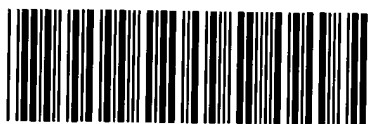


Registered number: 09369134

CONNAUGHT (UK) LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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CONNAUGHT (UK) LIMITED

COMPANY INFORMATION

DIRECTORS	Sir Simon Robey Ian Osborne Alexander Usher-Smith
REGISTERED NUMBER	09369134
REGISTERED OFFICE	6 th Floor 130 Jermyn Street London SW1Y 4UR
TRADING ADDRESS	Yalding House 152-156 Great Portland Street London W1W 6AJ
BANKERS	Silicon Valley Bank Alphabeta 14-18 Finsbury Square London EC2A 1BR
AUDITORS	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

CONNAUGHT (UK) LIMITED

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CONNAUGHT (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their strategic report for Connaught (UK) Limited (the "Company") for the year ended 31 December 2019.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Company was the provision of corporate finance advice. The Company is authorised and regulated by the Financial Conduct Authority (FCA). During the year, the Company recorded turnover of £9,025,557 (2018: £8,263,971) yielding profit after tax of £537,049 (2018: £1,151,047). The directors expect steady growth and profitability in the forthcoming financial year.

KEY PERFORMANCE INDICATORS ("KPI")

Given the straightforward nature of business, the directors are of the opinion that a KPI analysis is not required for an understanding of the development, performance or position of the business.

The Company has paid no dividends in 2019 (2018: none) and does not propose to pay a dividend in 2020.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's operations expose it to certain financial risks. During the year under review and up to the date of approval of the annual report and financial statements, there was an ongoing process in place for identifying, evaluating and managing the risks faced by the Company. The directors consider financial risks regularly and seek to manage the effects on the financial performance of the Company.

This report was approved by the board and signed on its behalf.



Director: Alexander Usher-Smith

Date: 5th May 2020

CONNAUGHT (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

RESULTS AND DIVIDENDS

The results for the year are shown in the statement of comprehensive income on page 11. Profit after tax was £537,049 (2018: £1,151,047). The Company has paid no dividends in 2019 (2018: none) and does not propose to pay a dividend in 2020.

DIRECTORS

The directors who served during the year were:

Sir Simon Robey

Ian Osborne

Alexander Usher-Smith

POST BALANCE SHEET EVENTS

No matters or circumstances have arisen since the end of the year which significantly affected, or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in financial years subsequent to the financial year ended 31 December 2019.

RESEARCH AND DEVELOPMENT

The Company does not conduct any research and development as part of its activities.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and strategic 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give

CONNAUGHT (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period, In preparing these financial statements, the directors are required to:

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

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

The Company's disclosures on dividends, future developments and financial risks management are presented within the strategic report on page 3.

FUTURE DEVELOPMENT

COVID-19 is a developing situation and, as of the date of these financial statements, our assessment is ongoing and will develop over time.

Our view is that COVID-19 is a non-adjusting post-balance sheet event and no adjustment is made in the financial statements as a result.

The rapid development and fluidity of the COVID-19 virus make it difficult to predict the ultimate impact at this stage. However, we do not underestimate the seriousness of the issue and the inevitable impact it will have on the global economy and many businesses across the world.

It is not practicable at this time to quantify the extent of impact upon our business, although given our high level of capital, current ongoing advisory assignments, and our transaction pipeline we are confident that the business will emerge in good health from the current lockdown, and further we expect that the broader economic impact of COVID-19 may itself present us with additional advisory opportunities in the months ahead.

Connaught (UK) Limited has taken steps to ensure the safety of its staff during the COVID-19 pandemic and strongly believes that Connaught (UK) Limited remains a going concern.

CONNAUGHT (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

AUDITORS

The auditors, UHY Hacker Young LLP, will be proposed for reappointment.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors have taken all the necessary steps that ought to have been taken as directors in order to make them aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report was approved by the board and signed on its behalf.



Director: Alexander Usher-Smith

Date: 5th May 2020

CONNAUGHT (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONNAUGHT (UK) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2019

OPINION

We have audited the financial statements of Connaught (UK) Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to 'report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

CONNAUGHT (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONNAUGHT (UK) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2019

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

CONNAUGHT (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONNAUGHT (UK) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2019

RESPONSIBILITIES OF DIRECTORS

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

CONNAUGHT (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONNAUGHT (UK) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2019

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.



Daniel Hutson (Senior Statutory Auditor)

for and on behalf of UHY Hacker Young

Chartered Accountants

Statutory Auditor

Quadrant House

4 Thomas More Square

London

E1W 1YW

5th May 2020

CONNAUGHT (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
		£	£
TURNOVER	4	9,025,577	8,263,971
Cost of sales		(333,479)	(606,890)
GROSS PROFIT		8,692,098	7,657,081
Administrative expenses		(7,898,396)	(6,195,819)
OPERATING PROFIT	5	793,702	1,461,262
Interest receivable and similar income		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		793,702	1,461,262
Tax on profit on ordinary activities	8	(256,653)	(310,215)
PROFIT FOR THE FINANCIAL YEAR		537,049	1,151,047
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		537,049	1,151,047

There are no other recognised gains or losses in the year.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 15 to 28 form part of these financial statements.

