

Company Registration No. 5956237 (England and Wales)

VISOR CAPITAL (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



VISOR CAPITAL (UK) LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Mr A Andrijanovs Mr S Resegotti |
| Company number | 5956237 |
| Registered office | 96 Great Titchfield Street LONDON W1W 6SQ |
| Auditor | Wilkins Kennedy Audit Services 2nd Floor Regis House 45 King William Street London United Kingdom EC4R 9AN |

VISOR CAPITAL (UK) LIMITED

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VISOR CAPITAL (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business

Visor Capital (UK) Limited ("VCUK") is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom ("UK"). Visor Capital (UK) Ltd is a member of the London Stock Exchange.

Since its foundation in 2006 VCUK has been assisting international investors with access to developing markets in Central Asia. VCUK continue to offer to professional investors investment banking advisory services, execution in equity and fixed income markets, corporate finance and access to debt and equity capital markets. Visor currently trades on an agency and riskless principal basis for professional clients only who are based primarily in the UK, Europe and the emerging markets and who are interested in securities issued by the Emerging markets with a specific focus on Kazakhstan and other Central Asian countries. Within the investment banking area, Visor is continuing to focus on projects in the renewable energy and the energy efficiency sectors where it sees considerable growth opportunities.

VCUK has continued to develop its corporate finance business by working on several mandates covering renewable energy sectors in Kazakhstan and Balkans. We are also constantly reviewing opportunities in assisting our clients in trade finance business.

VCUK constantly works on cost optimisation and has been reviewing its trade execution services to improve efficiency and to increase product and market coverage.

Principal risks and uncertainties

The principal risk is an uncertainty faced by the company due to volatility of revenue flows. This is mitigated by proactive management of the firm's cost base and its regulatory capital.

Key performance indicators

The key performance indicators for the year ended 31 December 2019, with comparatives are stated below:

| | 2019 | | 2018 |
|-----------------------|---------|--|-----------|
| Turnover (£) | 752,537 | | 1,089,605 |
| Net profit/(loss) (£) | 98,017 | | 83,381 |
| Return on Assets | 7.2% | | 6.6% |

STATUTORY DUTIES UNDER s172(1) COMPANIES ACT 2006

The Board of Directors considers, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2019; and in so having regard, amongst other matters to;

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees and consultants
- (c) the need to foster the company's business relationships with suppliers, customers, and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

The Board has developed a rolling business plan which is based around achieving our long-term goal of being regarded as a reliable and innovative investment banking team specializing in the frontier emerging market investment opportunities. The Board understands the importance of engaging with all its stakeholders and regularly discusses issues concerning employees, consultants, clients, suppliers, community and environment, regulators and shareholders which inform its decision-making processes.

VISOR CAPITAL (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Other information and explanations

Employees

Our employees and consultants remain fundamental to the achievement of our business plan. In addition to aiming to be a responsible employer in our approach to pay and benefits, we continue to engage with our team to ascertain which training and development opportunities should be made available to improve our team's productivity and our individual employees' and consultants' potential within the business. In addition to the mandatory training as part of the FCA regulations we encourage and assist employees and consultant to attend industry related conferences and training. As a small business we always communicating and updating our employees and consultants on the company's plans and performance, share ideas and opportunities.

Clients

We will continue to act honestly, fairly and professionally in accordance with the best interests of our clients. Our aim is to understand our client requirements and needs. The company must pay due regard to the information needs of our clients and communicate information to them in a way which is clear, fair and not misleading. We will manage conflicts of interest fairly, both between ourselves and our clients and between a customer and another customer. We will continue to provide the unbiased advice and recommendations on any potential investment opportunities that we introduce.

Suppliers

As a small business working in the investment banking industry, we work with a relatively small number of suppliers. Our aim is to develop and enter into long term agreements with our suppliers as this enables us to develop reliable long term partnerships with our suppliers. We seek to be fair and transparent in our dealings with suppliers.

Environment and community

The Board takes sustainability and environmental responsibility very seriously both in the office and in the markets that we operate. In our business we have been successful in expanding our renewable energy and energy efficiency projects. We successfully closed a \$130 million investment deal for a 100MW wind park in Kazakhstan. The company encourages diversity and inclusion.

