Registration number 06050613

# Lombard Capital Plc

## Annual Report and Consolidated Financial Statements for the year ended 30 June 2021

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COMPANIES HOUSE

**LOMBARD CAPITAL PLC**

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**LOMBARD CAPITAL PLC**

# Group Information

| | |
|---|---|
| Directors: | Nigel Brent Fitzpatrick (Non-Executive)<br>Barry Fromson |
| Registered office: | Steve Monico Limited<br>19 Goldington Road<br>Bedford<br>MK40 3JY |
| Company number: | 06050613 |
| Secretary: | Steve Monico Limited |
| AQSE Corporate Adviser: | Alfred Henry Corporate Finance Ltd<br>5-7 Cranwood Street<br>London<br>EC1V 9EE |
| Registrars: | Share Registrars Limited<br>The Courtyard<br>17 West Street<br>Farnham<br>Surrey<br>GU9 7DR |
| Independent Auditor: | Jeffreys Henry LLP<br>5-7 Cranwood Street<br>London<br>EC1V 9EE |

**LOMBARD CAPITAL PLC**

# Chairman's Statement

**for the year ended 30 June 2021**

Dear Shareholders

The period under review has been extremely difficult for the company and the directors' well-being.

Your company has faced significant challenges during the year and whilst the company still faces headwinds, am pleased to say these challenges are beginning to abate. The main challenges surrounded the refurbishment to completion of Gaskell House and its financing. The date for completion failed to materialise which tipped the company into default interest rates attributable to the Gaskell House loan.

The financial loss for the period was £1,797,151 (30 June 2020 : £767,327) resulting from significant interest default payments and the loss on the sale of Gaskell House. The loss included operating expenses of £580,892, property impairment of £766,230 and finance costs of £520,425. I am pleased to say that Gaskell House has been sold, in December 2021, for £2,075,000 plus VAT of £415,000.

The company has, however made some significant progress with Bond holders agreeing to extend the redemption date to 31 January 2027. Such action relieves the immediate pressure on the company's liquidity position whilst it realigns itself without Gaskell House.

Lombard is now a shell with outstanding 2027 Bonds of £3,727,000, general creditors, general operating costs and cash. The directors are now reviewing the options available to them for an appropriate use of the company.

I would like to thank our professionals and in particular the Company Secretary for his valuable support throughout this difficult year.

I also express my thanks to our Share and Bond holders for their continued support

N B Fitzpatrick
*Chairman*
Lombard Capital PLC

31 December 2021

# Strategic Report

**for the year ended 30 June 2021**

The directors present their strategic report for the year ended 30 June 2021.

**Business review**
During the year under review the directors have continued to focus the Group on developing secure bond investments where the instrument is fully secured by tangible assets.

**Future developments**
The Group is now a shell with cash reserves and the directors are now reviewing the options available to them for an appropriate use of the shell.

**Results and dividends**
For the year ended 30 June 2021, the Group's loss after taxation from continuing operations was £1,797,151 (30 Jun 2020: £767,327 loss) and the loss per share was 11.3p (30 Jun 2020: 12.7p). The directors do not recommend the payment of a dividend (30 Jun 2020: NIL).

**Key performance indicators**
The key performance indicators are set out below:

| Group Statistics | 30 Jun 2021 | 30 Jun 2020 | Change % |
|---|---|---|---|
| Net (liability) / asset value | (1,571,855) | (£99,704) | -1476% |
| Net (liability) / asset value per share | (9.9p) | (0.67p) | -1378% |
| Closing share price | 20.0p | 45.0p | -55.6% |
| Market Capitalisation | £2,961,957 | £6,664,402 | -55.6% |

**Key business risks**
The main business risk that the Group faces is the generation of funds to have satisfactory cash resources to carry out its business plan and also cover the overhead expenses required for the continuing success of the Group.

**Going concern**
During the year, the Group made a loss of £1,797,151 and at the year-end had current net liabilities of £1,571,855. The cash balance at the year end was £115,933. 2020 saw the world impacted by COVID-19, the Group have not been adversely affected by the global pandemic.

The Chairman's statement has explained the recent sale of Gaskell House and extension of the Bonds in issue, therefore, the directors have formed the opinion that there are adequate arrangements in place to enable the settlement of their financial commitments as and when they fall due.

For this reason, the directors continue to adopt the going concern basis in preparing the financial statements. Whilst there are inherent uncertainties in relation to future events, and therefore no certainty over the outcome of the matters described, the directors consider that, based on financial projections and dependent on the success of their efforts to complete these activities, the Group will be a going concern for the next 12 months.

**Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole.**
The directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Foster the Company's relationships with suppliers, customers and others; and
- Consider the impact of the Company's operations on the community and the environment.

The nature of the business is well understood by the Group's members, employees and suppliers, and the directors are as transparent about the cash position and funding requirements as is allowed under regulations. The board believes that appropriate steps and considerations have been taken during the year so that each director has an understanding of the various key stakeholders of the Company. The board recognises its responsibility to contemplate all such stakeholder needs and concerns as part of its discussions, decision-making, and in the course of taking actions, and will continue to make stakeholder engagement a top priority in the coming years.

N.B. Fitzpatrick

For and on behalf of the Board
N B Fitzpatrick
31 December 2021

# Directors' Report

**for the year ended 30 June 2021**

The directors present their report together with the audited financial statements for the year ended 30 June 2021.

In accordance with section 414C(11) of the Companies Act 2006 the Group chooses to report the future developments, results and dividends and the risks and uncertainties faced by the Group in the Strategic Report.

### Principal activity

The principal activity of the Group has been developing secure bond investments where the instrument is fully secured by tangible assets.

### *Financial risk management objectives and policies*

Details of the financial risk management objectives and policies are provided in note 14 to the financial statements.

### Post balance sheet events

Details of post balance sheet events are provided in note 19 to the financial statements.

### Directors

The directors of the Group during the year and subsequently are set out below:

Nigel Brent Fitzpatrick
Barry Fromson

### Substantial shareholders

The only interests in excess of 3% of the issued share capital of the Group which have been notified to the Group as at the period end were as follows:

| | Shareholding | % |
|---|---|---|
| Richard Murray | 4,437,558 | 29.96 |
| Barry Fromson | 1,707,727 | 11.53 |
| Ross Maxwell | 1,432,000 | 9.67 |
| Bakers Green Consultancy Ltd | 1,305,000 | 8.81 |
| John Reilly | 1,218,779 | 8.23 |
| David Grierson (a former director) | 920,000 | 6.21 |
| Robert Lindsay | 596,000 | 4.02 |
| Deroyce Limited | 460,950 | 3.11 |
| WB Nominees Limited | 455,000 | 3.07 |
| Vidacos Nominees Limited | 443,756 | 3.00 |

### Directors remuneration

Details of Directors' remuneration is set out in note 4 to the financial statements.

# Directors' Report continued

**for the year ended 30 June 2021**

**Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). 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 and profit or loss of the Group for that year. 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;
- state whether applicable IFRS have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that that they have complied with the above requirements in preparing the Financial Statements.

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

**Statement as to disclosure of information to auditor**

Insofar as each of the directors is aware:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Auditors**

A resolution that the auditors Jeffreys Henry LLP will be reappointed will be proposed at the Annual General Meeting.

On behalf of the Board

N. B. Fitzpatrick

N B Fitzpatrick
Director
Date: 31 December 2021

# Independent Auditor's Report

***for the year ended 30 June 2021***

## To the members of Lombard Capital Plc

**Qualified Opinion**

We have audited the financial statements of Lombard Capital Plc (the 'Group') for the year ended 30 June 2021 which comprise the consolidated statement of income and other comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and notes to the consolidated financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report:

- the financial statements give a true and fair view of the state of the Group's affairs as at 30 June 2021 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for qualified opinion**

Within loans to related parties there are amounts advanced totalling £1,552,500 as at 30 June 2021. For all of these balances indicated, we were unable to obtain sufficient appropriate audit evidence to confirm their recoverability of these amounts whether any impairments were required. Consequently, we were unable to determine whether these amounts are fairly stated.

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

**Material uncertainty related to going concern**

We draw your attention to the primary statements within these financial statements, which indicate that the group incurred a loss after tax of £1,534,911, had net liabilities of £1,571,855 and had net cash outflows from operating activities of £223,764 for the period ended 30 June 2021.

