

Company Registration No. 06469680 (England and Wales)

ALEPH FINANCE GROUP PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

ALEPH FINANCE GROUP PLC

COMPANY INFORMATION

Directors	E Danieleto A Sprizzi M Grandinelli R Snedden	(Appointed 18 July 2019) (Appointed 17 October 2019)
Secretary	G Ivanova	
Company number	06469680	
Registered office	1st Floor 12 Old Bond Street Mayfair London W1S 4PW	
Auditor	Perrys Accountants Limited Chartered Accountants First Floor 12 Old Bond Street London W1S 4PW	

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STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Fair review of the business

History of the company

Aleph Finance Group is a financial company headquartered in London, acting as holding company of its Group that is active in managing investments, providing advisory services and insurance solutions to high net worth individuals, family offices and companies throughout Europe. Aleph was incorporated in 2008 with the legal name of Pairstech Limited and, until 2015, was dormant. As of 3 June 2015, Pairstech Limited changed its legal name to Pairstech CM Ltd.

In March 2016, following the departure of a minority partner of Pairstech Capital Management LLP, Aleph increased its interest in Pairstech in order to support its development.

In 2017, the reporting dates of Aleph have changed from 30 April to 31 December, in order to align them with those of its Investees.

As of 16 April 2018, Pairstech CM Ltd changed its name to Aleph Finance Group Ltd.

On 27 March 2019, the company issued 6.5% 2024 the Non-Convertible Bonds. As of 27 March 2019, the Bonds were admitted to trading on the Vienna MTF, a Multilateral Trading Facility operated by the Wiener Börse AG (the Vienna Stock Exchange).

By way of a written resolution of the Shareholders of Aleph adopted on 18 July 2019, Aleph was transformed into a public limited company. On the same day, Aleph executed a stock split with the division of the previous no. 50,000 (fifty thousand) ordinary shares denominated in GBP having a nominal value of GBP 1 (one) each into no. 10,000,000.00 (ten million) ordinary Shares having a nominal value of GBP 0.005 (zero point zero zero five) each.

Description of the company's activities

Aleph and its Group are mainly active in the asset management and insurance brokerage industries. Each "business-line" is then divided into different sub-lines, making of Aleph and its Group a real pan-European financial player able to serve clients with a "360-degree" approach.

Aleph's main activities in this business line are: (i) the development of corporate strategy in favour of its Subsidiaries and Investees and (ii) the management of equity interests in other companies operating in the fund management, wealth management, capital markets and financial services industries

The activities falling within each sub-line can be described as follows.

Wealth Management	Fund Sub-Management	Capital Markets	Financial Services Hub
<ul style="list-style-type: none">• Managed Accounts• Advisory Mandates• Portfolio Allocation• Risk Analysis	<ul style="list-style-type: none">• UCITS Funds• Alternative Funds• Marketing and Placement• Risk Management	<ul style="list-style-type: none">• Corporate Finance• Listing & Placement• Investor Relations Services• Club Deals• Crowdfunding	<ul style="list-style-type: none">• Regulatory umbrella• Compliance Oversight• Securitisation Vehicles, Certificates and Funds Setup

ALEPH FINANCE GROUP PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Wealth Management

The Group is active in the wealth management space through Pairstech.

The wealth management activities represent the first as well as the key and most relevant business of the Group.

The services falling within such sub-line represent a combination of active management (i.e. managed accounts and portfolio allocation) and advisory (i.e. advisory mandates and risk analysis) activities.

The Group has currently over 200 accounts opened and managed.

In this business sub-line, the Group has also established strong partnerships with leading credit and financial institutions in the different countries where the Group operates, providing to the Group and its clients custodian, depositary bank, execution, trading and settlement services.

Funds' Sub-Management

Funds' sub management represents a key area for Aleph and its Group.

The Group is active in the fund sub-management industry through Pairstech

The Group firstly operates as a delegated investment manager, both in relation to UCITS and Alternative Investment Funds, based on investment manager agreements entered into with leading European management companies. The Funds for which Pairstech operates as delegated investment manager are shown in the table above.

Such agreements – whilst, on the one hand, retain the ultimate liability and responsibility to the management companies – on the other hand, attribute significant discretion and powers to the delegated investment manager (i.e. Pairstech) in the execution and monitoring of the investments as well as in the management of the relevant Funds (or compartments thereof).

Such structure allows clients to benefit from, (i) on the one hand, the infrastructure and services of fully regulated and well-respected management companies and (ii) on the other hand, be-spoke investment solutions offered by, and the specific expertise of, Pairstech's investment managers.

Among the management companies with which Pairstech has in place investment manager agreements, there are Lemanik Asset Management S.A., Pharus Management S.A., Cardif Lux Vie S.A. and Adepa Asset Management S.A.

Pairstech is also active in the distribution side, by marketing and placing UCITS and Alternative Investment Funds vis-à-vis its clients.

Capital markets

Capital markets historically represent a core business for Aleph and its Group, both on the transactional as well as the advisory side.

The Group advises corporate clients on the entire transactional process, starting from the structuring activities of capital markets' deals (equity and debt) to the placing and listing phase thereof.

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

In this regard, the Group's main target clients are European small medium enterprises ("SMEs") wanting to diversify their funding sources and looking to dis-intermediate the traditional banking channel. In this space, Pairstech has gained a top-notch expertise and market recognition in the structuring and distribution of the so-called mini-bonds (i.e. debt securities issued by Italian SMEs), to be listed typically on the ExtraMOT Pro, a market segment managed and organised by the Italian Stock Exchange, or the Vienna MTF, a market of the Vienna Stock Exchange.

Financial Services Hub

The Group also operates as a hub for financial services' solutions.

In this regard, a profitable part of the business is represented by the so-called appointed representative services offered by Pairstech to non-regulated entities intending to benefit from the regulatory umbrella and permissions of Pairstech to carry-out certain regulated activities in the United Kingdom.

Currently, Pairstech has over 30 appointed representatives under its umbrella.

The appointed representatives' business requires compliance oversight's services that are carried out by the Group in favour of its appointed representatives.

Finally, another important part of the financial services business is represented by the so-called "special opportunities", such as the set-up and management of securitisation vehicles and/or compartments thereof through which securitisation transactions are executed and the structuring of certificates and other investment products.

Insurance's business line

The insurance brokerage business line is divided into the 3 following sub-lines.

Private Life Insurance	Unit Linked Life Insurance	Health Insurance
Combination of private banking services and asset management embedded within life insurance policies, satisfying the most sophisticated and complex needs with dedicated instruments	A product that combine insurance personal protection with underlying diversified funds portfolio, long terms investment with insurance and fiscal advantages	International medical private schemes protecting entrepreneurs and families related to short terms and long terms Health care needs.

Customers' base and segments

The chart below shows the Group's client base together with the Group's aim.

In particular, the Group focuses on the high-net worth individuals' space in relation to its management and insurance brokerage activities and on the European SMEs' area for its capital markets' business.

Therefore, the Group presents itself as a pan-European "insurwealth" mid-market platform.

