auditor)

For and on behalf of
Shaw Wallace
Chartered accountant & statutory auditor
43 Manchester Street
London
W1U 7LP



30 March 2018

Basset & Gold Plc
Statement of Comprehensive Income
Year ended 30 September 2017

		Year to 30 Sep 17 £	Period from 1 May 15 to 30 Sep 16 £
Turnover	Note 4	633,836	44,231
Cost of sales		<u>356,619</u>	<u>15,291</u>
Gross profit		277,217	28,940
Administrative expenses		<u>145,652</u>	<u>69,297</u>
Operating profit/(loss)	5	131,565	(40,357)
Profit/(loss) before taxation		<u>131,565</u>	(40,357)
Tax on profit/(loss)	8	<u>17,819</u>	—
Profit/(loss) for the financial year and total comprehensive income		<u>113,746</u>	<u>(40,357)</u>

All the activities of the company are from continuing operations.

The notes on pages 14 to 19 form part of these financial statements.

Basset & Gold Plc
Statement of Financial Position
30 September 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	2,204	–
Current assets			
Debtors	10	743,668	545,258
Investments	11	11,935,199	1,667,708
Cash at bank and in hand		542,735	1
		<u>13,221,602</u>	<u>2,212,967</u>
Creditors: amounts falling due within one year	12	<u>5,166,961</u>	<u>8,058</u>
Net current assets		<u>8,054,641</u>	<u>2,204,909</u>
Total assets less current liabilities		<u>8,056,845</u>	<u>2,204,909</u>
Creditors: amounts falling due after more than one year	13	<u>7,933,456</u>	<u>2,195,266</u>
Net assets		<u>123,389</u>	<u>9,643</u>
Capital and reserves			
Called up share capital	15	50,000	50,000
Profit and loss account	16	73,389	(40,357)
Shareholders funds		<u>123,389</u>	<u>9,643</u>

These financial statements were approved by the board of directors and authorised for issue on 30 March 2018, and are signed on behalf of the board by:



D Smith
Director

Company registration number: 05433451

The notes on pages 14 to 19 form part of these financial statements.

Basset & Gold Plc
Statement of Changes in Equity
Year ended 30 September 2017

	Called up share capital £	Profit and loss account £	Total £
At 1 May 2015	1	–	1
Loss for the year	<u>–</u>	(40,357)	(40,357)
Total comprehensive income for the year	–	(40,357)	(40,357)
Issue of shares	49,999	–	49,999
Total investments by and distributions to owners	49,999	–	49,999
At 30 September 2016	50,000	(40,357)	9,643
Profit for the year	<u>–</u>	113,746	113,746
Total comprehensive income for the year	–	113,746	113,746
At 30 September 2017	<u>50,000</u>	<u>73,389</u>	<u>123,389</u>

The notes on pages 14 to 19 form part of these financial statements.

Basset & Gold Plc
Statement of Cash Flows
Year ended 30 September 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit/(loss) for the financial year	113,746	(40,357)
<i>Adjustments for:</i>		
Depreciation of tangible assets	735	–
Tax on profit/(loss)	17,819	–
Accrued expenses	12,216	5,000
<i>Changes in:</i>		
Trade and other debtors	(198,410)	(545,258)
Trade and other creditors	10,867,058	2,198,324
Cash generated from operations	10,813,164	1,617,709
Net cash from operating activities	<u>10,813,164</u>	<u>1,617,709</u>
Cash flows from investing activities		
Purchase of tangible assets	(2,939)	–
Purchases of other investments	(10,267,491)	(1,667,708)
Net cash used in investing activities	<u>(10,270,430)</u>	<u>(1,667,708)</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	–	49,999
Net cash from financing activities	<u>–</u>	<u>49,999</u>
Net increase in cash and cash equivalents	542,734	–
Cash and cash equivalents at beginning of year	1	1
Cash and cash equivalents at end of year	<u>542,735</u>	<u>1</u>

The notes on pages 14 to 19 form part of these financial statements.

Basset & Gold Plc
Notes to the Financial Statements
Year ended 30 September 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 23 Finsbury Circus, London, EC2M 7EA, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost convention, as modified by the measurement of certain financial assets and liabilities using the effective interest rate method.

Amounts are reported in Sterling GBP, which is the presentational and functional currency of the company.

Going concern

The directors consider that the Company has adequate capital and liquid resources, an appropriate business model and financial structure and suitable arrangements in place for it to be able to continue in operational existence for the foreseeable future and therefore believe it appropriate for the financial statements to be prepared on a going concern basis.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover represents interest receivable on amounts loaned to a related undertaking (an associate company registered in Cyprus) and is measured using the effective interest rate method and is recognised on an accruals basis.

Cost of sales

Cost of Sales represents finance costs which are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

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Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Office equipment - 25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Basset & Gold Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

3. Accounting policies *(continued)*

Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as other debtors and creditors, amounts due and from associate undertakings / related parties, loans to associate undertakings / related parties and bonds issued to members of the public / third party entities.