We also draw attention to note 2 in the financial statements, which explains that the group has sold Gaskell House in December 2021 from which the proceeds will ensure the group meet liabilities as they fall due within the next 12 months from the date these accounts are signed. Furthermore, the Bonds have all been extended. They were all due for repayment in January 2022 but are now all due for repayment in January 2027. The directors have also confirmed that they will continue to support the Group and have acknowledged that their future drawdowns will be restricted to £105,000 for at least 12 months from the signing of these financial statements. These events or conditions along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included a review of future estimates of costs and latest bank balances to ensure the Group can cover its overheads. We also performed the following procedures:

- We have enquired with management as to the impact of COVID-19 and the steps being taken to limit the impact of the pandemic on the business.
- We obtained and reviewed the Directors' assessment, including challenging the liquidity position.
- We checked the robustness of the Directors' business planning process.
- We checked the adequacy of key assumptions.
- We assessed the sensitivities of the underlying assumptions.
- We reviewed documentation showing the sale of a property post year end;
- We reviewed documentation of bond holder extensions post year end;
- We reviewed the latest financial information to gauge the financial position; and
- *Considered the Group's historic ability to raise funds*

# Independent Auditor's Report

*for the year ended 30 June 2021*

The directors have confirmed that they will continue to support the Group and acknowledge that there are accrued Director remuneration amounts where the Directors have committed to ensure their drawdowns against this and any future remuneration will not exceed £105,000 for at least 12 months from the signing of these financial statements.

Our responsibilities and the responsibilities of the directors with regard to going concern are described in the relevant sections of this report.

**Our audit approach**

**Overview**

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

- Going concern assumption
- Recoverability of loans to related parties
- Carrying value of property, plant and equipment

As the above top two key audit matters have been included within the qualified opinion, for the recoverability of loans to related parties, and the material uncertainty, for the going concern assumption, they have not been included within this key audit matters section. This is in accordance with the guidance set out within ISA (UK) 705. The below includes the carrying value of property, plant and equipment only.

**Key audit matters**

| **Key audit matter** | **How our audit addressed the key audit matter** |
|---|---|
| **Carrying value of property, plant and equipment**<br><br>The Group purchased a property in the prior period. As at the year end the amount of the cost plus additions was £2,836,694 (2020: £953,710).<br><br>The property was acquired within Waste and Recycling Solutions Limited. Post year end it was noted that the Group would sell the property and would likely make a loss and therefore there were impairment indicators highlighted during the audit. | We carried out the following procedures:<br><br>• We vouched additions in the year to ensure they existed and to ensure they were appropriate to capitalise under the standards;<br>• Obtained evidence of ownership of the property;<br>• Reviewed management's impairment assessment, reviewing and challenging any assumptions used; and<br>• Reviewed documentation showing that the property had been sold post year end. |

**Our application of materiality**
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

| | Group financial statements |
|---|---|
| Overall materiality | £78,000 (2020: £53,000). |
| How we determined it | We have used 1.5% of gross assets. |
| Rationale for benchmark applied | We believe that gross assets are a primary measure used by shareholders in assessing the performance and size of the Group; this is considered to be a generally accepted auditing benchmarks. |

We agreed with the board of directors that we would report to them misstatements identified during our audit above £3,900 (Group audit) (2020: £2,650) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

**An overview of the scope of our audit**
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

# Independent Auditor's Report

***for the year ended 30 June 2021***

- We conducted audits of the complete financial information of Lombard Capital Plc
- We performed specified procedures over certain account balances and transaction classes
- We performed audit procedures that accounted for 100% of the absolute profit before tax

**How we tailored the audit scope**
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the Group, the accounting processes and controls, and the industry in which they operate.

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

**Responsibilities of directors**
As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

# Independent Auditor's Report

***for the year ended 30 June 2021***

**The extent to which the audit was considered capable of detecting irregularities including fraud**
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the group through discussions with directors and other management.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
    - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
    - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 of the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- in response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
    - agreeing financial statement disclosures to underlying supporting documentation;
    - reading the minutes of meetings of those charged with governance;
    - enquiring of management as to actual and potential litigation and claims; and
    - reviewing correspondence with HMRC and the group's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Other matters which we are required to address**
The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group and we remain independent of the Group in conducting our audit. *Our audit opinion is consistent with the additional report to the audit committee.*

**Use of this report**
This report is made solely to the Group'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 Group'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 Group and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sudhir Rawal (Senior Statutory Auditor)
**For and on behalf of Jeffreys Henry LLP (Statutory Auditors)**
Finsgate
5-7 Cranwood Street
London EC1V 9EE
31 December 2021

LOMBARD CAPITAL PLC

# Consolidated Income Statement

**for the year ended 30 June 2021**

| | Notes | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|---|
| **Continuing operations:** | | | |
| **Turnover** | | **17,611** | 63,056 |
| Operating expenses | | **(580,892)** | (626,743) |
| Impairment | | **(766,230)** | - |
| Operating loss | 3 | **(1,329,511)** | (563,687) |
| Finance income | | **52,785** | - |
| Finance Charges | | **(520,425)** | (203,640) |
| Loss before taxation | | **(1,797,151)** | (767,327) |
| Taxation expense | 5 | **-** | - |
| Results attributable to non controlling interest | | **(478,592)** | - |
| Loss for the year, attributable to owners of the Group | | **(1,318,559)** | (767,327) |
| Loss per share attributable to owners of the Group during the year | | **Pence** | Pence |
| Basic and diluted | | | |
| Total and continuing operations | 6 | **(10.4)** | (12.7) |

# Consolidated Statement of Comprehensive Income

**for the year ended 30 June 2021**

| | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| Loss for the financial year | **(1,797,151)** | (767,327) |
| Other comprehensive income: | | |
| Changes in valuation of investment | **-** | (88,499) |
| **Total comprehensive income for the year** | **(1,797,151)** | (855,826) |

The notes on pages 13 to 21 form part of the financial statements.

# Consolidated Statement of Financial Position

**as at 30 June 2021**

| | Notes | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|---|
| **Non-current assets** | | | |
| Fixed assets | 7 | **2,070,464** | 953,710 |
| Financial assets at fair value through other comprehensive income | 8 | **42,751** | 42,751 |
| **Total non-current assets** | | **2,113,215** | 996,461 |
| | | | |
| **Current assets** | | | |
| Other receivables | 9 | **1,882,427** | 1,765,213 |
| Cash and cash equivalents | 10 | **115,933** | 3,630 |
| **Total current assets** | | **1,998,360** | 1,768,843 |
| | | | |
| **Total assets** | | **4,111,575** | 2,765,304 |
| | | | |
| **Equity** | | | |
| Share capital | 13 | **204,707** | 204,707 |
| Share premium | | **2,237,456** | 2,237,456 |
| Share option reserve | | **80,300** | 80,300 |
| Investment revaluation reserve | | **30,435** | 30,435 |
| Retained earnings | | **(3,971,161)** | (2,652,602) |
| Non controlling interest | | **(153,592)** | - |
| **Equity attributable to owners of the Group and total equity** | | **(1,571,855)** | (99,704) |
| | | | |
| **Current liabilities** | | | |
| Trade and other payables | 11 | **2,141,665** | 1,032,059 |
| Loans and other borrowings | 12 | **3,541,765** | - |
| **Total current liabilities** | | **5,683,430** | 1,032,059 |
| | | | |
| **Non-current liabilities** | | | |
| Loans and other borrowings | 12 | **-** | 1,832,949 |
| | | | |
| **Total equity and liabilities** | | **4,111,575** | 2,765,304 |

These financial statements were approved by the Board, authorised for issue and signed on their behalf on 31 December 2021 by:

N B Fitzpatrick

**Company registration number: 06050613 (England & Wales)**

The notes on pages 13 to 21 form part of the financial statements.