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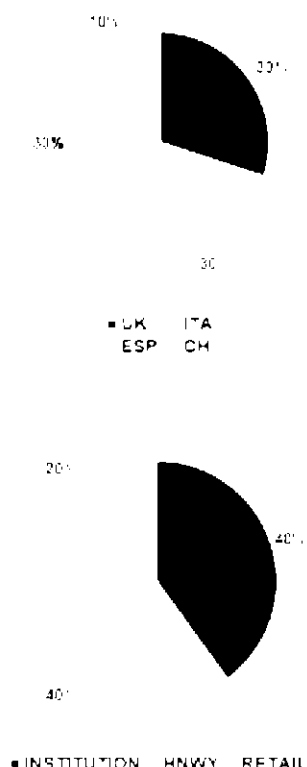
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Geographical presence

The Group provides its services mainly in the United Kingdom, Ireland, Switzerland, Italy, Spain and Luxembourg.

The clients' distribution in terms of geographical area and type is illustrated in the graphs below.



Principal risks and uncertainties

Risk related to the Issuer's expansion and growth

We have experienced, and intend to continue to pursue, a rapid growth and we intend to implement an expansion strategy.

The Company's and the whole Group's organizational structure is also becoming more complex as operational, financial and management infrastructure is growing and we continue to improve and invest into our reporting systems and procedures. These investments will require significant capital expenditures and the allocation of management resources, and any investments the Company makes will occur in advance of experiencing the benefits from such investments, making it difficult to determine in a timely manner if we are efficiently allocating our resources.

ALEPH FINANCE GROUP PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

If we are unable to manage our growth effectively and efficiently and/or we do not achieve the benefits anticipated from these investments and/or if the achievement of these benefits is delayed, the Group's results of operations and financial and economic conditions may be adversely affected.

Moreover, our capacity to achieve our growth targets and increase our revenues and profits depends, to a large extent, on our capacity to implement our business plan and strategy and to achieve a high level of efficiency and effectiveness in our operations. If we are not able to successfully implement our business strategy, or if such implementation is delayed (for any reason), or if the assumptions as well as targets of our business strategy and plan prove to be incorrect or not achievable (also in part), the Group's results of operations and financial and economic conditions may be adversely affected.

Moreover, our ability to forecast future results of operations is subject to a number of uncertainties. Any predictions about the Group's future revenues and expenses may not be as accurate as expected.

If management assumptions regarding these risks and uncertainties, which the Company uses to plan and operate business, are incorrect or change, or if the Company does not address these risks successfully, results of operations could differ materially from expectations, growth rates may slow, and business would suffer.

Should any of the negative events above materialize and in case we are not able to address such negative events and mitigate the negative consequences thereof quickly and effectively, they may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

Risks related to joint ventures, partnerships and future acquisitions

We may establish partnerships or joint ventures or make acquisitions to develop and implement our growth strategy or strengthen our core business. However, the possible benefits or expected returns from such joint ventures, partnerships and acquisitions may be difficult to achieve or may prove to be less valuable than we estimate. Furthermore, joint ventures, partnerships and acquisitions bear the risk of difficulties that may arise when integrating people, operations, technologies and products. This may have a material adverse effect on the Group's business, financial and economic condition and results of operations.

In addition, the success of acquisitions depends in part on our ability to identify successfully and acquire suitable companies and other assets on acceptable terms and, once they are acquired, on the successful integration into our and the Group's operations, as well as our ability to identify suitable strategic partners and conclude suitable terms with them. Any inability to implement an acquisition strategy or a failure in any particular implementation of this strategy may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

Risk related to the failure to meet the expectations of investors

The Group's past results should not be relied upon as indicative measure of future performance. In fact, we may not be able to accurately predict future performance, revenues and results of operations. If our performance, revenues or results of operations fall below the expectations of the investors in a particular year, or below any guidance or forecast that we may communicate to the public and the market, the market price of the Shares may decline.

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Currency risk

A significant amount of revenues generated by the Group is denominated in Euro while a significant amount of fixed costs in Sterling. Moreover, the Group does not currently undertake foreign currency hedging transactions to mitigate potential foreign currency exposure but may decide to do so in the future.

Therefore, a negative fluctuation of the exchange rates between Sterling and Euro may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

Liquidity and funding risks

We are exposed to potential liquidity risks that may also arise from circumstances outside our control such as a credit crisis or severe economic conditions. Moreover, there can be no assurance that we will be able to (i) receive cash flows from our Subsidiaries and Investees (and Pairstech in particular) and/or (ii) borrow from banks or raise financial resource in the capital markets to meet our payment obligations and/or to refinance our exposure.

The occurrence of any of the above-mentioned events and the consequent inability to ensure sufficient liquidity may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

Operational risks

The Group is potentially subject to various operational risks – including the risk of fraud by employees of other persons, unauthorized transactions by employees or operational errors, including due to malfunctions in production machines and equipment – which may negatively affect its business, financial and economic condition and results of operations.

The occurrence of any of the above-mentioned events, in turn, may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

Risk of changes in tax regimes

We are subject to the risk that countries in which we and our Subsidiaries and Investees operate, or will operate in the future, may impose additional withholding taxes, income taxes or other taxes, as well as changing tax levels from those in force at the date of the respective projects or the date hereof.

Any future adverse changes concerning tax regimes generally applicable to us and/or our Subsidiaries and Investees may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

Risk of litigation

Legal proceedings may arise from time to time in the course of the Company and Group's businesses.

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

In particular, the Issuer and its Subsidiaries and Investees (and in particular Pairstech) (i) are exposed to possible litigation risks including, but not limited to, regulatory interventions and proceedings as well as third party claims and (ii) may be involved in disputes if, for example, (a) the appropriate standard of care and/or the applicable conduct rules are not satisfied in the performance of financial and insurance services vis à vis the clients and/or (b) any power, authority or discretion is not exercised in a prudent or appropriate manner in accordance with accepted standard of practice.

We cannot exclude that litigation may be brought against the Group and that such litigation may have a material adverse effect on our financial conditions and results of operations.

As far as we are aware, however, there is no current, pending or threatened litigation in which the Group is directly or indirectly concerned, which may have a material adverse effect on our reputation, business, financial conditions and results of operations.

Risk related to the breach of the Group's security measures

Unauthorized access to, or other security breaches of (including malware attacks), systems or networks used by the Company or its Subsidiaries and Investees (and, in particular, Pairstech) – including those of their contractors, or those with which they have strategic relationships – could result in the loss or corruption of data, loss of business, reputational damage vis-à-vis affected clients, regulatory investigations and orders, litigation, indemnity obligations, damages for contract breach, penalties for violation of applicable laws or regulations, significant costs for remediation and other liabilities.

The occurrence of any of the above-mentioned events may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares. We have addressed mitigation of cyber risk also via proper insurance policy.

Risk related to the Issuer's inability to retain key persons

We believe that our success depends on the continuous contribution from the Company and Pairstech's directors, management and other key persons.

In addition, since our future success is dependent on our ability to continue to enhance our existing services and introduce new services, we are heavily dependent on the ability to attract and retain qualified personnel with the requisite education, background, and industry experience. In particular, as we expand our business, our success will also depend, in part, on the ability to attract and retain qualified personnel capable of supporting a larger and more diverse customer base.

The termination of the employment relationships with a significant number of key persons could be disruptive. In addition, if any of the key persons joins a competitor or decides to otherwise compete with the Company or Pairstech, we may experience a material disruption of operations and business strategy, which may result in a loss of clients, in an increase in operating expenses and in a diversion of our personnel's focus.

