

# CSTI Investments Limited

## FINANCIAL STATEMENTS

for the year ended

31 May 2023



Company Registration No. 06680187

# CSTI Investments Limited

## COMPANY INFORMATION

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DIRECTOR	Michael Watson
SECRETARY	Anthony Fitzpatrick (appointed 9 September 2022)
COMPANY NUMBER	06680187 (England & Wales)
REGISTERED OFFICE	1st Floor 35 Park Lane London W1K 1RB

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# CSTI Investments Limited

## DIRECTOR'S REPORT

For the year ended 31 May 2023

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The Director presents his report and financial statements for the year ended 31 May 2022.

### PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company was that of making investments which qualify for unwinding offset obligations. During the year the Company held its investment in the iNovia II-a Limited Partnership, a Canadian Limited partnership. The final distribution from the fund was received in December 2023, after which the fund was formally wound up.

The Company's loss for the year was £36,195 (2022: profit of £513,610)..

### DIRECTOR

The following director has held office since 1 June 2022:

Michael Watson

### AUDITORS

In accordance with the provision of Section 382 of the Companies Act 2006, the Company being a small company within the meaning of the said section, Section 477 of the Companies Act 2006 shall apply and accordingly no auditors have been appointed.

On behalf of the board



Michael Watson  
Director

23 February 2024

# CSTI Investments Limited

## DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has 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 Director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Director is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**CSTI Investments Limited**  
**STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 May 2023

	Notes	2023 £	2022 £
Share of partnership (loss)/gain	1	(270,742)	2,325,290
Other operating expenses	2	(9,231)	(33,431)
<b>OPERATING (LOSS)/PROFIT</b>		<b>(279,973)</b>	<b>2,291,859</b>
Movement in unrealised investment fund gain/(loss)		251,090	(1,752,948)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(28,883)</b>	<b>538,911</b>
Taxation	4	(7,312)	(25,301)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(36,195)</b>	<b>513,610</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(36,195)</b>	<b>513,610</b>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing.

# CSTI Investments Limited

## STATEMENT OF FINANCIAL POSITION

As at 31 May 2023

(Company registration No. 06680187)

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Investments	5	9,675	252,406
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year	6	1,355,100	1,425,100
Cash at bank and in hand		11,643	16,608
		<b>1,366,743</b>	<b>1,442,008</b>
<b>CURRENT LIABILITIES</b>			
Creditors: Amounts falling due within one year	7	(7,312)	(289,113)
<b>NET CURRENT ASSETS</b>		<b>1,359,431</b>	<b>1,152,895</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,369,106</b>	<b>1,405,301</b>
<b>NET ASSETS</b>		<b>1,369,106</b>	<b>1,405,301</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	100	100
Revaluation reserve		-	(233,443)
Profit and loss account		1,369,006	1,638,644
<b>TOTAL EQUITY</b>		<b>1,369,106</b>	<b>1,405,301</b>

The Company was entitled to exemption under Section 477 of the Companies Act 2006 for the year ended 31 May 2023. No members have required the Company to obtain an audit of its financial statements for the year in question in accordance with Section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The Director acknowledges his responsibility for:

- ensuring the Company keeps accounting records that comply with Section 386 of the Companies Act 2006;
- preparing financial statements that give a true and fair view of the state of affairs of the Company as at the end of its financial year and of its profit or loss for the financial year in accordance with Section 393 and which otherwise comply with the provisions of the Companies Act relating to financial statements in so far as they are applicable to the company.

The financial statements on pages 3 to 11 were approved by the board of directors and authorised for issue on 23 February 2024 and are signed on its behalf by:

*Michael Watson*

Michael Watson  
Director

**CSTI Investments Limited**  
**STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 31 May 2023**

	<b>Share Capital</b> £	<b>Revaluation Reserve</b> £	<b>Profit &amp; Loss</b> £	<b>Total</b> £
<b>Balance 1 June 2021</b>	<b>100</b>	<b>1,356,487</b>	<b>(464,896)</b>	<b>891,691</b>
Profit for the year	-	(1,752,948)	2,266,558	<b>513,610</b>
Total comprehensive income for the year	-	(1,752,948)	2,266,558	<b>513,610</b>
Reserves transfers	-	163,018	(163,018)	-
<b>Balance 31 May 2022</b>	<b>100</b>	<b>(233,443)</b>	<b>1,638,644</b>	<b>1,405,301</b>
Loss for the year	-	251,090	(287,285)	<b>(36,195)</b>
Total comprehensive income for the year	-	251,090	(287,285)	<b>(36,195)</b>
Reserves transfers	-	(17,647)	17,647	-
<b>Balance 31 May 2023</b>	<b>100</b>	<b>-</b>	<b>1,369,006</b>	<b>1,369,106</b>

# CSTI Investments Limited

## ACCOUNTING POLICIES

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### GENERAL INFORMATION

CSTI Investments Limited ("the Company") is a limited company domiciled and incorporated in England and Wales, registration number 06680187. The address of the Company's registered office and principal place of business is 5th Floor, Leconfield House, Curzon Street, London W1J 5JA.

The Company's principal activities are shown in the Directors' Report.

### BASIS OF ACCOUNTING

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 presented 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, adjusted for unrealised investment fund gains. The principal accounting policies are set out below.