# Consolidated Statement of Cashflows

**for the year ended 30 June 2021**

| | Notes | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|---|
| **Operating activities** | | | |
| Loss before tax | | **(1,797,151)** | (767,327) |
| Impairment loss | | **766,230** | - |
| Finance expenses related to bonds | | **185,235** | 128,640 |
| (Increase)/decrease in other receivables | 9 | **(117,214)** | (1,023,217) |
| Increase/(decrease) in other payables | | **1,109,606** | 795,681 |
| **Net cash flow from operating activities** | | **146,706** | (866,223) |
| **Investing activities** | | | |
| Purchase of fixed assets | 7 | **(1,882,984)** | (953,710) |
| Issue of shares in subsidiary | | **325,000** | - |
| **Net cash flow from investing activities** | | **(1,557,984)** | - |
| **Financing activities** | | | |
| Proceeds from issue of shares | | - | 320,000 |
| Cash received from the Issuance of bonds | 12 | **1,523,581** | 1,491,504 |
| **Net cash flow from financing activities** | | **1,523,581** | 1,811,504 |
| Net increase / (decrease) in cash and cash equivalents | 10 | **112,303** | (8,429) |
| Cash and cash equivalents at start of year | 10 | **3,630** | 12,059 |
| **Cash and cash equivalents at the end of the year** | | **115,933** | 3,630 |
| **Cash and cash equivalents comprise:** | | | |
| Cash and cash in bank | 10 | **115,933** | 3,630 |
| **Cash and cash equivalents at end of year** | | **115,933** | 3,630 |

The notes on pages 13 to 21 form part of the financial statements.

# Consolidated Statement of Changes in Equity

**for the year ended 30 June 2021**

| | Share Capital £ | Share Premium £ | Share Option Reserve £ | Investment Revaluation Reserve £ | Retained Earnings £ | Non Controlling Interest £ | Total Equity £ |
|---|---|---|---|---|---|---|---|
| Balance at 1 April 2019 | 194,116 | 954,574 | 80,300 | 118,934 | (1,885,275) | - | (537,351) |
| Issue of shares | 10,591 | 1,282,882 | | | | - | 1,293,473 |
| Loss for the period | - | - | - | - | (767,327) | - | (767,327) |
| Revaluation of assets held for sale | - | - | - | (88,499) | - | - | (88,499) |
| Balance at 30 June 2020 | 204,707 | 2,237,456 | 80,300 | 30,435 | (2,652,602) | - | (99,704) |
| Balance at 1 July 2020 | 204,707 | 2,237,456 | 80,300 | 30,435 | (2,652,602) | - | (99,704) |
| Loss for the year | - | - | - | - | (1,318,560) | (478,592) | (1,797,152) |
| Part disposal of subsidiary | - | - | - | - | - | 325,000 | 325,000 |
| Balance at 30 June 2021 | 204,707 | 2,237,456 | 80,300 | 30,435 | (3,971,162) | (153,592) | (1,571,855) |

Share capital is the amount subscribed for shares at nominal value.

Share premium is the amount subscribed for share capital in excess of nominal value.

Share option reserve relates to share-based payment charges recognised.

Investment revaluation reserve represents the temporary movement in fair value of available-for-sale investments.

Retained earnings represents accumulated profit or loss to date.

The notes on pages 13 to 21 form part of the financial statements.

# Notes to the Consolidated Financial Statements

**for the year ended 30 June 2021**

**1 General information**

Lombard Capital Plc is a public limited Company incorporated and domiciled in the United Kingdom. The registered office is 19 Goldington Road, Bedford, MK40 3JY.

**2 Principal accounting policies**

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

**Basis of preparation**

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), and IFRIC interpretations as adopted in the European Union and as applied in accordance with the provisions of the Companies Act 2006, and under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the Financial Statements, are disclosed later in these accounting policies.

The financial statements are presented in sterling (£).

The financial statements report on a year and the comparatives are for a period of 15 months.

**Going concern**

During the year, the Group made a loss of £1,797,151 and at the year-end had net liabilities of £1,571,855. The cash balance at the year-end was £115,933. 2020 saw the world impacted by COVID-19, the group has not been adversely affected by the global pandemic.

The directors have confirmed that they will continue to support the Group and acknowledge that there are accrued Director *remuneration amounts where the Directors have committed to ensure their drawdowns* against this and any future remuneration will not exceed £105,000 for at least 12 months from the signing of these financial statements.

The Chairman's statement has explained the recent sale of Gaskell House and extension of the Bonds in issue, therefore, the directors have formed the opinion that there are adequate arrangements in place to enable the settlement of their financial commitments as and when they fall due.

For this reason, the directors continue to adopt the going concern basis in preparing the financial statements. Whilst there are inherent uncertainties in relation to future events, and therefore no certainty over the outcome of the matters described, the directors consider that, based on financial projections and dependent on the success of their efforts to complete these activities, the Group will be a going concern for the next 12 months.

**Changes in accounting policy**

There were a number of standards and interpretations which were in issue at 30 June 2021 but not effective for periods commencing 1 July 2020 and have not been adopted for these Financial Statements. The Directors have assessed the full impact of these accounting changes on the Group. To the extent that they may be applicable, the Directors have concluded that none of these pronouncements will cause material adjustments to the Group's Financial Statements. They may result in consequential changes to the accounting policies and other note disclosures. The new standards will not be early adopted by the Group and will be incorporated in the preparation of the Financial Statements from the effective dates noted below. The new standards *include:*

- IFRS 17 Insurance Contracts[2]
- IFRS 9 Interest Rates[1]
- IAS39/IFRS7 Benchmark Reform[1]
- IFRS16 (Amendment) [1] Leases' – Covid [1]19 related rent concessions
- IAS 1 Presentation of Financial Statements[2]

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material effect on the financial statements of the company or group.

[1] *Effective for annual periods beginning on or after 1 January 2021*

[2] Effective for annual periods beginning on or after 1 January 2023

**Key estimates and assumptions**

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reporting amount of income and expenses during the year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The only estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to the valuation of unquoted investments and estimation of expected credit losses of receivables. These are valued in accordance with the techniques set out in the accounting policy for 'Financial Assets and Liabilities' on page 14.

*Carrying value of unquoted investments*
In assessing potential impairment of unquoted investments, management estimates the recoverable amount of each asset. Management has estimated no impairment for the carrying value of the investment held within the financial statements. Also see note 8 for details in relation to investments.

*Estimation of the expected credit losses of receivables*
In assessing the expected credit losses, in respect of the receivables under IFRS 9, the Group considers the past performance of the receivable book along with future factors, that may affect the credit worthiness of the entire receivables. Due to the lack of information available no estimations of potential impairment have been made within these assumptions which could affect the carrying value of the receivables. However, it is management's judgement that the carrying value of the receivables appears appropriate.

**Revenue**
The Group provides consultancy services.

Revenue from providing services is recognised in the accounting year in which services are rendered under IFRS 15. Any increases or decreases in estimated revenues or costs are reflected in profit or loss in the year in which the circumstances that give rise to the revision become known by management.

**Taxation**
The tax expense represents the sum of the tax currently payable and deferred tax.

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective year of realisation, provided they are enacted or substantively enacted at the balance sheet date. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the profit or loss income statement, except where they relate to items that are recognised in other comprehensive income in which case the related deferred tax is also charged or credited directly to equity.

**Segmental reporting**
A segment is a distinguishable component of the Group's activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

As the chief operating decision maker reviews financial information for and makes decisions about the Group's investment activities as a while, the directors have identified one operating segment, that of investments..

# Notes to the Consolidated Financial Statements

**for the year ended 30 June 2021**

**Fixed Assets**
Property, plant and equipment is stated at cost less accumulated depreciation. Cost represents the cost of acquisition or construction, including the direct cost of financing the acquisition or construction until the asset comes into use.

Depreciation on property, plant and equipment is provided to allocate the cost less the residual value by equal instalments over their estimated useful economic lives, once the asset is complete.
The expected useful lives and residual values of property, plant and equipment are reviewed on an annual basis and, if necessary, changes in useful life or residual value are accounted for prospectively.

No deprecation is charged until the asset is brought into use.

**Financial assets and liabilities**
*i. Recognition and initial measurement*
The Group initially recognises loans and advances, trade and other receivables/payables, and borrowings plus or minus transactions costs when and only when the Group becomes party to the contractual provisions of the instruments.

*Financial assets at amortised cost*
The Group's financial assets at amortised cost comprise trade and other receivables. These represent debt instruments with fixed or determinable payments that represent principal or interest and where the intention is to hold to collect these contractual cash flows.

