

COMPANY REGISTRATION NUMBER: 05433451

Basset & Gold Plc
Financial Statements
30 September 2018



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

Basset & Gold Plc
Financial Statements
Year ended 30 September 2018

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	4
Independent auditor's report to the members	6
Statement of income and retained earnings	10
Statement of financial position	11
Statement of cash flows	12
Notes to the financial statements	13

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 accountants & statutory auditor 43 Manchester Street London W1U 7LP
Solicitors	Acuity Law 21 Ganton Street London W1F 9BN

Basset & Gold Plc

Strategic Report

Year ended 30 September 2018

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 a Group company, B&G Finance Limited (FRN:788684).

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. The company 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 FCA authorised firm (B&G Finance Limited) to help clients find safe homes for their savings. Any break in the chain, from the authorised firms 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 2018

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 2017. The directors are pleased to report that this objective was achieved and, in fact, the demand in the year-ended 30 September 2018 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 31 March 2019 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'D Smith', with a long horizontal flourish extending to the right.

D Smith
Director

Basset & Gold Plc

Directors' Report

Year ended 30 September 2018

The directors present their report and the financial statements of the company for the year ended 30 September 2018.

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 Smith	
G Hadas	(Appointed 1 March 2018)
D I Sordo	(Resigned 1 March 2018)

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 2018 which would make the present financial position materially different 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 is 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.

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.

Basset & Gold Plc

Directors' Report *(continued)*

Year ended 30 September 2018

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 31 March 2019 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'D Smith', with a large circular flourish at the start and a wavy line extending to the right.

D Smith
Director

Basset & Gold Plc

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

Year ended 30 September 2018

Opinion

We have audited the financial statements of Basset & Gold Plc (the 'company') for the year ended 30 September 2018 which comprise the statement of income and retained earnings, statement of financial position, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 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.

Emphasis of matter

In forming our opinion, which is unmodified, on the financial statements we draw attention to Note 12 to the financial statements. The Investment comprises almost entirely of loans to River Bloom UK Services Limited, an associated company registered in England. The valuation and recoverability of this loan from River Bloom UK Services Limited is dependent on the financial strength of the counter party to whom it advances investments. Whilst the management accounts of River Bloom UK Services Limited show a neutral position, the directors of Basset & Gold Plc have carried out a thorough impairment review of the profitability, solvency, liquidity, forecasts as well as a review of the unqualified audited accounts of the counter party of River Bloom UK Services Ltd and are satisfied that counter party maintains its ability to service the facility and repay investments to River Bloom UK services Limited.

Basset & Gold Plc

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

Year ended 30 September 2018

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 2018

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 2018

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.

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.



Hitesh Gadhia (Senior Statutory Auditor)

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

31 March 2019

Basset & Gold Plc
Statement of Income and Retained Earnings
Year ended 30 September 2018

	Note	2018 £	2017 £
Turnover	4	2,473,731	633,836
Cost of sales		<u>1,954,931</u>	<u>356,618</u>
Gross profit		518,800	277,218
Administrative expenses		<u>381,077</u>	<u>145,653</u>
Operating profit	5	137,723	131,565
Other interest receivable and similar income	8	<u>235</u>	<u>—</u>
Profit before taxation		137,958	131,565
Tax on profit	9	<u>27,563</u>	<u>17,819</u>
Profit for the financial year and total comprehensive income		<u>110,395</u>	<u>113,746</u>
Retained earnings/(losses) at the start of the year		<u>73,389</u>	<u>(40,357)</u>
Retained earnings at the end of the year		<u>183,784</u>	<u>73,389</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 19 form part of these financial statements.