Governance and regulation

The Board's intention is to behave responsibly and to ensure that the management team operates the business in a responsible manner, acting with the high standards of business conduct and good governance expected of a business of our nature and size and in full alignment with the rules and guidelines of the Regulators. In doing so, we believe we will achieve our long-term business strategy and also further develop our reputation in our sector.

Shareholders

The interest of the Board and company's main shareholder are fully aligned as the sole beneficiary holder of the company is one of the two directors of the company.

On behalf of the board



Mr A Andrijanovs

Director

29 June 2020

VISOR CAPITAL (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Principal activities

The principal activity of the company continued to be that of an agent dealing in listed stocks.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A Andrijanovs

Mr S Resegotti

Mr A Patel

(Resigned 30 September 2019)

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Research and development

In 2019 the company acquired technological rights to design and manufacturing of a three-wheeler electric vehicle (E3W). VCUK through its subsidiary, E3W Ltd, is currently developing an e-mobility project in Sri Lanka aiming at a simultaneous introduction of vehicles for professional use (in place of the well-known Tuk Tuks, which are now obsolete, polluting and dangerous), a charging network and a battery management program, coupled with an appealing commercial formula that makes the new electric vehicle significantly cheaper than the corresponding internal combustion one. VCUK is working on the ground in partnership with a large industrial conglomerate that is planning to take care of the local production and commercialisation of the vehicle through its distribution network spanning across the country. A strategic partner has already been identified and the company is currently in discussion for them to join the shareholder structure in the next few months to support the next development phase.

Post reporting date events

Statement on Covid 19

While Covid-19 has had a limited impact on our security trading business the virus has had a negative impact on our corporate finance related business. It limited our ability to travel to the markets of Central and SE Asia where we have been active. The virus also delayed closing on some of our deals and work on one of our renewable energy project in Kazakhstan.

While the delay in the deal realization will have a short term impact on our cash flow, we expect deal closing to pick up in the second half of the year as some restriction on travel and business operations are lifted. We expect that any delays in the realization of revenue from deal closing would be compensated from a combination of commission from security trading and a short-term loan.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

VISOR CAPITAL (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Financial Instruments

The company's financial instruments at the balance sheet date comprised cash and liquid resources. The main purpose of these financial instruments is to provide finance for the company's operations.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments for its own account shall be undertaken.

Liquidity risk

The company has significant net cash balances as at the balance date and pursues active working capital management policies to maximise liquid resources.

Foreign currency risk

The company has financial instruments which are denominated in US dollars and in euros. The gains and losses arising from the company's exposure are recognised in the profit and loss account.

On behalf of the board



Mr A Andrijanovs
Director

29 June 2020

VISOR CAPITAL (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the annual 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

VISOR CAPITAL (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VISOR CAPITAL (UK) LIMITED

Opinion

We have audited the financial statements of Visor Capital (UK) Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, 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 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 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

VISOR CAPITAL (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF VISOR CAPITAL (UK) LIMITED

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 and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

VISOR CAPITAL (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF VISOR CAPITAL (UK) LIMITED

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.

Wilks Kennedy Audit Services

**Robin Haslam (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services**

30 June 2020
.....

Statutory Auditor

**2nd Floor
Regis House
45 King William Street
London
United Kingdom
EC4R 9AN**

VISOR CAPITAL (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

| | Notes | 2019 £ | 2018 £ |
|--|-------|------------------|----------------|
| Turnover | 3 | 752,537 | 1,089,605 |
| Cost of sales | | (122,957) | (138,048) |
| Gross profit | | 629,580 | 951,557 |
| Administrative expenses | | (790,311) | (935,259) |
| Other operating income | | - | 100 |
| Operating (loss)/profit | 4 | (160,731) | 16,398 |
| Interest receivable and similar income | 8 | 11,512 | 5,606 |
| Gains from investments | 9 | 247,236 | 61,377 |
| Profit before taxation | | 98,017 | 83,381 |
| Tax on profit | 10 | - | - |
| Profit for the financial year | | 98,017 | 83,381 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