They are initially recognised at fair value, included in current and non-current assets, depending on the nature of the transaction, and are subsequently measured at amortised cost using the effective interest method less any provision for impairment

**Financial assets and liabilities continued**
*Financial assets at fair value through other comprehensive income*

(i) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

Equity securities which are not held for trading, and which the group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the group considers this classification to be more relevant.

Debt securities where the contractual cash flows are solely principal and interest and the objective of the group's business model is achieved both by collecting contractual cash flows and selling financial assets.

(ii) Equity investments at fair value through other comprehensive income

*Financial liabilities at amortised cost*
Financial liabilities at amortised cost comprise trade and other payables. They are classified as current and non-current liabilities depending on the nature of the transaction, are subsequently measured at amortised cost using the effective interest method.

*Financial assets*
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.
On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

**Financial liabilities**

Financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance cost in the income statement using the effective interest rate method. The Group's financial liabilities comprise trade and other payables.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and current and deposit balances deposits at banks, together with other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**Equity**

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received net of direct issue costs.

# Notes to the Consolidated Financial Statements

**for the year ended 30 June 2021**

### 3 Loss from operations

Loss from operations is stated after charging:

| | **30 Jun 2021** | 30 Jun 2020 |
|---|---|---|
| | **£** | £ |
| Auditor's remuneration for auditing of accounts | **21,250** | 15,000 |

### 4 Directors' remuneration

The Group had no employees, other than the directors in the year under review, or the prior period. During the year there has been one executive director and one non-executive director.

| | **30 Jun 2021** | **30 Jun 2020** |
|---|---|---|
| | **No.** | **No.** |
| Administration | 2 | **2** |

| | **30 Jun 2021** | 30 Jun 2020 |
|---|---|---|
| | **£** | £ |
| *Directors' remuneration – fees:* | | |
| N Brent Fitzpatrick | **60,000** | 31,250 |
| David Grierson (resigned 8 Jun 2020) | **-** | 115,000 |
| Barry Fromson (appointed 1 Jun 2020) | **60,000** | - |
| | **120,000** | 146,250 |

The highest paid director was not granted, nor did he exercise any share options during the year. The highest paid director did not receive any shares in respect of qualifying services under a long-term incentive scheme.

### 5 Taxation

| | **30 Jun 2021** | 30 Jun 2020 |
|---|---|---|
| | **£** | £ |
| UK corporation tax | **-** | - |
| Deferred tax | **-** | - |
| **Tax charge** | **-** | - |

*Tax reconciliation*

| | **30 Jun 2021** | 30 Jun 2020 |
|---|---|---|
| | **£** | £ |
| Loss before tax | **(1,534,911)** | (767,327) |
| Tax at 19% (30 Jun 2020: 19%) on loss before tax | **(291,633)** | (145,792) |
| Effects of: | | |
| Unrelieved losses carried forward | **291,633** | 145,792 |
| Total tax (credit)/expense | - | - |

The unutilised tax losses of the Group available for set off against future taxable profits are estimated to be £1,884,000 (30 Jun 2020: £350,000). The Group has not recognised a deferred tax asset in respect of these losses as there is insufficient evidence of future taxable profits.

# Notes to the Consolidated Financial Statements

**for the year ended 30 June 2021**

### 6 Earnings per share

The basic and diluted earnings per share is calculated by dividing the loss attributable to owners of the Group by the weighted average number of ordinary shares in issue during the year.

| | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| *Earnings* | | |
| Loss for the purposes of basic and fully diluted loss per share | **(1,534,911)** | (767,327) |
| *Number of shares* | | |
| Weighted average number of shares for calculating basic and fully diluted earnings per share | **14,809,707** | 6,041,726 |

| | 30 Jun 2021 Pence | 30 Jun 2020 Pence |
|---|---|---|
| *Earnings per share* | | |
| Basic and fully diluted loss per share | **(10.4)** | (12.7) |

### 7 Fixed Assets

| **Land and Buildings** | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| Opening balance | **953,710** | - |
| Additions | **1,882,984** | 953,710 |
| Impairment of asset | **(766,230)** | - |
| Closing balance at the year end | **2,070,464** | 953,710 |

Included in land and buildings is Gaskell House which has been sold after the year end and the carrying value has been impaired to reflect the recoverable amount of the property.

### 8 Financial Assets

**Financial assets at fair value through other comprehensive income**

Equity investments at fair value through other comprehensive income comprises following individual investments:

| **Unlisted Securities** | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| Prepaid Global Services Limited (formerly Prego International Limited) | **1** | 1 |

| **Listed Securities** | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| BWA Group Plc | **42,750** | 42,750 |
| TOTAL | **42,751** | 42,751 |

Valuation techniques used by the Group are explained on page 14.

The value of £1 relates to shares held in Prepaid Global Services Limited (formerly Prego International Limited) which have been placed on the JP Jenkins matched-bargain platform. In the absence of an indicative price the directors have impaired to a value of £1.

# Notes to the Consolidated Financial Statements

**for the year ended 30 June 2021**

### 9 Other receivables

| | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| Prepayments and accrued income | **94,571** | 43,396 |
| Other debtors | **235,356** | 196,029 |
| Loans to related parties | **1,552,500** | 1,525,788 |
| | **1,882,427** | 1,765,213 |

The fair value of trade and other receivables is considered by the directors not to be materially different to the carrying amounts.

### 10 Cash and cash equivalent

| | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| Cash at banks | **115,933** | 3,630 |
| | **115,933** | 3,630 |

### 11 *Trade and other payables*

| | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| Trade payables | **695,054** | 88,537 |
| Unsecured loans | **632,935** | 517,200 |
| Other creditors | **100,000** | - |
| Accrued charges | **713,676** | 426,322 |
| | **2,141,665** | 1,032,059 |

The fair value of trade and other payables is considered by the directors not to be materially different to the carrying amounts.

### 12 Loans and other borrowings

| | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| **Current liability** | | |
| Bonds issued | **3,727,000** | - |
| Less transaction costs and discounts | **(85,131)** | - |
| Interest charge | **270,336** | - |
| Total current liability | **3,541,765** | - |
| **Non-current liability** | | |
| Bonds issued | - | 2,090,000 |
| Less transaction costs and discounts | - | (430,496) |
| Interest charge | - | 173,445 |
| **Total non-current liability** | - | 1,832,949 |

On 11 March 2019, 25 March 2019 & 29 March 2019, the Group launched the issue of secured bonds of £100,000, £150,000 and £500,000 respectively to raise £750,000 for the Group. The Bonds have a coupon rate of 4% or 10% and a term of 1 year with full repayment in cash of the principal amount of the Bonds due at maturity. The Bonds were due for repayment on 31 March 2020, during the period ended 30 June 2020 the repayment date was extended to 31 January 2022.

# Notes to the Consolidated Financial Statements

**for the year ended 30 June 2021**

### 12 Loans and other borrowings continued

During the previous period, the Group launched the issue of secured bonds to raise £1,340,000 for the Group. The Bonds have a coupon rate of 4% and a term of 1 year with full repayment in cash of the principal amount of the Bonds due at maturity. The Bonds are due for repayment on 31 January 2022. The repayment terms of the Bonds has been extended after the period end and are all now repayable in January 2027.

During the year, the Group launched the issue of secured bonds to raise £1,637,000 for the Group. The Bonds have a coupon rate of 4% and a term of 1 year with full repayment in cash of the principal amount of the Bonds due at maturity. The Bonds are due for repayment on 31 January 2022. The terms of the repayment of the bonds has been extended after the period end and are now due for repayment in January 2027.

The interest has been calculated at the effective interest rate.

### 13 Share capital

| | **30 Jun 2021 £** | 30 Jun 2020 £ |
|---|---|---|
| *Authorised capital* | | |
| 500,000,000 ordinary shares of 0.1p each | **500,000** | 500,000 |
| 2,000,000 redeemable shares of 1p each | **20,000** | 20,000 |
| | **520,000** | 520,000 |
| *Issued and fully paid* | | |
| 14,810,784 new ordinary shares of 0.1p | **14,810** | 14,810 |
| 1,918,150 deferred shares of 9.9p | **189,897** | 189,897 |
| | **204,707** | 204,707 |

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption. The deferred shares have no economic value or rights attached and were the result of a 1 for 100 share consolidation.