Basset & Gold Plc
Statement of Financial Position
30 September 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	10	1,469	2,204
Current assets			
Debtors	11	1,174,210	743,668
Investments	12	28,770,299	11,935,199
Cash at bank and in hand		334,683	542,735
		<u>30,279,192</u>	<u>13,221,602</u>
Creditors: amounts falling due within one year	13	<u>2,758,203</u>	<u>5,166,961</u>
Net current assets		<u>27,520,989</u>	<u>8,054,641</u>
Total assets less current liabilities		<u>27,522,458</u>	<u>8,056,845</u>
Creditors: amounts falling due after more than one year	14	<u>27,288,674</u>	<u>7,933,456</u>
Net assets		<u>233,784</u>	<u>123,389</u>
Capital and reserves			
Called up share capital	17	50,000	50,000
Profit and loss account	18	183,784	73,389
Shareholders funds		<u>233,784</u>	<u>123,389</u>

These financial statements were approved by the board of directors and authorised for issue on 31 March 2019, and are signed on behalf of the board by:



D Smith
Director

Company registration number: 05433451

The notes on pages 13 to 19 form part of these financial statements.

Basset & Gold Plc

Statement of Cash Flows

Year ended 30 September 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	110,395	113,746
<i>Adjustments for:</i>		
Depreciation of tangible assets	735	735
Other interest receivable and similar income	(235)	—
Tax on profit	27,563	17,819
Accrued expenses	96,613	12,216
<i>Changes in:</i>		
Trade and other debtors	(430,542)	(198,410)
Trade and other creditors	16,731,814	10,867,058
Cash generated from operations	16,536,343	10,813,164
Interest received	235	—
Tax paid	(17,872)	—
Net cash from operating activities	<u>16,518,706</u>	<u>10,813,164</u>
Cash flows from investing activities		
Purchase of tangible assets	—	(2,939)
Purchases of other investments	(16,835,100)	(10,267,491)
Net cash used in investing activities	<u>(16,835,100)</u>	<u>(10,270,430)</u>
Cash flows from financing activities		
Proceeds from loans from participating interests	108,342	—
Net cash from financing activities	<u>108,342</u>	<u>—</u>
Net (decrease)/increase in cash and cash equivalents	(208,052)	542,734
Cash and cash equivalents at beginning of year	542,735	1
Cash and cash equivalents at end of year	<u>334,683</u>	<u>542,735</u>

The notes on pages 13 to 19 form part of these financial statements.

Basset & Gold Plc
Notes to the Financial Statements
Year ended 30 September 2018

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 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.

Basset & Gold Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

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.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2018 £	2017 £
Interest	<u>2,473,731</u>	<u>633,836</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:

	2018 £	2017 £
Depreciation of tangible assets	735	735
Fees payable for the audit of the financial statements	<u>11,040</u>	<u>14,400</u>

Basset & Gold Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

6. Staff costs

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

	2018 No.	2017 No.
Administrative staff	4	–
Management staff	2	2
	<u>6</u>	<u>2</u>

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

	2018 £	2017 £
Wages and salaries	147,236	17,619
Social security costs	13,008	1,518
Other pension costs	1,839	–
	<u>162,083</u>	<u>19,137</u>

7. Directors' remuneration

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

	2018 £	2017 £
Remuneration	<u>61,534</u>	<u>14,700</u>

8. Other interest receivable and similar income

	2018 £	2017 £
Interest on cash and cash equivalents	<u>235</u>	<u>–</u>

9. Tax on profit

Major components of tax expense

	2018 £	2017 £
Current tax:		
UK current tax expense	27,563	17,819
Tax on profit	<u>27,563</u>	<u>17,819</u>

Basset & Gold Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

9. Tax on profit *(continued)*

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19%).