VISOR CAPITAL (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

| | 2019 | 2018 |
|--|---------------|---------------|
| | £ | £ |
| Profit for the year | 98,017 | 83,381 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | 98,017 | 83,381 |

VISOR CAPITAL (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

| | Notes | 2019 £ | £ | 2018 £ | £ |
|---|-------|------------------|-------------------------|------------------|-------------------------|
| Fixed assets | | | | | |
| Intangible assets | 11 | | 92,741 | | - |
| Tangible assets | 12 | | 9,063 | | 6,709 |
| | | | <u>101,804</u> | | <u>6,709</u> |
| Current assets | | | | | |
| Debtors | 14 | 696,052 | | 493,620 | |
| Investments | 15 | 389,686 | | 369,894 | |
| Cash at bank and in hand | | 395,015 | | 497,501 | |
| | | <u>1,480,753</u> | | <u>1,361,015</u> | |
| Creditors: amounts falling due within one year | 16 | (219,584) | | (102,768) | |
| Net current assets | | | <u>1,261,169</u> | | <u>1,258,247</u> |
| Total assets less current liabilities | | | <u><u>1,362,973</u></u> | | <u><u>1,264,956</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 17 | 2,126,692 | | 2,126,692 | |
| Profit and loss reserves | | (763,719) | | (861,736) | |
| Total equity | | | <u><u>1,362,973</u></u> | | <u><u>1,264,956</u></u> |

The financial statements were approved by the board of directors and authorised for issue on 29 June 2020 and are signed on its behalf by:



Mr A Andrijanovs
Director

Company Registration No. 5956237

VISOR CAPITAL (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

| | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-----------------------|-------------------------------------|------------------|
| Balance at 1 January 2018 | 2,126,692 | (945,117) | 1,181,575 |
| Year ended 31 December 2018: | | | |
| Profit and total comprehensive income for the year | - | 83,381 | 83,381 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2018 | 2,126,692 | (861,736) | 1,264,956 |
| Year ended 31 December 2019: | | | |
| Profit and total comprehensive income for the year | - | 98,017 | 98,017 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 December 2019 | <u>2,126,692</u> | <u>(763,719)</u> | <u>1,362,973</u> |

VISOR CAPITAL (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

| | Notes | 2019 £ | £ | 2018 £ | £ |
|--|-------|-----------|-----------|-----------|-----------|
| Cash flows from operating activities | | | | | |
| Cash (absorbed by)/generated from operations | 22 | | (89,708) | | 246,955 |
| Investing activities | | | | | |
| Purchase of intangible assets | | (38,726) | | - | |
| Purchase of tangible fixed assets | | (8,562) | | (10,009) | |
| Proceeds on disposal of fixed asset investments | | 58,730 | | - | |
| Other investments and loans made | | (259,749) | | (523,135) | |
| Proceeds from other investments and loans | | 224,017 | | - | |
| Interest received | | 11,512 | | 5,606 | |
| Net cash used in investing activities | | | (12,778) | | (527,538) |
| Net decrease in cash and cash equivalents | | | (102,486) | | (280,583) |
| Cash and cash equivalents at beginning of year | | | 497,501 | | 778,084 |
| Cash and cash equivalents at end of year | | | 395,015 | | 497,501 |

VISOR CAPITAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Visor Capital (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 96 Great Titchfield Street, LONDON, W1W 6SQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents net invoiced brokerage charges; spread income excluding value added tax; and corporate finance income. Commission receivable is recognised on the trade date. Turnover is recognised to the extent that it is probable that the economic benefit will flow to the company and turnover can be reliably measured.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------|---------------|
| Development costs and licences | Over 10 years |
|--------------------------------|---------------|

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

VISOR CAPITAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-----------------------|-------------|
| Fixtures and fittings | 33% on cost |
| Computers | 33% on cost |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

VISOR CAPITAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

VISOR CAPITAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

VISOR CAPITAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.14 Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

| | 2019 £ | 2018 £ |
|---------------------------|-----------|-----------|
| Other significant revenue | | |
| Interest income | 11,512 | 5,606 |

4 Operating (loss)/profit

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Operating (loss)/profit for the year is stated after charging/(crediting): | | |
| Exchange losses/(gains) | 45,115 | (8,758) |
| Research and development costs | 40,560 | - |
| Depreciation of owned tangible fixed assets | 6,208 | 3,841 |
| Operating lease charges | 47,850 | 47,850 |

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £45,115 (2018 - £8,758).