### 14 Investment revaluation reserve

| | **30 Jun 2021 £** | 30 Jun 2020 £ |
|---|---|---|
| Balance brought forward | **30,435** | 118,934 |
| Market value adjustment in period | **-** | (88,499) |
| | **30,435** | 30,435 |

### 15 Risk management objectives and policies

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management is coordinated by the board of directors and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

*Capital risk management*

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it can improve returns and benefits for shareholders
- to support the Group's growth: and
- to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages the capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes. There have been no changes in this since the previous reporting date.

# Notes to the Consolidated Financial Statements

**for the year ended 30 June 2021**

**15 Risk management objectives and policies continued**

*Credit risk*

The Group's financial instruments, that are subject to credit risk, are cash and cash equivalents. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable financial institutions.

The Group's maximum exposure to credit risk is £115,933 (30 Jun 2020: £3,630) comprising cash and cash equivalents.

*Liquidity risk*

Liquidity risk is managed by means of ensuring sufficient cash and cash equivalents are held to meet the Group's payment obligations arising from administrative expenses. The cash and cash equivalents are invested such that the maximum available interest rate is achieved with minimal risk. Financial assets comprise, cash of £115,933 and are available on demand. Financial liabilities comprise trade payables of £695,054 which are all payable within 3 months.

*Market price risk*

The Group's exposure to market price risk mainly arises from potential movements in the fair value of its investments. The Group manages this price risk within its long-term investment strategy to manage a diversified exposure to the market. If each of the Group's equity investments were to experience a rise or fall of 10% in their fair value, this would result in the Group's net asset value increasing or decreasing by £4,275 (2020: £4,275).

*Financial assets by category*

The IFRS 9 categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

| | **30 Jun 2021** | 30 Jun 2020 |
|---|---|---|
| | **£** | £ |
| Financial assets: | | |
| Financial assets at fair value through other comprehensive income | **42,751** | 42,751 |
| Financial assets at amortised cost | **-** | - |
| Other receivables | **1,787,856** | 1,721,817 |
| Cash and cash equivalents | **115,933** | 3,630 |
| | **1,946,540** | 1,768,198 |

*Financial liabilities by category*

The IFRS 9 categories of financial liability included in the balance sheet and the headings in which they are included are:

| | **30 Jun 2021** | 30 Jun 2020 |
|---|---|---|
| | **£** | £ |
| Financial liabilities at amortised cost: | | |
| Trade and other payables | **5,683,430** | 2,865,008 |
| | **5,683,430** | 2,865,008 |

**16 Convertible Instruments**

Convertible unsecured loan notes 2018

On 3 May 2016 it was agreed that up to £100,000 of 7.5 per cent Convertible Unsecured Loan Notes 2018 would be issued. A convertible loan note instrument would be issued.

# Notes to the Consolidated Financial Statements

**for the year ended 30 June 2021**

**16 Convertible Instruments continued**

The following warrants were issued to related parties:

| Date of issue | Held by | No of warrants | Reason for issue |
|---|---|---|---|
| 30-Jun-16 | D W Grierson (former director) | 100,000 | Issue of warrants |
| 30-Jun-16 | N B Fitzpatrick (non-executive director) | 100,000 | Issue of warrants |
| 21-Feb-18 | David Grierson (former director) | 900,000 | For introductions, services and advice |
| 21-Feb-18 | Brent Fitzpatrick (non-executive director) | 100,000 | For introductions, services and advice |
| 26-Jul-18 | David Grierson (former director) | 1,500,000 | Issue of warrants |
| 26-Jul-18 | N B Fitzpatrick (non-executive director) | 250,000 | Issue of warrants |
| 26-Jul-18 | Steve Monico Ltd (company secretary) | 250,000 | For secretarial services |

On 21 February 2018 the Group agreed that 1,250,000 warrants be issued which will be exercisable at a price of 10p per ordinary share up to 1 March 2020.

On 5 October 2018, the Group issued warrants of up to 6,500,000 ordinary shares of 0.001 each.

On 29 May 2020 the Group received notices from holders of 3,200,000 of warrants to convert to 3,200,000 shares for a consideration of £320,000. Following the conversion there were 6,500,000 outstanding.

**17 Contingent liabilities**

There were no contingent liabilities as at 30 June 2020 or 30 June 2021.

**18 Capital commitments**

There were no capital commitments authorised by the directors or contracted for at 30 June 2020 or 30 June 2021.

**19 Post balance sheet events**

The Group sold Gaskell House in December 2021 for gross proceeds of £2,491,000 including VAT.

**20 Related party transactions**

The remuneration paid to the directors is set out in Note 4 to the financial statements.

The loans, which are included in other debtors, have been advanced to Specialist Design Services Limited and Capital Protection Program Limited are Companies which were previously owned by Barry Fromson, a significant shareholder of the Group and director of the group. At the period end he no longer owned the Companies.

An unsecured loan of £224,500 was advanced to Specialist Design Services Limited. Interest is receivable on amounts advanced at a rate of 5% and are receivable on demand. At the period end £224,500 (2020: £224,500) was still outstanding.

An unsecured loan of £476,200 was advanced to Capital Protection Program Limited. Interest is receivable on amounts advanced at a rate of 5% and are receivable on demand. At the period end £476,200 (2020: £476,200) was still outstanding.

Further amounts totalling £355,000 were advanced to Capital Protection Program Limited during the period ended 30 June 2020 and is repayable on demand. At the period end £355,000 (2020: £355,000) was still outstanding.

**21 Controlling party**

As at 30 June 2021 and at the reporting date, the Group had no controlling party.

# Lombard Capital Plc

Company Financial Statements
for the year ended 30 June 2021

# Independent Auditor's Report

**for the year ended 30 June 2021**

## To the members of Lombard Capital Plc

**Qualified Opinion**

We have audited the financial statements of Lombard Capital Plc (the 'Company') for the year ended 30 June 2021 which comprise the statement of income and other comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, except for the possible effects of the matter described in the Basis for the Qualified Opinion section of our report:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the Company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for qualified opinion**

Within loans to related parties there are amounts of £700,700 on the statement of financial position as at 30 June 2021. In respect of these balances indicated, we were unable to obtain sufficient appropriate audit evidence to confirm their recoverability of these amounts whether any impairments were required. Consequently, we were unable to determine whether these amounts are fairly stated.

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

***Material uncertainty related to going concern***

We draw your attention to the primary statements within these financial statements, which indicates that the company incurred a loss after tax of £660,406 and had net cash outflows from operating activities of £406,777 for the year ended 30 June 2021.

We also draw attention to note 2 in the financial statements, which explains that the group has sold Gaskell House in December 2021 from which the proceeds will ensure the company meets liabilities as they fall due within the next 12 months from the date these accounts are signed. The directors have also confirmed that they will continue to support the company and have acknowledged that their future drawdowns will be restricted to £105,000 for at least 12 months from the signing of these financial statements.. These events or conditions along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included a review of future estimates of costs and latest bank balances to ensure the Company can cover its overheads. We also performed the following procedures:

- We have enquired with management as to the impact of COVID-19 and the steps being taken to limit the impact of the pandemic on the business.
- We obtained and reviewed the Directors' assessment, including challenging the liquidity position.
- We checked the robustness of the Directors' business planning process.
- We checked the key assumptions.
- We assessed the sensitivities of the underlying assumptions.
- We reviewed the latest financial information to gauge the financial position; and
- Considered the Company's historic ability to raise funds.

The directors have confirmed that they will continue to support the Company and acknowledge that there are accrued Director remuneration amounts where the Directors have committed to ensure their drawdowns against this and any future remuneration will not exceed £105,000 for at least 12 months from the signing of these financial statements.

# Independent Auditor's Report

**for the year ended 30 June 2021**

Our responsibilities and the responsibilities of the directors with regard to going concern are described in the relevant sections of this report.

**Our audit approach**

**Overview**

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

- Going concern assumption
- Recoverability of loans to related parties

As these key audit matters have been included within the qualified opinion, for the recoverability of loans to related parties, and the material uncertainty, for the going concern assumption, they have not been included within this key audit matters section. This is in accordance with the guidance set out within ISA (UK) 705.