CONNAUGHT (UK) LIMITED

**REGISTERED NUMBER: 09369134
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
FIXED ASSETS			
Intangible assets	9	138,956	159,046
Tangible assets	10	118,887	139,028
Investments	11	960,110	1,164,536
		<u>1,217,953</u>	<u>1,462,610</u>
CURRENT ASSETS			
Debtors	12	2,959,986	206,896
Cash at bank and in hand	17	4,038,823	4,965,612
		<u>6,998,809</u>	<u>5,172,508</u>
CREDITORS: amounts falling due within one year	13	<u>(3,916,297)</u>	<u>(2,871,702)</u>
NET CURRENT ASSETS		<u>3,082,512</u>	<u>2,300,806</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,300,465</u>	<u>3,763,416</u>
NET ASSETS		<u><u>4,300,465</u></u>	<u><u>3,763,416</u></u>
CAPITAL AND RESERVES			
Ordinary share capital	15	1,031	1,031
Share premium	16	549,995	549,995
Profit and loss account	16	3,749,439	3,212,390
SHAREHOLDERS' FUNDS		<u><u>4,300,465</u></u>	<u><u>3,763,416</u></u>

The financial statements on pages 11 to 28 were approved by the board and were signed on its behalf by:



Director: Alexander Usher-Smith

Date: 5th May 2020

The notes on pages 15 to 28 form part of these financial statements.

CONNAUGHT (UK) LIMITED

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

	Called up share capital £	Share premium £	Profit and loss account £	Total equity £
As at 1 January 2018	1,031	549,995	2,061,343	2,612,369
Changes in equity				
Total comprehensive income for the period	-	-	1,151,047	1,151,047
As at 31 December 2018	1,031	549,995	3,212,390	3,763,416
Changes in equity				
Total comprehensive income for the period	-	-	537,049	537,049
At 31 December 2019	1,031	549,995	3,749,439	4,300,465

The notes on pages 15 to 28 form part of these financial statements.

CONNAUGHT (UK) LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Net cash flow from operating activities			
Profit after tax		537,049	1,151,047
Tax		256,653	310,215
Profit before tax		<u>793,702</u>	<u>1,461,262</u>
Taxation paid		(286,876)	-
(Increase)/decrease in debtors		(2,753,090)	2,046,027
Decrease in creditors		1,074,818	859,637
Depreciation of tangible assets		24,465	23,042
Amortisation of intangible assets		20,090	20,090
Acquisition of investment shares		(333,105)	(520,000)
Write down and impairment of investments		537,531	108,820
Net cash generated (used in)/from operating activities		<u>(922,465)</u>	<u>3,998,878</u>
Cash flow from investing activities			
Purchase of tangible assets		(4,324)	(14,535)
Net cash used in investing activities		<u>(4,324)</u>	<u>(14,535)</u>
(Decrease)/Increase in cash and cash equivalents		<u>(926,789)</u>	<u>3,984,343</u>
Cash and cash equivalents at beginning of year		<u>4,965,612</u>	<u>981,269</u>
Cash and cash equivalents at end of year	17	<u>4,038,823</u>	<u>4,965,612</u>

The notes on pages 15 to 28 form part of these financial statements.

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Connaught (UK) Limited (the "Company") is a private company limited by shares and the Company is incorporated and domiciled in England. The registered office is 6th Floor, 130 Jermyn Street, London, England, SW1Y 4UR.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain listed investments, and in accordance with applicable accounting standards.

The Company's functional and presentational currency is the pound sterling, rounding to the nearest pound.

2.2 Turnover

Turnover represents fees received from the provision of corporate and capital finance advice as well as the reimbursement of relevant expenses incurred by the Company.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.3 Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The spread of COVID-19 around the world in the first quarter of 2020 has caused significant volatility in the UK and international markets and as such there is significant uncertainty around the breadth and duration of business disruptions related to the pandemic. The directors have a strong belief that due to the high level of capital, current ongoing advisory assignments and future transactions in the pipeline, they are confident that the business will emerge in good health from the current lockdown. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2.4 Tangible assets and depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are:

- IT & communication equipment	3 years
- Fixtures & fittings	3 years
- Leasehold improvements	10 years

Where events or changes in circumstances indicate that the carrying amount of fixed assets may not be recoverable, the assets will be written down to their recoverable amount.

2.5 Intangible assets and amortisation

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

- Domain name	10 years
---------------	----------

2.6 Impairment of fixed assets

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from sales transactions of similar assets or observable market prices less incremental costs for disposing of the asset.

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.7 Investments

The Company follows the provisions of FRS 102, which establishes a framework for measuring fair value in accordance with generally accepted accounting principles. FRS 102 determines fair value to be the price that would be received for an investment in a current sale, which assumes an orderly transaction between market participants on the measurement date.

FRS 102 requires the Company to assume that the investments are sold in a principal market, to market participants, or in the absence of a principal market, the most advantageous market, which may be a hypothetical market. Market participants are defined as buyers and sellers in the principal or most advantageous market that are independent, knowledgeable, and willing and able to transact.