	2018 £	2017 £
Profit on ordinary activities before taxation	137,958	131,565
Profit on ordinary activities by rate of tax	26,212	25,653
Effect of expenses not deductible for tax purposes	1,211	465
Effect of capital allowances and depreciation	140	(430)
Utilisation of tax losses	—	(7,869)
Tax on profit	27,563	17,819

10. Tangible assets

	Equipment £
Cost	
At 1 October 2017 and 30 September 2018	2,939
Depreciation	
At 1 October 2017	735
Charge for the year	735
At 30 September 2018	1,470
Carrying amount	
At 30 September 2018	1,469
At 30 September 2017	2,204

11. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	798,531	553,864
Called up share capital not paid	37,499	37,499
Prepayments	14,065	1,710
Amount owed by associate undertakings	—	66,469
Accrued interest receivable	272,184	—
Other debtors	51,931	84,126
	1,174,210	743,668

12. Investments

	2018 £	2017 £
Investments	28,770,299	11,935,199

Basset & Gold Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

12. Investments *(continued)*

Investment represents series of loans to River Bloom UK services Limited, an associated company registered in England and Wales under number 10830818.

13. Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed by associate undertakings	108,342	–
Accruals and deferred income	113,829	17,216
Corporation tax	27,510	17,819
Social security and other taxes	44,427	13,631
Accrued bond interest payable	552,526	143,766
Bonds payable within one year	1,849,100	4,950,100
Other creditors	62,469	24,429
	<u>2,758,203</u>	<u>5,166,961</u>

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

	2018 £	2017 £
Bonds	<u>27,288,674</u>	<u>7,933,456</u>

All issued bonds are repayable within five years.

15. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £1,839 (2017: £Nil).

16. Financial instruments

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

	2018 £	2017 £
Financial assets that are debt instruments measured at amortised cost		
Investments	28,770,299	11,935,199
Loans to group undertaking (note 11)	798,531	553,864
Loans to associate undertaking (note 11)	–	66,469
	<u>29,568,830</u>	<u>12,555,532</u>
Financial liabilities measured at amortised cost		
Bonds	29,137,774	12,883,556
Loans from associate undertakings (note 13)	108,342	–
	<u>29,246,116</u>	<u>12,883,556</u>

Basset & Gold Plc

Notes to the Financial Statements *(continued)*

Year ended 30 September 2018

17. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000.00</u>	<u>50,000</u>	<u>50,000.00</u>

18. Reserves

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

19. Related party transactions

During the year, £16,835,030 was lent to River Bloom UK Services Ltd, an associated company registered in England and Wales and under the control of H Swersky. The balance due to Basset & Gold Plc at the year end was £28,770,299 (2017: £11,935,199). 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 UK Services Limited. Interest received in the year was £2,473,731 (2017: £633,836).

Basset & Gold Plc advanced a net amount of £237,219 during the year to B&G Finance Limited, a group company, resulting in an outstanding balance of £237,219 (2017: £nil) due from B&G Finance Limited. No interest was due in respect of the outstanding balance. The transactions comprise advances and net trading transactions. The outstanding balance has reduced after the year end.

Basset & Gold Plc advanced a net amount of £267,998 during the year to Basset Gold Limited, a group company who was previously promoting the bonds, resulting in an outstanding balance of £561,312 (2017: £293,214) due from Basset Gold Limited. No interest was due in respect of the outstanding balance. The transactions comprise advances, settlement of other group balances and net trading transactions. The outstanding balance has reduced after the year end.

Basset & Gold Plc received a net amount of £174,811 during the year from Smart Box Capital Ltd, an associate company under the control of H Swersky, resulting in an outstanding balance of £108,342 (2017: £66,469 receivable) due to Smart Box Capital Ltd. No interest was due in respect of the outstanding balance. The transactions comprise advances, settlement of group balances and net trading transactions.

Basset & Gold Plc received a net amount of £260,650 during the year from B&G Investments Ltd, a group company, resulting in a nil (2017: £260,650) balance at the year end.

20. Controlling party

The company is a wholly owned subsidiary of Basset & Gold International Ltd, a company incorporated in Cyprus. The registered office address is at Arch. Makariou III 140, Raptopoulos Building, Office 301, 3021 Limassol, Cyprus. The ultimate controlling party is Mr Hadar Swersky by virtue of his ownership of Basset & Gold International Ltd.