**Our application of materiality**
The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

| | Company financial statements |
|---|---|
| Overall materiality | £29,000 (2020: £33,000). |
| How we determined it | We have used 3% of gross assets. |
| Rationale for benchmark applied | We believe that gross assets are a primary measure used by shareholders in assessing the performance and size of the Company; this is considered to be a generally accepted auditing benchmarks. |

We agreed with the board of directors that we would report to them misstatements identified during our audit above £1,000 (Company audit) (2020: £2,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

**An overview of the scope of our audit**
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

**How we tailored the audit scope**
We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the Company, the accounting processes and controls, and the industry in which they operate.

**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.

# Independent Auditor's Report

**for the year ended 30 June 2021**

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

**Responsibilities of directors**
As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

**The extent to which the audit was considered capable of detecting irregularities including fraud**
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
  - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
  - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 of the financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- in response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
    - agreeing financial statement disclosures to underlying supporting documentation;
    - reading the minutes of meetings of those charged with governance;
    - enquiring of management as to actual and potential litigation and claims; and
    - reviewing correspondence with HMRC and the group's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Other matters which we are required to address**

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit. Our audit opinion is consistent with the additional report to the audit committee.

**Use of this 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.

Sudhir Rawal (Senior Statutory Auditor)
**For and on behalf of Jeffreys Henry LLP (Statutory Auditors)**
Finsgate
5-7 Cranwood Street
London
EC1V 9EE

31 December 2021

# Income Statement

**for the year ended 30 June 2021**

| | Notes | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|---|
| **Continuing operations:** | | | |
| Turnover | | **(2,389)** | 2,389 |
| Operating expenses | | **(286,052)** | (262,525) |
| Impairment | | **(407,000)** | - |
| Operating loss | | **(695,441)** | (260,136) |
| Finance income | | **35,035** | - |
| Finance charge | | **-** | (30,195) |
| Loss before taxation | | **(660,406)** | (290,331) |
| Taxation expense | 5 | **-** | - |
| Loss for the year, attributable to owners of the Company | | **(660,406)** | (290,331) |
| Loss per share attributable to owners of the Company during the year | | **Pence** | Pence |
| Basic and diluted | | | |
| Total and continuing operations | 6 | **(4.4)** | (4.8) |

# Statement of Comprehensive Income

**for the year ended 30 June 2021**

| | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| Loss for the financial year | **(660,406)** | (290,331) |
| Other comprehensive income: | | |
| Changes in valuation of investment | **-** | (88,499) |
| **Total comprehensive income for the year** | **(660,406)** | (378,830) |

The notes on pages 31 to 39 form part of the financial statements.

# Statement of Financial Position
**as at 30 June 2021**

| | Notes | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|---|
| **Non-current assets** | | | |
| Financial assets at fair value through other comprehensive income | 7 | **42,751** | **42,751** |
| Investments in subsidiary undertakings | 8 | **100** | 100 |
| **Total non-current assets** | | **42,851** | 42,851 |
| | | | |
| **Current assets** | | | |
| Other receivables | 9 | **759,432** | 1,230,261 |
| Cash and cash equivalents | 10 | **-** | 223 |
| **Total current assets** | | **759,432** | 1,230,484 |
| | | | |
| **Total assets** | | **802,283** | 1,273,335 |
| | | | |
| **Equity** | | | |
| Share capital | 12 | **204,707** | 204,707 |
| Share premium | | **2,237,456** | 2,237,456 |
| Share option reserve | | **80,300** | 80,300 |
| Investment revaluation reserve | | **30,435** | 30,435 |
| Retained earnings | | **(2,741,012)** | (2,080,606) |
| **Equity attributable to owners of the Company and total equity** | | **(188,114)** | 472,292 |
| | | | |
| **Current liabilities** | | | |
| Trade and other payables | 11 | **990,397** | 801,043 |
| | | | |
| **Total equity and liabilities** | | **802,283** | 1,273,335 |

These financial statements were approved by the Board, authorised for issue and signed on their behalf on 31 December 2021 by:

N B Fitzpatrick
**Company registration number: 06050613 (England & Wales)**

31 December 2021

# Statement of Cashflows

**for the year ended 30 June 2021**

| | Notes | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|---|
| **Operating activities** | | | |
| Loss before tax | | **(660,406)** | (290,331) |
| Interest charge | | **-** | 30,195 |
| Impairment | | **407,000** | - |
| (Increase)/decrease in trade and other receivables | **9** | **470,829** | (518,265) |
| Increase/(decrease) in trade and other payables | **11** | **189,354** | (60,435) |
| Increase/(decrease) in bonds | | **(407,000)** | 507,000 |
| **Net cash flow from operating activities** | | **(223)** | (331,836) |
| **Financing activities** | | | |
| Proceeds from issue of shares | | **-** | 320,000 |
| **Net cash flow from financing activities** | | **-** | 320,000 |
| Net increase / (decrease) in cash and cash equivalents | | **(223)** | (11,836) |
| Cash and cash equivalents at start of year | | **223** | 12,059 |
| **Cash and cash equivalents at the end of the year** | **10** | **-** | 223 |
| **Cash and cash equivalents comprise:** | | | |
| Cash and cash in bank | **10** | **223** | 223 |
| **Cash and cash equivalents at end of year** | | **-** | 223 |

The notes on pages 31 to 39 form part of the financial statements.

LOMBARD CAPITAL PLC

# Statement of Changes in Equity

**for the year ended 30 June 2021**

| | Share Capital £ | Share Premium £ | Share Option Reserve £ | Investment Revaluation Reserve £ | Retained Earnings £ | Total Equity £ |
|---|---|---|---|---|---|---|
| Balance at 1 April 2019 | 194,116 | 954,574 | 80,300 | 118,934 | (1,790,275) | (442,351) |
| Loss for the year | - | - | - | - | (290,331) | (290,331) |
| Issue of shares | 10,591 | 1,282,882 | | | | 1,293,473 |
| Revaluation of assets held for sale | - | - | - | (88,499) | - | (88,499) |
| Balance at 30 June 2020 | 204,707 | 2,237,456 | 80,300 | 30,435 | (2,080,606) | 472,292 |
| **Balance at 1 July 2020** | **204,707** | **2,237,456** | **80,300** | **30,435** | **(2,080,606)** | **472,292** |
| **Loss for the year** | **-** | **-** | **-** | **-** | **(660,406)** | **(660,406)** |
| **Issue of shares** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Revaluation of assets held for sale** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Balance at 30 June 2021** | **204,707** | **2,237,456** | **80,300** | **30,435** | **(2,741,012)** | **(118,114)** |

Share capital is the amount subscribed for shares at nominal value.

Share premium is the amount subscribed for share capital in excess of nominal value.

Share option reserve relates to share-based payment charges recognised.

Investment revaluation reserve represents the temporary movement in fair value of available-for-sale investments.

Retained earnings represents accumulated profit or loss to date.

The notes on pages 31 to 39 form part of the financial statements.

# Notes to the Financial Statements

**for the year ended 30 June 2021**

### 1 General information

Lombard Capital Plc is a public limited Company incorporated and domiciled in the United Kingdom. The registered office is 19 Goldington Road, Bedford, MK40 3JY.

### 2 Principal accounting policies

The principal Accounting Policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

**Basis of preparation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), and IFRIC interpretations as adopted in the European Union and as applied in accordance with the provisions of the Companies Act 2006, and under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the Financial Statements, are disclosed later in these accounting policies.

The financial statements are presented in sterling (£).

**Going concern**

During the year, the Company made a loss of £660,406 and at the period-end had current net liabilities of £118,114. The cash balance at the year end was £nil. 2020 saw the world impacted by COVID-19, the group has not been adversely affected by the global pandemic. The directors have confirmed that they will continue to support the company and acknowledge that there are accrued Director remuneration amounts where the Directors have committed to ensure their drawdowns against this and any future remuneration will not exceed £105,000 for at least 12 months from the signing of these financial statements.

The Chairman's statement has explained the recent Group sale of Gaskell House and extension of the Bonds in issue will benefit all companies within the Group, therefore, the directors have formed the opinion that there are adequate arrangements in place to enable the settlement of their financial commitments as and when they fall due.

For this reason, the directors continue to adopt the going concern basis in preparing the financial statements. Whilst there are inherent uncertainties in relation to future events, and therefore no certainty over the outcome of the matters described, the directors consider that, based on financial projections and dependent on the success of their efforts to complete these activities, the Group will be a going concern for the next 12 months.