The occurrence of any of the above-mentioned events may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

ALEPH FINANCE GROUP PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Risk related to potential conflicts of interest

As at the date of the Information Document, certain members of the Board of Directors of the Company may have interests of their own or of third parties in certain transactions of the Company and/or the Group, as they hold, directly or indirectly, interests in the Issuer's share capital and/or in the Investees' capital and sit in the Company's or the Investees' Boards of Directors. More specifically:

-Enrico Danieleto holds approximately 82.75% of the Company's share capital and is the Chief Executive Officer thereof;

Enrico Danieleto is a General Partner and the Chief Executive Officer of Pairstech and holds an interest equal to 10.3%;

-Mauro Grandinetti is Director of the Issuer and holds 0,10% of Pairstech

Risk related to related party transactions

The Company and its Subsidiaries and Investees regularly enter into agreements and/or transactions with related parties.

However, related party transactions present the typical risks of transactions executed by legal entities part of the same Group or, in any case, linked by shareholding and/or business relationships that may jeopardize the fairness of the relevant terms and conditions.

Risk related to the macroeconomic framework

In recent years, the macroeconomic framework has been characterised by a high degree of uncertainty due to the crisis of the main financial institutions and the sovereign debt crisis of certain European countries.

The United Kingdom's approval of its exit from the European Union (known as Brexit) have raised and continues to raise concerns about the long-term sustainability of the Economic and Monetary Union and, in the extreme, the resilience of the European Union itself. In this context, several countries of the Economic and Monetary Union have requested and obtained financial assistance from the European authorities and the International Monetary Fund and are currently carrying out structural reform programmes.

At the date of this Information Document there is no legal procedure or practice aimed at facilitating the exit of a Member State from the Euro and the consequences of these decisions are exacerbated by the uncertainty regarding the methods through which a Member State could manage its current assets and liabilities denominated in Euros and the exchange rate between the newly adopted currency and the Euro.

In addition, a collapse of the Eurozone could be accompanied by the deterioration of the economic and financial situation of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses and involving considerable changes to financial activities both at market and retail level.

The occurrence of any of the abovementioned events may have a significant negative impact on us, with negative implications for the economic, financial and asset situation of our Group.

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Risks related to Brexit

Regardless of the time scale and the term of the United Kingdom's exit from the European Union, the result of the referendum in June 2016 has created significant uncertainties with regard to the political and economic prospects of the United Kingdom and the European Union. The situation is very uncertain since:

(i) on 13 March 2019 the UK Parliament approved a motion rejecting the possibility of withdrawing from the EU without an agreement (so-called No Deal);

(ii) between 27 March 2019 and 1 April 2020 the UK Parliament carried out a series of indicative votes on alternative options to the Brexit Deal and on 11 April 2019, the European Council adopted the decision to further extend the Brexit term to 31 October 2019;

(iii) on 31 January 2020, the United Kingdom unilaterally left the European Union without an agreement (so-called no deal Brexit);

(iv) as at date of this Information Document, no agreement has been reached between the European Union and the United Kingdom as to the legal regime that shall apply after the transitional period comes to an end (i.e. 31 December 2020).

The exit of the United Kingdom from the European Union; the possible exit of Scotland, Wales or Northern Ireland from the United Kingdom; the possibility that other European Union countries could hold similar referendums to the one held in the United Kingdom and/or call into question their membership of the European Union, could include further falls in stock exchange indices, a fall in the value of the Sterling and/or the Euro, an increase in exchange rates between the Sterling and the Euro and/or greater volatility of markets in general due to the increased uncertainty, with possible negative consequences on capital markets.

These events may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

Risk related to competition

The markets where the Group operates are highly and increasingly competitive. A significant number of companies (including investment firms and insurance companies) have developed, or are developing, services that currently or in the future may compete with those of the Group or be of better quality. This competition could result in decreased revenue, increased pricing pressure, increased sales and marketing expenses and loss of market shares, any of which could adversely affect the Company's business and results of operations.

Many of the Group's competitors and potential competitors are larger and have greater brand and/or name recognition, longer operating histories, larger marketing budgets and established client relationships, access to larger client bases, and significantly greater resources for the development of their solutions. In addition, the Group faces potential competition from participants in adjacent markets that may enter the markets or providing alternative approaches to provide similar results. The Group may also face competition from companies entering the market, including companies that could expand their offerings or acquire one of the Group's competitors. They may have significantly greater financial resources and longer operating histories than the Group does. As a result, competitors and potential competitors may be able to respond more quickly and effectively than the Group can to new or changing opportunities, technologies or clients requirements. Further, some potential clients, particularly large corporates, may elect to develop their own internal solutions. The ability to compete is also subject to the risk of future disruptive technologies. If new technologies emerge that are able to deliver similar or better solutions at lower prices, more efficiently, or more conveniently, such technologies could adversely affect the Group's ability to compete. With the introduction of new technologies and market entrants, competition is expected to intensify in the future.

ALEPH FINANCE GROUP PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

If we are unable to keep up with these developments, (i) our results of operations, financial and economic position and profits in the future and consequently (ii) the market price of the Shares, may be negatively affected.

Risk related to regulatory changes affecting the industries in which the Group operates

Some of the groups Subsidiaries and Investees operate in highly-regulated industries and markets, which impose severe regulatory burdens and compliance obligations as well as an on-going supervision by the relevant competent Authorities.

Moreover, such industries and markets are subject to frequent legal and regulatory changes that require amendments and changes to internal policies and procedures as well as to the business model of the relevant regulated entities.

Compliance with such regulatory requirements and obligations as well as potential regulatory proceedings by the competent Authorities may require the expenditure of significant financial resources by the Group and may cause the Group's management to devote significant time to compliance activities thus diverting resources away from the Group's business activities.

In addition, regulatory changes may have a material negative effect on the business of the Group by restricting or imposing additional conditions to the activities and services that the Group currently carries out. Similarly, the suspension, withdrawal, revocation of the authorisations, licenses and permissions granted to Pairstech and the other Investees operating in regulated industries may result in material negative effects on the Group's business.

The occurrence of any of the above-mentioned events may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

Risks relating to COVID-19

China, Southern Asia, Europe and the United States of America have all been affected by the pandemic called COVID-19.

The effects and impacts that such disease may have on the global economy are still uncertain even if financial and economic experts predict that the virus may result in a long-lasting worldwide economic and financial crisis and recession.

As far as the Group's activities are concerned, digital financial and insurance services are likely to profit from the current situation whereas "traditional" business models are likely to be heavily affected.

Notwithstanding the fact that the Group has invested and intends to continue to invest on technology and digital solutions for the performance of its services and activities, the outbreak of the COVID-19 epidemic crisis may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

ALEPH FINANCE GROUP PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Risk related to the issuance of new shares and to the acquisition of additional financing

The Company may seek to raise financing to fund future acquisitions or other growth opportunities by issuing additional equity or convertible equity securities. As part of its business strategy, the Company may acquire or make investments in companies, products or technologies and issue equity or convertible securities to pay for any such acquisition or investment.

Any such issuances of additional Shares may cause Shareholders to experience significant dilution of their ownership interests and the per-share value of our Shares to decline.

The Company may also raise capital through equity financings in the future. Any additional capital raised through the sale of equity or convertible securities may dilute the then existing Shareholders' ownership in the Company and Shareholders could be asked in the future to approve the creation of new equity securities which could have rights, preferences and privileges superior to those of the holders of the Shares.

Conversely, capital raised through debt financing would require the Company (and the Group) to make periodic interest payments and may impose restrictive covenants on the conduct of the business. Furthermore, additional financings may not be available on terms favorable to the Company (and its Group), or at all. A failure to obtain additional funding could prevent the Issuer from making expenditures that may be required to implement its growth strategy and grow or maintain its operations.