Debt instruments (other than those wholly repayable or receivable within one year) are initially measured at the present value of future cash flows and subsequently at amortised cost using the effective interest rate method. Debt instruments that are payable or receivable within one year are measured initially and subsequently at the undiscounted amount of cash or other consideration expected to be paid or received.

Financial assets that are measured using the effective interest rate method are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

4. Turnover

Turnover arises from:

	Year to 30 Sep 17 £	Period from 1 May 15 to 30 Sep 16 £
Interest	<u>633,836</u>	<u>44,231</u>

The whole of the turnover is attributable to the interest receivable from loans.

5. Operating profit

Operating profit or loss is stated after charging:

	Year to 30 Sep 17 £	Period from 1 May 15 to 30 Sep 16 £
Depreciation of tangible assets	735	–
Fees payable for the audit of the financial statements	<u>14,400</u>	<u>5,000</u>

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017 No.	2016 No.
Management staff	<u>2</u>	<u>2</u>

Basset & Gold Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

6. Staff costs *(continued)*

The aggregate payroll costs incurred during the year, relating to the above, were:

	Year to 30 Sep 17 £	Period from 1 May 15 to 30 Sep 16 £
Wages and salaries	17,619	—
Social security costs	1,518	—
	<u>19,137</u>	<u>—</u>

7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	Year to 30 Sep 17 £	Period from 1 May 15 to 30 Sep 16 £
Remuneration	14,700	—

8. Tax on profit/(loss)

Major components of tax expense

	Year to 30 Sep 17 £	Period from 1 May 15 to 30 Sep 16 £
Current tax:		
UK current tax expense	17,819	—
Tax on profit/(loss)	<u>17,819</u>	<u>—</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2016: the same as) the standard rate of corporation tax in the UK of 19% (2016: 20%).

	Year to 30 Sep 17 £	Period from 1 May 15 to 30 Sep 16 £
Profit/(loss) on ordinary activities before taxation	131,565	(40,357)
Profit/(loss) on ordinary activities by rate of tax	25,653	—
Effect of expenses not deductible for tax purposes	465	—
Effect of capital allowances and depreciation	(430)	—
Utilisation of tax losses	(7,869)	—
Tax on profit/(loss)	<u>17,819</u>	<u>—</u>

Basset & Gold Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

9. Tangible assets

	Equipment £
Cost	
At 1 October 2016	—
Additions	2,939
At 30 September 2017	2,939
Depreciation	
At 1 October 2016	—
Charge for the year	735
At 30 September 2017	735
Carrying amount	
At 30 September 2017	2,204
At 30 September 2016	—

10. Debtors

	2017 £	2016 £
Amounts owed by group undertakings	260,650	487,559
Called up share capital not paid	37,499	37,499
Prepayments	1,710	—
Amount owed by associate undertakings	359,683	—
Other debtors	84,126	20,200
	743,668	545,258

11. Investments

	2017 £	2016 £
Investments	11,935,199	1,667,708

Investment represents series of loans to River Bloom Ltd, an associated special purpose vehicle company domiciled in Cyprus.

12. Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	17,216	5,000
Corporation tax	17,819	—
Social security and other taxes	13,631	—
Accrued bond interest payable	143,766	—
Bonds payable within one year	4,950,100	—
Other creditors	24,429	3,058
	5,166,961	8,058

Basset & Gold Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2017

13. Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bonds	<u>7,933,456</u>	<u>2,195,266</u>

All issued bonds are repayable within five years.

14. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2017 £	2016 £
Financial assets that are debt instruments measured at amortised cost		
Investments	11,935,199	1,667,708
Other	<u>635,666</u>	<u>487,559</u>
	<u>12,570,865</u>	<u>2,155,267</u>
 Financial liabilities measured at amortised cost		
Bonds	<u>12,883,556</u>	<u>2,195,266</u>

15. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

16. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

17. Related party transactions

During the year, £10,267,491 was lent to River Bloom Ltd, an associated special purpose vehicle domiciled in Cyprus. The balance due to Basset & Gold Plc at the year-end was £11,935,199 (2016: £1,667,708). Interest is charged on a monthly basis. The loan can be called in any time and is secured by a debenture of the assets of River Bloom Ltd. Interest received in the year was £633,836 (2016: £44,231).

During the year, Basset & Gold Plc advanced a net amount of £132,744 to other associate companies and group undertakings, resulting in an outstanding balance of £260,650 (2016: £487,550) due from B&G Investments Ltd and £359,683 (2016: £Nil) due from Basset Gold Ltd. No interest was due in respect of the outstanding balance.

18. Controlling party

The company is a wholly owned subsidiary of B&G Investments Ltd, a company incorporated in the Seychelles. The registered office address is PO Box 440,8 Global Gateway, Rue De La Parle, Providence, Mahe, Seychelles. The ultimate controlling party is Mr Hadar Swersky by virtue of his ownership of B&G Investments Ltd.