**Changes in accounting policy**

There were a number of standards and interpretations which were in issue at 30 June 2021 but not effective for periods commencing 1 July 2020 and have not been adopted for these Financial Statements. The Directors have assessed the full impact of these accounting changes on the Company. To the extent that they may be applicable, the Directors have concluded that none of these pronouncements will cause material adjustments to the Company's Financial Statements. They may result in consequential changes to the accounting policies and other note disclosures. The new standards will not be early adopted by the Company and will be incorporated in the preparation of the Financial Statements from the effective dates noted below. The new standards include:

- IFRS 17 Insurance Contracts[2]
- IFRS 9 Interest Rates[1]
- IAS39/IFRS7 Benchmark Reform[1]
- IFRS16 (Amendment) [1] Leases' – Covid [1]19 related rent concessions
- IAS 1 Presentation of Financial Statements[2]

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material effect on the financial statements of the company or group.

[1] Effective for annual periods beginning on or after 1 January 2021

[2] Effective for annual periods beginning on or after 1 January 2023

**Key estimates and assumptions**

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reporting amount of income and expenses during the year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The only estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to the valuation of unquoted investments and the estimation of the expected credit losses of receivables. These are valued in accordance with the techniques set out in the accounting policy for 'Financial Assets and Liabilities' on page 34.

*Carrying value of unquoted investments*

In assessing potential impairment of unquoted investments, management estimates the recoverable amount of each asset. Management has estimated no impairment for the carrying value of the investment held within the financial statements. Also see note 8 for details in relation to investments

# Notes to the Financial Statements

**for the year ended 30 June 2021**

**Key estimates and assumptions continued**

*Estimation of the expected credit losses of receivables*
In assessing the expected credit losses, in respect of the receivables under IFRS 9, the Company considers the past performance of the receivable book along with future factors, that may affect the credit worthiness of the entire receivables. Due to the lack of information available no estimations of potential impairment have been made within these assumptions which could affect the carrying value of the receivables. However, it is management's judgement that the carrying value of the receivables appears appropriate.

**Revenue**
Revenue from providing services is recognised in the accounting year in which services are rendered. Any increases or decreases in estimated revenues or costs are reflected in profit or loss in the year in which the circumstances that give rise to the revision become known by management.

**Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the group is able to control the reversal of the temporary difference and it I probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective year of realisation, provided they are enacted or substantively enacted at the balance sheet date. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the profit or loss income statement, except where they relate to items that are recognised in other comprehensive income in which case the related deferred tax is also charged or credited directly to equity.

**Segmental reporting**

A segment is a distinguishable component of the Company's activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

As the chief operating decision maker reviews financial information for and makes decisions about the Company's investment activities as a while, the directors have identified a single operating segment, that of developing secure bond investment.

# Notes to the Financial Statements

**for the year ended 30 June 2021**

**Financial assets and liabilities**

*i. Recognition and initial measurement*

The Company initially recognises loans and advances, trade and other receivables/payables, and borrowings plus or minus transactions costs when and only when the Company becomes party to the contractual provisions of the instruments.

*Financial assets at amortised cost*

The Company's financial assets at amortised cost comprise trade and other receivables. These represent debt instruments with fixed or determinable payments that represent principal or interest and where the intention is to hold to collect these contractual cash flows.

They are initially recognised at fair value, included in current and non-current assets, depending on the nature of the transaction, and are subsequently measured at amortised cost using the effective interest method less any provision for impairment.

*Financial assets at fair value through other comprehensive income*

(i) Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Company considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal and interest and the objective of the company's business model is achieved both by collecting contractual cash flows and selling financial assets.

(ii) Equity investments at fair value through other comprehensive income

*Financial liabilities at amortised cost*

Financial liabilities at amortised cost comprise trade and other payables. They are classified as current and non-current liabilities depending on the nature of the transaction, are subsequently measured at amortised cost using the effective interest method.

*Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

**Financial liabilities**

Financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. All interest related charges are recognised as an expense in finance cost in the income statement using the effective interest rate method. The Company's financial liabilities comprise trade and other payables.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Trade payables are recognised initially at their fair value and subsequently measured at amortised cost less settlement payments.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and current and deposit balances deposits at banks, together with other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**Equity**

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

**3 Loss from operations**

Loss from operations is stated after charging:

| | **30 Jun 2021** | 30 Jun 2020 |
|---|---|---|
| | **£** | £ |
| Auditor's remuneration for auditing of accounts | **21,250** | 15,000 |

# Notes to the Financial Statements

**for the year ended 30 June 2021**

### 4 Directors' remuneration

The Company had no employees, other than directors in the year under review, or the prior period. During the year there has been one executive director and one non-executive director.

| | **30 Jun 2021 No.** | 30 Jun 2020 **No.** |
|---|---|---|
| Administration | 2 | 2 |

| | **30 Jun 2021 £** | 30 Jun 2020 £ |
|---|---|---|
| *Director's remuneration – fees:* | | |
| N Brent Fitzpatrick | **60,000** | 31,250 |
| Barry Fromson | **60,000** | - |
| David Grierson | - | 115,000 |
| | **120,000** | 146,250 |

The highest paid director was not granted, nor did he exercise any share options during the year. The highest paid director did not receive any shares in respect of qualifying services under a long-term incentive scheme.

Warrants have been issued for services, to directors. Please refer to page 21.

### 5 Taxation

| | **30 Jun 2021 £** | 30 Jun 2020 £ |
|---|---|---|
| UK corporation tax | - | - |
| Deferred tax | - | - |
| **Tax charge** | - | - |

*Tax reconciliation*

| | **30 Jun 2021 £** | 30 Jun 2020 £ |
|---|---|---|
| Loss before tax | **(660,406)** | (290,331) |
| Tax at 19% (30 Jun 2020: 19%) on loss before tax | **(125,477)** | (55,163) |
| Effects of: | | |
| Add back disallowable expenses | - | - |
| Unrelieved losses carried forward | **125,477** | 55,163 |
| Total tax (credit)/expense | - | - |

The unutilised tax losses of the Company available for set off against future taxable profits are estimated to be £795,000 (30 Jun 2020: £135,000). The Company has not recognised a deferred tax asset in respect of these losses as there is insufficient evidence of future taxable profits.

# Notes to the Financial Statements

**for the year ended 30 June 2021**

### 6 Earnings per share

The basic and diluted earnings per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

| | **30 Jun 2021 £** | 30 Jun 2020 £ |
|---|---|---|
| *Earnings* | | |
| Loss for the purposes of basic and fully diluted loss per share | **(660,406)** | (290,331) |
| *Number of shares* | | |
| Weighted average number of shares for calculating basic and fully diluted earnings per share | **14,809,784** | 6,041,726 |

| | **30 Jun 2021 Pence** | 30 Jun 2020 Pence |
|---|---|---|
| *Earnings per share* | | |
| Basic and fully diluted loss per share | **(4.4)** | (4.8) |

### 7 Financial Assets

**Financial assets at fair value through other comprehensive income**

Equity investments at fair value through other comprehensive income comprises following individual investments:

| **Unlisted Securities** | **30 Jun 2021 £** | 30 Jun 2020 £ |
|---|---|---|
| Prepaid Global Services Limited (formerly Prego International Limited) | **1** | 1 |

| **Listed Securities** | **30 Jun 2021 £** | 30 Jun 2020 £ |
|---|---|---|
| BWA Group Plc | **42,750** | 42,750 |
| TOTAL | **42,751** | 42,751 |

Valuation techniques used by the Group are explained on page 15.

The value of £1 relates to shares held in Prepaid Global Services Limited (formerly Prego International Limited) which have been placed on the JP Jenkins matched-bargain platform. In the absence of an indicative price the directors have impaired to a value of £1.

# Notes to the Financial Statements

**for the year ended 30 June 2021**

### 8 Investments

| | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| Investments held at cost | | |
| Cost brought forward | **100** | 100 |
| Additions in period | **407,000** | - |
| Impairment | **(407,000)** | - |
| | **100** | 100 |

Other non-current assets consist of the investments in LCP Financial Limited and Waste and Recycling Solutions Limited both of which are registered in England. The Company holds 100 per cent of the shares and voting rights of LCP Financial Limited. Waste and Recycling Solutions Limited is a wholly owned subsidiary of LCP Financial Limited. The registered office of LCP Financial Limited and Waste and Recycling Solutions is the same as the parent company.