Risk related to the payment of dividends

The Company's ability to pay dividends on Shares may be restricted by the terms of any future debt incurred or preferred securities issued by the Company or law. Payments of future dividends, if any, may be proposed after taking into account various factors, including Aleph's business, financial conditions, results of operations, current and anticipated cash needs, plans for expansion and any legal or contractual limitation on the Company's ability to pay dividends. There can be no assurance that, in the future, the Company will be in a position to make dividend payments.

Risk related to majority Shareholders with significant influence

The group is controlled by its majority Shareholder, Mr. Enrico Danieleto (who is also the Chief Executive Officer of the Issuer) holding no. 8,713,639 Shares, amounting to approximately 82.75% of the groups share capital.

As a result, Mr. Danieleto can exercise a significant influence over certain matters to be resolved upon by General Meetings of Shareholders and, in any case, may exercise a significant influence by participating to the meetings of the Board of Directors.

In addition, the presence of a majority Shareholder may prevent or make it difficult for the group to be acquired through a public take over bid. The concentration of ownership may also be negative for other Shareholders, which may have interests different from those of the majority Shareholder.

Risk related to the status of Shareholder of the Group

Shareholders of the group are subject to the general risk associated with such position (i.e. risk directly related to the performance of the group, of the groups Investees; residual claim on the groups assets).

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STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Risk related to the suitability of an investment in the Shares

Investments in the Shares may not be suitable for all recipients of this Information Document. Accordingly, investors are advised to consult an appropriate person authorised under FSMA, or its equivalent in another jurisdiction, before making their decision.

Tax risk

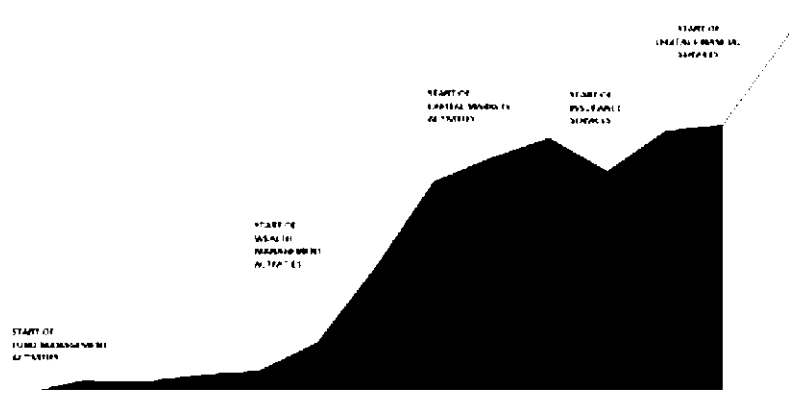
By purchasing and holding the Shares, investors should take their own tax advice as to the consequences of owning such Shares as well as receiving returns from them. In particular, investors should be aware that ownership of the Shares could be treated in different ways in different jurisdictions.

Changes in law adversely affecting the Shareholders

The company is incorporated under the laws of England and Wales. The laws and regulations of England and Wales may be amended from time to time on matters affecting the rights of Shareholders or other circumstances regarding the Shareholder status.

Development and performance

The chart below shows the historical evolution of the Company and its Group's business and activities.



Main investments made by Aleph over the last two financial years

Aleph is a holding company whose main asset is, as the date of this Audited Financials, an economic interest in Pairstech. Therefore, Aleph's principal activities are (i) developing corporate strategy in favour of its investees and (ii) managing equity stakes in other companies operating in the fund management, wealth management, capital markets, financial services, fintech and insurance industries. As a result of its role as a holding company, Aleph will receive a stream of revenues, originated from different types of fees earned, by the different entities part of its Group, along the process of performing services and activities aimed at supporting clients in strategic planning, target scouting, deals origination and execution.

ALEPH FINANCE GROUP PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Aleph holds the following equity/economic interests:

- (i) 89.5% (eighty nine point five per cent.) of Pairstech;
- (ii) 100% (one hundred per cent.) of the share capital of B Securitisation;
- (iii) 3.2% (three point two per cent.) of the share capital of Opstart;
- (iv) 5% (five per cent.) of the share capital of Fiduciaria Digitale;
- (v) 60% (sixty per cent.) of the share capital of Sofias;
- (vi) 100% (one hundred per cent.) of the share capital of BA Insurances;
- (viii) 21% (twenty one per cent.) of the share capital of Bridge Insurance Services.

Business Model

The business model's key pillars

The business model of Aleph and its Group is based on the following key pillars:

1. Geographical presence: the Group is able to offer seamless investment, asset management, insurance and advisory solutions to its clients in all the most relevant financial jurisdictions in Europe, either through the physical presence of regulated intermediaries/branches or on a freedom to provide services basis;
2. Technology and innovation: the Group strongly believes in the role and importance of technology applied to financial and insurance services. In this regard – through its Investees Opstart and Bridge Insurance Services – the Group is able to offer fintech and digital investment and insurance solutions and products to its clients;
3. Manufacturing and structuring capability: the Group does not only operate as a distributor of third-party products but has a strong capability to internally create and develop its own strategies and portfolios as well as to sub-manage funds thus offering bespoke investment solutions to its clients and offering full transparency about their investments;
4. Illiquid investments' capability and expertise: the Group has gained a strong expertise in illiquid products that are becoming more and more part of institutional and professional clients' portfolios, which often, in this period of low interest rate, look for alternative, attractive and high-yield solutions;
5. Advisory and regulatory services: the Group offers on-going and recurring advisory and regulatory services to SMEs, family offices and appointed representatives, thus ensuring a constant and stable flow of business;
6. Human capital: the Group boasts a group of highly-skilled professional with a good age-combination and with a focus on a specific industry and/or geographical area

Performances

The core business of the Group is represented by wealth management and funds' management.

The total assets under management (both Fund Management and Wealth Management Division) as at 31 December 2019 and 30 June 2020 are shown in the table below.

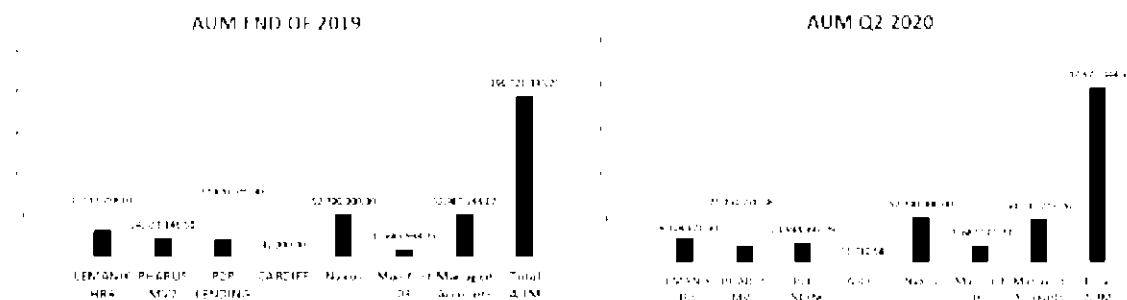
ALEPH FINANCE GROUP PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Compared to 2018, during 2019 there has been a growth in the AUM of managed funds, with existing Units funds maintaining around level of assets, and the increase driven by new mandate (Q3 Asset Value Sicav) for around Eur 20 mln. Also in Alternative space, there has been an increase of the assets, thanks to the launch of P2P Lending fund, a Luxembourg Raif that closed the year at around eur 20 Min AUM. Over 2020 we are looking to maintain an overall stable level of assets under management within our funds, with the potential of increasing the AUM thanks to the expected launch of a managed ETF, dedicated to Institutional investors.