VISOR CAPITAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Auditor's remuneration

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the company | 10,000 | 8,000 |
| For other services | | |
| Taxation compliance services | 2,000 | 2,000 |
| All other non-audit services | 11,156 | 26,250 |
| | 13,156 | 28,250 |

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2019 Number | 2018 Number |
|----------------|----------------|----------------|
| Management | 2 | 1 |
| Administration | 2 | 2 |
| | 4 | 3 |

Their aggregate remuneration comprised:

| | 2019 £ | 2018 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 228,410 | 290,529 |
| Social security costs | 24,195 | 36,210 |
| | 252,605 | 326,739 |

7 Directors' remuneration

| | 2019 £ | 2018 £ |
|--------------------------------------|-----------|-----------|
| Remuneration for qualifying services | 223,763 | 326,292 |

VISOR CAPITAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

7 Directors' remuneration (Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

| | 2019 £ | 2018 £ |
|--------------------------------------|-----------|-----------|
| Remuneration for qualifying services | 85,000 | 134,292 |

8 Interest receivable and similar income

| | 2019 £ | 2018 £ |
|-----------------------|-----------|-----------|
| Interest income | | |
| Other interest income | 11,512 | 5,606 |

9 Amounts written off investments fixed asset investments

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Fair value gains/(losses) on financial instruments | | |
| Change in value of financial assets held at fair value through profit or loss | 128,631 | 61,377 |
| Other gains/(losses) | | |
| Loss on disposal of investments held at fair value | (53,563) | - |
| Gain on disposal of current asset investments | 172,168 | - |
| | 247,236 | 61,377 |

10 Taxation

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Profit before taxation | 98,017 | 83,381 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%) | 18,623 | 15,842 |
| Tax effect of expenses that are not deductible in determining taxable profit | 3,500 | 8,000 |
| Tax effect of income not taxable in determining taxable profit | (24,000) | (12,000) |
| Unutilised tax losses carried forward | - | (10,642) |
| Permanent capital allowances in excess of depreciation | (13,000) | - |
| Loss relief | 14,877 | (1,200) |
| Taxation charge for the year | - | - |

VISOR CAPITAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Taxation

(Continued)

The amount of unprovided deferred tax was £164,000 (2018:£134,000). No amount was recognised due to uncertainty of future profits.

11 Intangible fixed assets

| | Development costs and licences £ |
|--|-------------------------------------|
| Cost | |
| At 1 January 2019 | - |
| Additions - internally developed | 92,741 |
| | <u>92,741</u> |
| At 31 December 2019 | <u>92,741</u> |
| Amortisation and impairment | |
| At 1 January 2019 and 31 December 2019 | - |
| | <u>-</u> |
| Carrying amount | |
| At 31 December 2019 | <u>92,741</u> |
| | <u><u>92,741</u></u> |
| At 31 December 2018 | <u>-</u> |
| | <u><u>-</u></u> |

12 Tangible fixed assets

| | Fixtures and fittings £ | Computers £ | Total £ |
|------------------------------------|----------------------------|---------------------|---------------------|
| Cost | | | |
| At 1 January 2019 | 2,935 | 20,334 | 23,269 |
| Additions | - | 8,562 | 8,562 |
| Disposals | (2,935) | (10,325) | (13,260) |
| | <u>-</u> | <u>18,571</u> | <u>18,571</u> |
| At 31 December 2019 | <u>-</u> | <u>18,571</u> | <u>18,571</u> |
| Depreciation and impairment | | | |
| At 1 January 2019 | 2,935 | 13,625 | 16,560 |
| Depreciation charged in the year | - | 6,208 | 6,208 |
| Eliminated in respect of disposals | (2,935) | (10,325) | (13,260) |
| | <u>-</u> | <u>9,508</u> | <u>9,508</u> |
| At 31 December 2019 | <u>-</u> | <u>9,508</u> | <u>9,508</u> |
| Carrying amount | | | |
| At 31 December 2019 | <u>-</u> | <u>9,063</u> | <u>9,063</u> |
| | <u><u>-</u></u> | <u><u>9,063</u></u> | <u><u>9,063</u></u> |
| At 31 December 2018 | <u>-</u> | <u>6,709</u> | <u>6,709</u> |
| | <u><u>-</u></u> | <u><u>6,709</u></u> | <u><u>6,709</u></u> |

VISOR CAPITAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2019**

13 Subsidiaries

The subsidiary is dormant and is the legal holder of an intellectual property. The capital and reserves of the subsidiary was £0.01 as at 31 December 2019.