During the year LCP Financial Limited issued further shares, a subsidiary. On 27 August 10million shares were created in crest and issued at a price of 25p a share. Following the share issue the Company owned 69.904% of LCP Financial Limited.

### 9 Other receivables

| | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| Prepayments and accrued income | **50,155** | 11,729 |
| Amounts owed by group undertakings | - | 507,000 |
| Amounts owed by related parties | **700,700** | 700,700 |
| Other debtors | **8,577** | 10,832 |
| | **759,432** | 1,230,261 |

The fair value of trade and other receivables is considered by the directors not to be materially different to the carrying amounts.

Amounts within loans to related parties are unsecured. Interest is receivable on these amounts advanced at a rate of 5% per annum. This year some of the loans, see note 7, have been re-analysed from non-current as the nature of loan repayment profile has changed and the loans are now at 5% interest and are receivable on demand.

### 10 Cash and cash equivalent

| | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| Cash at banks | - | 223 |
| | - | 223 |

### 11 Trade and other payables

| | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| Trade payables | **4,322** | 87,340 |
| Unsecured loans | **39,600** | 62,250 |
| Amounts owed to group undertakings | **425,672** | 239,100 |
| Accrued charges | **520,803** | 412,353 |
| | **990,397** | 801,043 |

The fair value of trade and other payables is considered by the directors not to be materially different to the carrying amounts.

# Notes to the Financial Statements

**for the year ended 30 June 2021**

**12 Share capital**

| | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| *Authorised capital* | | |
| 500,000,000 ordinary shares of 0.1p each | **500,000** | 500,000 |
| 2,000,000 redeemable shares of 1p each | **20,000** | 20,000 |
| | **520,000** | 520,000 |
| *Issued and fully paid* | | |
| 14,809,784 new ordinary shares of 0.1p | **14,810** | 14,810 |
| 1,918,150 deferred shares of 9.9p | **189,897** | 189,897 |
| | **204,707** | 204,707 |

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

**13 Investment revaluation reserve**

| | 30 Jun 2021 £ | 30 Jun 2020 £ |
|---|---|---|
| Balance brought forward | **30,435** | 118,934 |
| Market value adjustment in year | **-** | (88,499) |
| Balance carried forward | **30,345** | 30,435 |

**14 Risk management objectives and policies**

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Company's risk management is coordinated by the board of directors and focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial markets.

*Capital risk management*

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can improve returns and benefits for shareholders
- to support the Company's growth: and
- to provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages the capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes. There have been no changes in this since the previous reporting date.

*Credit risk*

The Company's financial instruments, that are subject to credit risk, are cash and cash equivalents. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable financial institutions.

The Company's maximum exposure to credit risk is £nil (2020: £223) comprising cash and cash equivalents.

# Notes to the Financial Statements

**for the year ended 30 June 2021**

**14 Risk management objectives and policies continued**

*Liquidity risk*

Liquidity risk is managed by means of ensuring sufficient cash and cash equivalents are held to meet the Company's payment obligations arising from administrative expenses. The cash and cash equivalents are invested such that the maximum available interest rate is achieved with minimal risk.

Financial assets comprise, cash of £nil and are available on demand. Financial liabilities comprise trade payables of £4,322 which are all payable within 3 months.

*Market price risk*

The Company's exposure to market price risk mainly arises from potential movements in the fair value of its investments. The Company manages this price risk within its long-term investment strategy to manage a diversified exposure to the market. If each of the Company's equity investments were to experience a rise of fall of 10% in their fair value, this would result in the Company's net asset value increasing or decreasing by £4,275 (30 Jun 2020: £4,275).

*Financial assets by category*

The IFRS 9 categories of financial assets included in the balance sheet and the headings in which they are included are as follows:

| | **30 Jun 2021 £** | 30 Jun 2020 £ |
|---|---|---|
| Financial assets: | | |
| Financial assets at fair value through other comprehensive income | **42,751** | 42,751 |
| Financial assets at amortised cost | **-** | - |
| Investment in subsidiary | **407,100** | 100 |
| Trade and other receivables | **709,277** | 1,218,532 |
| Cash and cash equivalents | **-** | 223 |
| | **1,159,128** | 1,261,606 |

*Financial liabilities by category*

The IFRS 9 categories of financial liability included in the balance sheet and the headings in which they are included are as follows:

| | **30 Jun 2021 £** | 30 Jun 2020 £ |
|---|---|---|
| Financial liabilities at amortised cost: | | |
| Trade and other payables | **990,397** | 801,043 |
| | **990,397** | 801,043 |

**15 Share-based payments**

The amount of remuneration expense in respect of the share options granted amounts to £NIL (period ended 30 Jun 2020: £nil).

The options for 350,000 shares held by D W Grierson, a former director, have not been exercised and remain outstanding at the reporting date.

# Notes to the Financial Statements

**for the year ended 30 June 2021**

**16 Convertible Instruments**

*Convertible unsecured loan notes 2018*

On 4 July 2018, it was agreed to issue £100,000 of Loan Capital which carries the right to convert the same into 15% of equity. Convertible Unsecured Loan Notes 2018 were issued. Warrants extended to May 2019.

A convertible loan note instrument was issued on 4 July 2018 with a value of 100,000 as loan capital which carries right to convert into 15% of equity.

Warrants would be issued to those that subscribe for these loan notes carrying the right to subscribe for new Ordinary Shares of £0.001 each. These warrants entitle holders of £100 convertible notes to subscribe for 1,000 new ordinary shares. Each warrant has a right to buy the same amount of ordinary shares at a price of 10 pence.

The following warrants were issued to related parties:

| Date of issue | Held by | No of warrants | Reason for issue |
|---|---|---|---|
| 30-Jun-16 | D W Grierson (former director) | 100,000 | Issue of warrants |
| 30-Jun-16 | N B Fitzpatrick (non-executive director) | 100,000 | Issue of warrants |
| 21-Feb-18 | David Grierson (former director) | 900,000 | For introductions, services and advice |
| 21-Feb-18 | Brent Fitzpatrick (non-executive director) | 100,000 | For introductions, services and advice |
| 26-Jul-18 | David Grierson (former director) | 1,500,000 | Issue of warrants |
| 26-Jul-18 | N B Fitzpatrick (non-executive director) | 250,000 | Issue of warrants |
| 26-Jul-18 | Steve Monico Ltd (company secretary) | 250,000 | For secretarial services |

On 21 February 2018 the Company agreed that 1,250,000 warrants be issued which will be exercisable at a price of 10p per ordinary share up to 1 March 2020.

On 5 October 2018, the Company issued warrants of up to 6,500,000 ordinary shares of 0.001 each.

On 29 May 2020 the Company received notices from holders of 3,200,000 of warrants to convert to 3,200,000 shares for a consideration of £320,000. Following the conversion there were 6,500,000 outstanding.

**17 Contingent liabilities**

There were no contingent liabilities as at 30 June 2020 or 30 June 2021.

**18 Capital commitments**

There were no capital commitments authorised by the directors or contracted for at 30 June 2020 or 30 June 2021.

**19 Post balance sheet events**

**There were no post balance sheet events after the period end.**

**20 Related party transactions**

The remuneration paid to the directors is set out in Note 4 to the financial statements.

The loans, which are included in other debtors, have been advanced to Specialist Design Services Limited and Capital Protection Program Limited are Companies which were previously owned by Barry Fromson, a significant shareholder of the Group and director of the subsidiary. At the period end he no longer owned the Companies.

An unsecured loan of £224,500 was advanced to Specialist Design Services Limited. Interest is receivable on amounts advanced at a rate of 5% and are receivable on demand. At the period end £224,500 (2020: £224,500) was still outstanding.

An unsecured loan of £476,200 was advanced to Capital Protection Program Limited. Interest is receivable on amounts advanced at a rate of 5% and are receivable on demand. At the period end £476,200 (2020: £476,200) was still outstanding.

**21 Controlling party**

As at 30 June 2021 and at the reporting date, the Company had no controlling party.