In the Wealth Management part of the Asset Management business, assets have been very stable, also due to lack of marketing activity towards new clients, something that could be reverted by the end of 2020, depending on potential addition of new Private Bankers and because of start of online presence and offering of services.



In the Securitization division, there has been the launch of one new compartments during 2020, which has helped to increase the overall size of the Assets to a level that is near to long term break even in the economics of securitization vehicle.

The performance of the Capital Market division has been steady, with a steady flow of new listing (both equity and debt), placement and arranging opportunities. The investment into Opstart srl has opened new opportunities, with an additional flow of deals originating from the the crowdfunding area, at the moment mostly linked to Italy but with a view of expanding into other European countries, starting from the UK.

The Financial Services Hub division has shown continuous strength, with an increase of interest in particular for Umbrella Services, notwithstanding pending Brexit that should have pointed to an expected reduction in origination of new opportunities.

The Insurance Division, has started on the right foot, notwithstanding disruption that has come along with Covid-19 outbreak. Retail division, following a good first 6 months of activity, has shown a slight profit by the end of the year. Insurance Corporate Division has confirmed its synergic positioning within the group, with Insurance Risk Management activities and Performance Bond structuring in favour of existing group clients.

Future Developments

Mission

Aleph's and its Group's mission is to develop an innovative and integrated "insurwealth" platform, both with on-line and traditional off-line services, able to provide investment, advisory and insurance solutions to its clients across Europe.

ALEPH FINANCE GROUP PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

The 3 key strategic pillars of the Group's philosophy and business approach are as follows:

1. Scouting of investment opportunities: the Group is active in the scouting and selection process of international and innovative investment opportunities to be offered to existing and prospective clients;
2. Value creation through a thorough risk-management approach: the Group focuses on creating value for its clients, through a diligent and thorough risk management and risk mitigation approach;
3. Monitoring and attention to changes: the Group dedicates significant resources to the monitoring and analysis of market's trends and changes.

The above described 3 pillars are heavily embedded in the strategic vision and in the business model of the Company and its Group.

Listing of the shares on an European Growth Equity Market

The Company is pursuing the listing of its own shares listed on an European Growth Equity Market as strategic primary goal for 2020, in order to

- a) Increase recognizability (brand recognition) on the market
- b) Increase reputation
- c) Increase the transparency offered to counterparties, with the increased information and publicity coming with the listing, especially in an economic and financial environment more and more sensible to disclosures and KYC requirements
- d) Ability to remunerate its stakeholders with stock options and shares into a listed company
- e) Ability to offer shares in a listed company as a currency when pursuing M&A deals
- f) Being better positioned to raise equity capital as a listed company
- g) Expands its geographical presence

The listing procedure is under way and it is expected to be completed within the current year.

Listing process is under way and the company has given mandate to a well established and known financial intermediary in Italy, with a long track record of listing in both the Italian market and a previous experience on the Euronext Access plus market Paris).

Following such listing the company will look to pursue its growth mission, in particular toward

- a) Addressing Brexit changes in the regulatory landscape
- b) Growing the AUM strategically supporting operating companies,
- c) Scouting for acquisition in the fin tech wealth management arena
- d) Opportunistically monitor ability to enter in acquisitions where synergic with existing businesses
- e) Developing an online and social media presence in order to create business opportunities with presenting to a larger audience the group activities, with a primary focus in cross selling among the exiting operating companies client base

ALEPH FINANCE GROUP PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Key performance indicators

Key performance indicator compared with 2018		
	2019	2018
Turnover	6,175,833	5,742,601
The turnover of the subsidiary has increased since 2018 however, the turnover of the parent company has decreased due to the change in strategy of the parent to become a holding company.		
	2019	2018
Cost of sales	5,459,995	4,616,515
Increase in cost of sales in the subsidiary directly relating to the increase in turnover.		
	2019	2018
Gross Profit	655,808	1,124,086
The gross profit is so low as consequence of the matters and strategic decisions noted above.		
	2019	2018
Administrative Expenses	1,291,735	1,120,897
Administrative expenses have increased, mainly due to costs related to the issue of the Bonds, and because there are administrative activities that must be carried out independently by turnover and costs related to the listing.		
	2019	2018
Operating Profit/Loss	(605,927)	3,189
The operating loss is largely due to the matters noted above.		
	2019	2018
Interest payable and similar expenses	142,763	22,421
Increase in interest due to the interest payable on bonds issued by the parent company.		
	2019	2018
Amounts Written off investments	67,810	349,600
This is due to a loan of 2016 that has been waived by the borrower in compensation for other operations made by the Group.		
	2019	2018
Profit/(Loss) before taxation	(658,611)	333,795
The profit in the prior year are mainly due to Amounts written off investment but its reduced by the invoices related to 2017. The loss this year is as a result of the matters noted above.		
	2019	2018
Current assets	4,277,065	1,699,713
Debtors	2,096,961	922,021
Investments	1,207,893	555,758
Cash at Bank	972,210	162,434
Aleph has made many investments during 2019 aimed at growth of the Group and that will assure new revenues for future years and owns sufficient cash to continue its growth process and pay interests on bonds.		

On behalf of the board

E Danielello
Director
 30 September 2020

ALEPH FINANCE GROUP PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Principal activities

The principal activity of the company and group in the year under review was that of investment management services and a holding company.

Directors

The directors who held office during the year were as follows:

E Danielelto

A Sprizzi

M Grandinetti

(Appointed 18 July 2019)

R Snedden

(Appointed 17 October 2019)

Results and dividends

The results for the year are set out on page 19.

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

Auditor

In accordance with the company's articles, a resolution proposing that Perrys Accountants Limited be reappointed as auditor of the group will be put at a General Meeting.

Statement of disclosure to auditor

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

Disclosure in the strategic report

The company's principal risks and uncertainties, performance and future developments are disclosed in the strategic report.

On behalf of the board

E Danielelto

Director

30 September 2020

ALEPH FINANCE GROUP PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

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

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

ALEPH FINANCE GROUP PLC

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	3	6,175,803	5,742,601
Cost of sales		(5,489,995)	(4,618,515)
Gross profit		685,808	1,124,086
Administrative expenses		(1,291,735)	(1,120,897)
Operating (loss)/profit	4	(605,927)	3,189
Interest receivable and similar income	7	21,789	3,427
Interest payable and similar expenses	8	(142,283)	(22,421)
Amounts written off investments	9	67,810	349,600
(Loss)/profit before taxation		(658,611)	333,795
Tax on (loss)/profit	10	47,596	(47,596)
(Loss)/profit for the financial year		(611,015)	286,199
(Loss)/profit for the financial year is attributable to:			
- Owners of the parent company		(805,678)	188,546
- Non-controlling interests		194,663	97,653
		(611,015)	286,199

ALEPH FINANCE GROUP PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
(Loss)/profit for the year	(611,015)	286,199
Other comprehensive income	-	-
Total comprehensive income for the year	(611,015)	286,199
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	(805,678)	188,546
- Non-controlling interests	194,663	97,653
	(611,015)	286,199