Details of the company's subsidiaries at 31 December 2019 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held | |
|---------------------|-------------------|--------------------|----------------------|--------|----------|
| | | | | Direct | Indirect |
| E3W Ltd | UK | | Ordinary | 100.00 | - |

VISOR CAPITAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

14 Debtors

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Amounts falling due within one year: | | |
| Trade debtors | 347 | - |
| Amounts owed by group undertakings | 1,105 | 6,318 |
| Other debtors | 542,131 | 454,659 |
| Prepayments and accrued income | 15,465 | 32,643 |
| | <u>559,048</u> | <u>493,620</u> |

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Amounts falling due after more than one year: | | |
| Other debtors | <u>137,004</u> | <u>-</u> |
| Total debtors | <u>696,052</u> | <u>493,620</u> |

15 Current asset investments

| | 2019 £ | 2018 £ |
|----------------------|----------------|----------------|
| Unlisted investments | <u>389,686</u> | <u>369,894</u> |

The unlisted investments were valued at fair value based on the directors' valuation. The unlisted investment has a historical cost of £205,470

16 Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------|----------------|----------------|
| Trade creditors | 21,971 | 22,133 |
| Taxation and social security | 152,689 | 49,547 |
| Other creditors | 3,329 | - |
| Accruals and deferred income | 41,595 | 31,088 |
| | <u>219,584</u> | <u>102,768</u> |

17 Share capital

| | 2019 £ | 2018 £ |
|--------------------------------------|------------------|------------------|
| Ordinary share capital | | |
| Issued and fully paid | | |
| 2,126,692 Ordinary shares of £1 each | <u>2,126,692</u> | <u>2,126,692</u> |

VISOR CAPITAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2019 £ | 2018 £ |
|-----------------|-----------|-----------|
| Within one year | 46,250 | 46,250 |

20 Directors' transactions

Dividends totalling £0 (2018 - £0) were paid in the year in respect of shares held by the company's directors.

| Description | % Rate | Opening balance £ | Amounts advanced £ | Closing balance £ |
|------------------|-----------|-------------------------|--------------------------|-------------------------|
| Mr S Resegotti - | - | 410,719 | 10,830 | 421,549 |
| | | 410,719 | 10,830 | 421,549 |

The loans are due from Mr S Resegotti and are for a period of 2 years commencing from the first disbursement and carry a fixed interest at Bank of England Rate plus 2% per annum. The loans are due on maturity of date of the loan or a date prior to the maturity date where agreed by the company.

21 Ultimate controlling party

Maciste Ltd is regarded by the directors as being the company's ultimate parent company. Since August 2016, the company is under the control of Stefano Resegotti.

VISOR CAPITAL (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

22 Cash (absorbed by)/generated from operations

| | 2019 £ | 2018 £ |
|--|-----------------|----------------|
| Profit for the year after tax | 98,017 | 83,381 |
| Adjustments for: | | |
| Investment income | (11,512) | (5,606) |
| Depreciation and impairment of tangible fixed assets | 6,208 | 3,841 |
| Gain on sale of investments | (172,168) | - |
| Amounts written off investments | (75,068) | (61,377) |
| Movements in working capital: | | |
| (Increase)/decrease in debtors | (52,001) | 175,259 |
| Increase in creditors | 116,816 | 51,457 |
| Cash (absorbed by)/generated from operations | (89,708) | 246,955 |

23 Analysis of changes in net funds

| | 1 January 2019 £ | Cash flows £ | 31 December 2019 £ |
|--------------------------|------------------------|-----------------|--------------------------|
| Cash at bank and in hand | 497,501 | (102,486) | 395,015 |