### STATEMENT OF CASH FLOWS

The Company has taken advantage of the exemption in FRS 102 Chapter 7 "Statement of Cash Flows" from the requirement to prepare a cash flow statement on the grounds that it is a small company.

### FOREIGN CURRENCY TRANSLATION

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the Statement of Comprehensive Income.

Fixed asset investments financed by foreign currency loans are retranslated into sterling at the rate of exchange ruling at the balance sheet date.

### INVESTMENTS

Fixed asset investments in partnerships are stated at the cost of the Company's capital investment, adjusted for any unrealised fair value gains or losses. The Company's share of the profits and losses realised by the partnership is recognised within operating profit in the Statement of Comprehensive Income. The Company's share of any unrealised fair value gains or losses is also taken to the Statement of Comprehensive Income.

### TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.



# CSTI Investments Limited

## ACCOUNTING POLICIES (CONTINUED)

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### **TAXATION (continued)**

Current and deferred tax is charged or credited to the profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

### **FINANCIAL INSTRUMENTS**

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which comprise loans to group companies, other receivables 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Impairment of financial assets**

Financial assets 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. The impairment loss is recognised in profit or loss.

#### **Basic financial liabilities**

Basic financial liabilities, which comprise loans from related companies, 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.

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

#### **Equity instruments**

Equity instruments issued by the Company are recorded at the fair value of the proceeds received, net of direct issue costs. The Company has only basic financial instruments and has not chosen to designate financial instruments as at fair value through profit or loss. Accordingly, the Company has taken advantage of the financial instrument disclosure exemptions provided by FRS 102 Chapter 11 'Basic Financial Instruments'.

### **CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

*Fixed asset investments:* in unlisted investment funds are recorded at fair values in the Statement of Financial Position, based on audited returns from the respective fund managers.

#### **Critical areas of judgement**

The Director does not consider there are critical areas of judgement that have a significant effect on the amounts recognised in the financial statements.

# CSTI Investments Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2023

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<b>1</b>	<b>SHARE OF PARTNERSHIP GAIN</b>	<b>2023</b>	<b>2022</b>
		£	£
	Share of realised (loss)/gain generated by the fixed asset investment	<u>(270,742)</u>	<u>2,325,290</u>
<b>2</b>	<b>OTHER OPERATING EXPENSES</b>	<b>2023</b>	<b>2022</b>
		£	£
	Management charges	2,400	2,400
	Bank charges	19	36
	Exchange losses	6,990	30,995
	Interest receivable	(178)	-
		<u>9,231</u>	<u>33,431</u>

### 3 EMPLOYEES

There were no employees during the year apart from the director, who received no emoluments.

# CSTI Investments Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2023

<b>4 TAXATION</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Current tax:		
UK corporation tax charge	7,312	289,113
Total current tax	7,312	289,113
Deferred tax:		
Origination and reversal of timing differences	-	(263,812)
Total deferred tax	-	(263,812)
Total tax on profit	7,312	25,301
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	(28,883)	538,911
(Loss)/profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 19.00% (2022: 19.00%)	(5,488)	102,393
Effects of:		
Non taxable foreign currency (gain)/loss	(1,181)	8,839
Share of partnership loss/(gain)	51,441	(441,805)
Reserve transfer	(3,353)	30,973
Management expenses utilised	-	(1,368)
Chargeable gain	-	393,518
Losses utilised	(44,354)	(69,036)
UK transfer pricing	10,247	1,787
	12,800	(77,092)
Tax expense	7,312	25,301

# CSTI Investments Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2023

### 5 FIXED ASSET INVESTMENTS

	Unlisted Investments £
Cost or valuation	
At 1 June 2022	252,406
Distributions in year	(229,294)
Movement in unrealised gains/losses	251,090
Realised loss for the year	(270,742)
Foreign exchange translation	6,215
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<b>At 31 May 2023</b>	<b>9,675</b>
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<b>At 31 May 2022</b>	<b>252,406</b>
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The unlisted investment represents an investment in a Canadian Limited Partnership. The entire fund is split into three sub-funds. The Company is a limited partner and at 31 May 2023 its capital contribution represented 46.09% (2022: 46.09%) of the members' capital of one of the sub-funds.

### 6 DEBTORS

	2023 £	2022 £
Amounts falling due within one year:		
Amounts owed by group undertakings	100	100
Amounts owed by related parties	1,355,000	1,425,000
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	1,355,100	1,425,100
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### 7 CREDITORS: Amounts falling due within one year

	2023 £	2022 £
Corporation tax	7,312	289,113
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# CSTI Investments Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 May 2023

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### 8 SHARE CAPITAL

	2023	2022
	£	£
Allotted and issued		
Equity Shares		
100 Ordinary shares of £1 each	100	100

#### Reserves

Reserves of the Company represent the following:

#### *Retained earnings*

Cumulative profit and loss net of distributions to owners.

#### *Revaluation reserve*

Cumulative surplus arising on the revaluation of interests in investment funds.

### 9 CONTROL

The Company's immediate and ultimate holding company is Consensus Science, Technology and Innovation Limited, a company incorporated in England and Wales. The ultimate controlling party is Mr V. Tchenguiz.

### 10 RELATED PARTY TRANSACTIONS

At the balance sheet date, and included within related party debtors is an interest free loan of £1,355,000 (2022: £1,425,000 to Lonevalley Limited, a company owned by Mr V Tchenguiz, the company's ultimate controlling party.

The Company has taken advantage of the exemptions provided by Chapter 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.