ALEPH FINANCE GROUP PLC

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Goodwill	12		121,607		140,808
Tangible assets	13		256		381
			<u>121,863</u>		<u>141,189</u>
Current assets					
Debtors	17	2,096,982		922,021	
Investments	18	1,207,893		555,258	
Cash at bank and in hand		972,210		162,434	
		<u>4,277,085</u>		<u>1,639,713</u>	
Creditors: amounts falling due within one year	19	(1,270,803)		(1,403,976)	
Net current assets			<u>3,006,282</u>		<u>235,737</u>
Total assets less current liabilities			<u>3,128,145</u>		<u>376,926</u>
Creditors: amounts falling due after more than one year	20		(3,359,587)		-
Net (liabilities)/assets			<u>(231,442)</u>		<u>376,926</u>
Capital and reserves					
Called up share capital	24		52,647		50,000
Profit and loss reserves			(810,637)		(4,959)
Equity attributable to owners of the parent company			<u>(757,990)</u>		<u>45,041</u>
Non-controlling interests			<u>526,548</u>		<u>331,885</u>
			<u>(231,442)</u>		<u>376,926</u>

The financial statements were approved by the board of directors and authorised for issue on 30 September 2020 and are signed on its behalf by:

E Danielelto
Director

ALEPH FINANCE GROUP PLC

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Investments	14		696,212		696,212
Current assets					
Debtors	17	807,949		4,956	
Investments	18	723,485		43,979	
Cash at bank and in hand		821,486		1,709	
		<u>2,352,920</u>		<u>50,644</u>	
Creditors: amounts falling due within one year	19	<u>(395,281)</u>		<u>(657,967)</u>	
Net current assets/(liabilities)			1,957,639		(607,323)
Total assets less current liabilities			<u>2,653,851</u>		<u>88,889</u>
Creditors: amounts falling due after more than one year	20		<u>(3,359,587)</u>		-
Net (liabilities)/assets			<u>(705,736)</u>		<u>88,889</u>
Capital and reserves					
Called up share capital	24		52,647		50,000
Profit and loss reserves			<u>(758,383)</u>		<u>38,889</u>
Total equity			<u>(705,736)</u>		<u>88,889</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £797,272 (2018 - £202,757 profit).

The financial statements were approved by the board of directors and authorised for issue on 30 September 2020 and are signed on its behalf by:

E Daniclotto
Director

Company Registration No. 06469680

ALEPH FINANCE GROUP PLC

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

		Share capital	Profit and loss reserves	Total non-controlling interest	Total
	Notes	£	£	£	£
Balance at 1 January 2018		1,000	(108,077)	(107,077)	127,155
Year ended 31 December 2018:					
Profit and total comprehensive income for the year		-	188,546	188,546	286,199
Issue of share capital	24	49,000	-	49,000	49,000
Dividends	11	-	(85,428)	(85,428)	(85,428)
Balance at 31 December 2018		50,000	(4,959)	45,041	376,926
Year ended 31 December 2019:					
Loss and total comprehensive income for the year		-	(805,678)	(805,678)	(611,015)
Issue of share capital	24	2,647	-	2,647	2,647
Balance at 31 December 2019		52,647	(810,637)	(757,990)	(231,442)

ALEPH FINANCE GROUP PLC

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2018		1,000	(78,441)	(77,441)
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	202,758	202,758
Issue of share capital	24	49,000	-	49,000
Dividends	11	-	(85,428)	(85,428)
Balance at 31 December 2018		50,000	38,889	88,889
Year ended 31 December 2019:				
Loss and total comprehensive income for the year		-	(797,272)	(797,272)
Issue of share capital	24	2,647	-	2,647
Balance at 31 December 2019		52,647	(758,383)	(705,736)

ALEPH FINANCE GROUP PLC

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash absorbed by operations	31	(1,290,374)	(70,129)
Interest paid		(142,283)	(22,421)
Income taxes paid		(47,595)	(28,270)
Net cash outflow from operating activities		(1,480,252)	(120,820)
Investing activities			
Purchase of tangible fixed assets		-	(568)
Other investments and loans made		(1,091,138)	(50,604)
Proceeds from other investments and loans		11,493	-
Interest received		19,280	3,427
Dividends received		2,509	-
Net cash used in investing activities		(1,057,856)	(47,745)
Financing activities			
Proceeds from issue of shares		-	44,044
Issue of convertible loans		3,359,587	-
Repayment of borrowings		(27,435)	-
Dividends paid to equity shareholders		-	(85,428)
Net cash generated from/(used in) financing activities		3,332,152	(41,384)
Net increase/(decrease) in cash and cash equivalents		794,044	(209,949)
Cash and cash equivalents at beginning of year		162,434	372,383
Cash and cash equivalents at end of year		956,478	162,434
Relating to:			
Cash at bank and in hand		972,210	162,434
Bank overdrafts included in creditors payable within one year		(15,732)	-

ALEPH FINANCE GROUP PLC

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations		(1,255,126)		82,615	
Interest paid		(130,730)		(17,656)	
Income taxes paid		(47,595)		(28,270)	
Net cash (outflow)/inflow from operating activities		(1,433,451)		36,689	
Investing activities					
Other investments and loans made	(1,091,138)		(43,527)		
Proceeds from other investments and loans	(15,378)		-		
Interest received	9,351		-		
Dividends received	2,509		-		
Net cash used in investing activities		(1,094,656)		(43,527)	
Financing activities					
Proceeds from issue of shares	-		44,044		
Issue of convertible loans	3,359,587		-		
Repayment of borrowings	(27,435)		-		
Dividends paid to equity shareholders	-		(85,428)		
Net cash generated from/(used in) financing activities		3,332,152		(41,384)	
Net increase/(decrease) in cash and cash equivalents		804,045		(48,222)	
Cash and cash equivalents at beginning of year		1,709		49,931	
Cash and cash equivalents at end of year		805,754		1,709	
Relating to:					
Cash at bank and in hand		821,486		1,709	
Bank overdrafts included in creditors payable within one year		(15,732)		-	

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Aleph Finance Group PLC ("the company") is a private limited company incorporated in England and Wales. The registered office is 1st Floor, 12 Old Bond Street, Mayfair, London, W1S 4PW.

The group consists of Aleph Finance Group PLC and all of its subsidiaries.

1.1 Accounting convention

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

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

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

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Aleph Finance Group PLC and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Pairstech Capital Management LLP has been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of Pairstech Capital Management LLP. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Aleph Finance Group Plc has a 100% shareholding in B Securitization S.A. The subsidiary is excluded from the consolidated financial statements, on the basis that the subsidiary is held exclusively with a view for resale.

1.3 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the group will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the group's ability to continue as a going concern.

The coronavirus (COVID-19) outbreak has caused significant deterioration in economic conditions for some organisations and an increase in economic uncertainty for others. Most organisations are being impacted by the coronavirus (COVID-19) pandemic, either directly or indirectly, and the increased economic uncertainty and risk may have significant implications on the projected financials and financial reporting.

In assessing our organisation's ability to continue as a going concern, management has factored in the expected impact of the current economic uncertainty and market volatility caused by COVID-19.

Aleph is a holding company, with no direct operations apart from providing strategic direction and control on the underlying companies and introducing potential customers and deals. Accordingly, the ability of the group continuing as a going concern, is linked to the ability of the underlying companies to keep performing as expected and continuing as a going concern themselves. Each one of the underlying companies have updated their forecasts and sensitivities, as considered appropriate, taking into account the risk factors they have identified and the different possible outcomes. They have considered downside scenarios, e.g. taking into account the impacts of lockdown restrictions potentially being tightened again, and for none of them management either intends to liquidate the entity or cease trading or have no realistic alternative but to do so.

In relation to expenditure, Aleph's obligations mainly reside upon repaying its outstanding debt, in the form of two bonds, with maturity dates of 31 December 2021 and 31 December 2024. In both cases the two bonds will be converted into equity, as per board resolutions already undertaken, and so related financial obligations will be linked only to the payment of coupons and not of the principal. Consequently, creditors amounting to £3,359,587 (which are included in the balance sheet as at 31 December 2019 as Creditors: Amounts due after one year), will be converted to equity at 31 December 2024. Capital and reserves will increase by £3,359,587 and liabilities will decrease by £3,359,587 accordingly.

Other relatively minor expenses Aleph is going to incur in the next 12 months, are mainly linked to the listing on the Euronext and the maintenance of listing status. So far, these expenses are matched with existing financial resources available to the company, for at least for the next 12 months.

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

In relation to funding, no additional tapping of funding has been accounted for or attached to the incoming listing, even though it is a general understanding that a listed company has more potential to fund their operations than a non-listed one, both as equity and debt.

After taking into considerations all current events and conditions that impact its operations, in particular, and reviewed projected revenues, expenses, funding and liquidity, with the key focus being to have sufficient liquidity to continue to meet obligations as they fall due, management consider the group to be a going concern.

These forecasts indicate that, taking account of reasonably possible downsides, the group is expected to continue to operate, with headroom, within available cash levels and the within terms of its debt facilities. Key to the forecasts are relevant assumptions regarding the business, business model, any legal or regulatory restrictions, financing and shareholder support.

The directors remain focused on the group's liquidity, and expect to manage business operations in the forecast period whilst maintaining adequate liquidity. Based on these forecasts, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis and have a reasonable expectation that the group will comply with the requirements of the debt facilities during the next twelve months, the directors consider the group to be a going concern.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable and is shown net of VAT and other sales related taxes.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

1.6 Tangible fixed assets

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

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

Computers	33% on cost
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

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

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

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

Basic financial assets

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

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Derecognition of financial liabilities

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

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.11 Compound instruments

The component parts of compound instruments issued by the group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

1.12 Equity instruments

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

1.13 Employee benefits

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

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

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

1.16 Foreign exchange

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

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

	2019	2018
	£	£
Other significant revenue		
Interest income	19,280	3,427
Dividends received	2,509	-
	<u> </u>	<u> </u>

4 Operating (loss)/profit

	2019	2018
	£	£
Operating (loss)/profit for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	83,536	82,697
Depreciation of owned tangible fixed assets	125	187
Amortisation of intangible assets	19,201	19,201
Operating lease charges	32,413	29,052
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	7,500	7,500
Audit of the financial statements of the company's subsidiaries	7,175	6,965
	<u> </u>	<u> </u>
	<u>14,675</u>	<u>14,465</u>

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Employees

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

Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
3	9	3	3

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	44,058	134,399	5,456	-
Social security costs	3,443	14,615	554	-
Pension costs	506	14,591	-	-
	48,007	163,605	6,010	-

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	375	-
Other interest income	18,905	3,427
Total interest revenue	19,280	3,427
Other income from investments		
Dividends received	2,509	-
Total income	21,789	3,427

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	375	-

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Interest payable and similar expenses

	2019	2018
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	105	131
Other interest on financial liabilities	142,178	22,216
	<u>142,283</u>	<u>22,347</u>
Other finance costs:		
Other interest	-	74
Total finance costs	<u>142,283</u>	<u>22,421</u>

9 Amounts written off investments

	2019	2018
	£	£
Gain on disposal of current asset investments	95,245	-
Amounts (written off)/written back to financial liabilities	(27,435)	349,600
	<u>67,810</u>	<u>349,600</u>

10 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	(47,596)	47,596

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Taxation

(Continued)

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

	2019 £	2018 £
(Loss)/profit before taxation	(658,611)	333,795
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(125,136)	63,421
Tax effect of expenses that are not deductible in determining taxable profit	718	29
Tax effect of utilisation of tax losses not previously recognised	(29,598)	-
Unutilised tax losses carried forward	141,809	-
Amortisation on assets not qualifying for tax allowances	3,648	3,648
(Profit)/Loss not subject to corporation tax	(39,037)	(19,502)
Taxation (credit)/charge	(47,596)	47,596

11 Dividends

	2019 £	2018 £
Final paid	-	85,428

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2019 and 31 December 2019	192,011
Amortisation and impairment	
At 1 January 2019	51,203
Amortisation charged for the year	19,201
At 31 December 2019	70,404
Carrying amount	
At 31 December 2019	121,607
At 31 December 2018	140,808

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Intangible fixed assets

(Continued)

The company had no intangible fixed assets at 31 December 2019 or 31 December 2018.

13 Tangible fixed assets

Group	Computers £
Cost	
At 1 January 2019 and 31 December 2019	30,601
Depreciation and impairment	
At 1 January 2019	30,220
Depreciation charged in the year	125
At 31 December 2019	30,345
Carrying amount	
At 31 December 2019	256
At 31 December 2018	381

The company had no tangible fixed assets at 31 December 2019 or 31 December 2018.

14 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	15			696,212	696,212
Movements in fixed asset investments					
Company					Shares in group undertakings
					£
Cost or valuation					
At 1 January 2019 and 31 December 2019					696,212
Carrying amount					
At 31 December 2019					696,212
At 31 December 2018					696,212

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Subsidiaries

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

Name of undertaking	Registered office	Class of shares held	% Held Direct
Pairstech Capital Management LLP	Norvin House, 45-55 Commercial Street, London E1 6BD	Ordinary	89.50
B Securitization S.A	2 Place de Strasbourg, L-2562, Luxembourg	Ordinary	100.00
Sofias SRL	20100 Milano, Via Dei Piatti NR.8	Ordinary	60.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Pairstech Capital Management LLP	752,974	205,458
B Securitization S.A	(113,359)	(61,289)
Sofias SRL	11,833	(1,212)

The company holds 100% of the share capital of B Securitization S.A, a company incorporated in Luxembourg.

The company holds 60% of the share capital of Sofias SRL, a company incorporated in Italy.

These subsidiaries are held for sale, and are therefore classified as a current asset investment and is not included in the consolidated financial statements.

16 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Carrying amount of financial assets				
Instruments measured at fair value through profit or loss	1,207,893	555,258	723,485	43,979

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	226,590	228,049	1,157	-
Unpaid share capital	7,603	4,956	7,603	4,956
Corporation tax recoverable	47,596	-	47,596	-
Other debtors	1,160,000	201,984	751,593	-
Prepayments and accrued income	655,193	487,032	-	-
	<u>2,096,982</u>	<u>922,021</u>	<u>807,949</u>	<u>4,956</u>

18 Current asset investments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Unlisted investments	<u>1,207,893</u>	<u>555,258</u>	<u>723,485</u>	<u>43,979</u>

19 Creditors: amounts falling due within one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	21	15,732	-	15,732	-
Trade creditors		515,990	470,859	152,459	343,524
Corporation tax payable		-	47,595	-	47,595
Other creditors		201,532	419,622	156,444	259,509
Accruals and deferred income		537,549	465,900	70,646	7,339
		<u>1,270,803</u>	<u>1,403,976</u>	<u>395,281</u>	<u>657,967</u>

20 Creditors: amounts falling due after more than one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Convertible loans	22	<u>3,359,587</u>	<u>-</u>	<u>3,359,587</u>	<u>-</u>

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

21 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank overdrafts	15,732	-	15,732	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Payable within one year	15,732	-	15,732	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Convertible loan notes

	Group 2019 £	2018 £	Company 2019 £	2018 £
Liability component of convertible loan notes	3,359,587	-	3,359,587	-

6.5% Fixed Rate Bonds due September 2024

During the year, the company issued bonds for a maximum aggregate amount of EUR 10,000,000. At 31 December 2019, bonds amounting to EUR 3,843,000 (£3,411,892) had been subscribed for and are included in creditors due after more than one year. The transaction costs associated to these bonds amount to £52,305.

The bonds bear interest at 6.5% per annum, payable semi annually in arrears commencing September 2019, and will be redeemed in cash at their nominal amount in September 2024, unless previously redeemed, purchased and cancelled. The issuer of bonds (Aleph Finance Group Plc) may elect to satisfy its obligation to redeem the bonds by exercising a share settlement option that permits the issuer to settle the bonds by the issue of shares. The amount of shares issued to settle the bonds is variable.

Full details of the bonds and relevant information are contained within the information memorandum dated 27 March 2019 (for the purposes of admission of the bonds to the listing on the third market of the Vienna stock exchange).

2.5% Fixed Rate Convertible Bonds due 31 December 2020

During the year, the company issued an instrument for bonds up to a maximum amount of EUR 10,000,000.

Bonds amounting to EUR 1,261,000 (£1,111,772) were subscribed for, of which EUR 1,101,000 (£970,706) were unpaid and were converted to 529,477 Ordinary shares of £0.005 in November 2019.

The remaining bonds amounting to EUR 160,000 (£141,066) were not converted to shares and will be settled and cancelled by 31 December 2020.

The liability amounting to EUR 160,000 (£141,066) is included within other creditors.

2.5% Fixed Rate Convertible Bonds due 31 December 2021

During the year, the company issued an instrument for bonds up to a maximum of EUR 10,000,000.

Bonds amounting to EUR 297,000 (£261,852) were subscribed for, all of which remain unpaid.

If the subscribed bonds amounting to EUR 297,000 (£261,852) are converted to shares, the number of shares is variable and, based on current values, would amount to 142,831 Ordinary shares of £0.005 totalling £714.15.

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

23 Retirement benefit schemes

	2019	2018
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	506	14,591

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

24 Share capital

	Group and company	
	2019	2018
Ordinary share capital	£	£
Issued and not fully paid		
10,529,477 (2018: 50,000) Ordinary shares of 0.5p each	52,647	50,000

The share capital of the company is 10,529,477 Ordinary £0.005 shares totalling £52,647.

During the year, the company issued 529,477 Ordinary £0.005 shares totalling £2,647.

Included within the total share capital, is 4,956 Ordinary £1 shares and 529,477 Ordinary £0.005 shares which are issued but not fully paid.

25 Financial commitments, guarantees and contingent liabilities

During the prior year, a loan amounting to £349,600 owed to a third party was waived by the third party (see note 9). The loan has originally been provided to purchase listed investments, and these investments subsequently become delisted and have been written off as having no value.

In the event that these investments return to their previous listed value, the loan amounting to £349,600 will become payable.

Neither the loan, nor the investments, are included in the balance sheet. There is a contingent liability of £349,600, which is not recognised as an actual liability on the basis that the investments currently have no value.

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

26 Operating lease commitments

Lessee

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

	Group 2019 £	2018 £	Company 2019 £	2018 £
Within one year	10,800	18,968	-	-
Between two and five years	21,600	-	-	-
	<u>32,400</u>	<u>18,968</u>	<u>-</u>	<u>-</u>

27 Events after the reporting date

After the balance sheet date, the company issued EUR 875,000 6.5% bonds. The company received EUR 896,478 (£755,334) for the bonds that were issued.

After the balance sheet date, the company acquired a further 3.5% shareholding in one of its investments, increasing its shareholding to 21%. The additional 3.5% was purchased for 50,000 EUR (£44,795).

After the balance sheet date, the company acquired a further 82.5% shareholding in one of its investments, increasing its shareholding to 100%.

28 Related party transactions

Included in other debtors, is a loan owed by another subsidiary totalling £163,899 (2018: £Nil).

Included in other debtors are loans to shareholders totalling £18,855 (2018: £Nil).

Included in trade creditors, is a balance owed to a shareholders totalling £136,288 (2018: £136,288).

Included in other debtors is a loan to a company with common directors totalling £162,064 (2018: £Nil).

29 Directors' transactions

Included in other debtors is a director's loan account balance totalling £171,268 (2018: £103,805 creditor). This was repaid prior to 30 September 2020.

30 Controlling party

The ultimate controlling party is Mr E Danieleto by virtue of his shareholding in the company.

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

31 Cash absorbed by group operations

	2019 £	2018 £
(Loss)/profit for the year after tax	(611,015)	286,199
Adjustments for:		
Taxation (credited)/charged	(47,596)	47,596
Finance costs	142,283	22,421
Investment income	(21,789)	(3,427)
Amortisation and impairment of intangible assets	19,201	19,201
Depreciation and impairment of tangible fixed assets	125	187
Gain on sale of investments	(95,245)	-
Amounts written off investments	27,435	(349,600)
Movements in working capital:		
(Increase)/decrease in debtors	(602,463)	297,517
Decrease in creditors	(101,310)	(390,223)
Cash absorbed by operations	(1,290,374)	(70,129)

32 Analysis of changes in net funds/(debt) - group

	1 January 2019 £	Cash flows £	Other non-cash changes £	31 December 2019 £
Cash at bank and in hand	162,434	809,776	-	972,210
Bank overdrafts		(15,732)		(15,732)
	162,434	794,044	-	956,478
Borrowings excluding overdrafts	-	27,435	(27,435)	-
Convertible loan notes	-	(3,359,587)	-	(3,359,587)
	162,434	(2,538,108)	(27,435)	(2,403,109)

ALEPH FINANCE GROUP PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

33 Analysis of changes in net funds/(debt) - company

	1 January 2019	Cash flows	Other non-cash changes	31 December 2019
	£	£	£	£
Cash at bank and in hand	1,709	819,777	-	821,486
Bank overdrafts	-	(15,732)	-	(15,732)
	<u>1,709</u>	<u>804,045</u>	<u>-</u>	<u>805,754</u>
Borrowings excluding overdrafts	-	27,435	(27,435)	-
Convertible loan notes	-	(3,359,587)	-	(3,359,587)
	<u>1,709</u>	<u>(2,528,107)</u>	<u>(27,435)</u>	<u>(2,553,833)</u>

ALEPH FINANCE GROUP PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALEPH FINANCE GROUP PLC

Opinion

We have audited the financial statements of Aleph Finance Group PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's profits for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1.3 of the financial statements, which describes the basis upon which the financial statements are prepared and the material uncertainties relating to going concern. Our opinion is not modified in this respect.

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.

ALEPH FINANCE GROUP PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALEPH FINANCE GROUP PLC

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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, 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 and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

ALEPH FINANCE GROUP PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALEPH FINANCE GROUP PLC

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Declan McCusker (Senior Statutory Auditor)
for and on behalf of Perrys Accountants Limited

30 September 2020

Chartered Accountants
Statutory Auditor

First Floor
12 Old Bond Street
London
W1S 4PW

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.