An entity applying FRS 102 has an accounting policy choice between applying either the provisions of Sections 11 and 12 in full or the recognition and measurement provisions of IAS 39 or IFRS 9. The Company chose to follow Sections 11 and 12, as such any fair value adjustments are recognised through profit and loss.

Investments comprise investments in unquoted equity instruments which are held at fair value. Where no fair value can be reliably estimated the investments are held at cost less impairment.

2.8 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.8 Taxation (continued)

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.9 Foreign currencies

The Company has determined that the pound sterling is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Exchange differences are taken into account in arriving at the profit or loss for the year.

2.10 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 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.

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.10 Financial instruments (continued)

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

2.11 Debtors

Trade debtors are carried at original invoice amount less any provision made for impairment of these receivables. A provision for impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivable.

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2.12 Cash and cash equivalents

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

2.13 Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ACCOUNTING UNCERTAINTY

(a) Critical judgments in applying the Company's accounting policies

The Company makes a number of assessments which require judgement in preparing the financial statements and can have a significant effect upon the financial statements. However due to the straightforward nature of the Company's business, management does not believe that there are any judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates may by definition, differ from actual results.

Investments are recognised initially at fair value which is normally the transaction price (excluding any transaction costs). Subsequently, they 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 a fair value becomes available.

The Company's equity investments comprise shares in private companies incorporated in the United Kingdom which are not publicly traded. The investment in shares is held at fair value using valuation techniques.

4. TURNOVER

The Company's turnover wholly comprises the provision of corporate finance services. All turnover arose in the United Kingdom and United States.

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

5. OPERATING PROFIT

The profit is stated after charging:

	2019	2018
	£	£
Depreciation of tangible assets	24,465	23,042
Amortisation of intangible assets	20,090	20,090
Audit fees	9,567	8,500
Foreign exchange variance	236,496	(251)

6. DIRECTORS' REMUNERATION

During the year, aggregate emoluments to the directors totalled £960,000 (2018: £675,618) and retirement benefits of £32,847 (2018: £33,000).

Emoluments to the highest paid director totalled £960,000 (2018: £658,900) and retirement benefits of £32,847 (2018: £33,000).

7. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	3,928,891	2,715,491
Social security costs	553,815	366,982
Other pension costs	120,394	114,502
Total staff costs	<u>4,603,100</u>	<u>3,196,975</u>
Average staff number	<u>8</u>	<u>6</u>

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

8. TAXATION

	2019	2018
	£	£
UK corporation tax charge	256,653	310,215
Total current tax charge	<u>256,653</u>	<u>310,215</u>
 Total tax for the period	 <u>256,653</u>	 <u>310,215</u>
	2019	2018
	£	£
Profit on ordinary activities before taxation	793,702	1,461,262
 Profit on ordinary activities multiplied by effective rate of corporation tax in the UK of 19.00% (2018: 19.00%)	 150,803	 277,640
 Effect of:		
Disallowed expenses	111,723	34,978
Capital items expensed	146	-
Depreciation in excess of capital allowances	3,586	1,500
Utilised losses	(9,605)	(3,903)
 Current tax charge for the year	 <u>256,653</u>	 <u>310,215</u>

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. INTANGIBLE ASSETS

	Domain name £	Total £
Cost		
At 1 January 2019	200,900	200,900
Additions	-	-
At 31 December 2019	<u>200,900</u>	<u>200,900</u>
Amortisation		
At 1 January 2019	41,854	41,854
Charge for the year	20,090	20,090
At 31 December 2019	<u>61,944</u>	<u>61,944</u>
Net Book Value		
At 31 December 2019	<u>138,956</u>	<u>138,956</u>
At 31 December 2018	<u>159,046</u>	<u>159,046</u>

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. TANGIBLE ASSETS

	Fixtures & Fittings	IT & Communication Equipment	Leasehold Improvements	Total
	£	£	£	£
Cost				
At 1 January 2019	12,095	22,295	150,470	184,860
Additions	-	4,324	-	4,324
At 31 December 2019	<u>12,095</u>	<u>26,619</u>	<u>150,470</u>	<u>189,184</u>
Depreciation				
At 1 January 2019	5,869	12,568	27,395	45,832
Charge for the year	3,754	5,664	15,047	24,465
At 31 December 2019	<u>9,623</u>	<u>18,232</u>	<u>42,442</u>	<u>70,297</u>
Net Book Value				
At 31 December 2019	<u>2,472</u>	<u>8,387</u>	<u>108,028</u>	<u>118,887</u>
At 31 December 2018	<u>6,226</u>	<u>9,727</u>	<u>123,075</u>	<u>139,028</u>

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. INVESTMENTS

Total fixed asset investments comprise:

	2019	2018
	£	£
At 1 January 2019	1,164,536	753,356
Additions	333,105	520,000
Write-down and impairment	(537,531)	(108,820)
At 31 December 2019	<u>960,110</u>	<u>1,164,536</u>

Fixed asset investments comprise equity shares in private companies incorporated in the United Kingdom, and warrants in a private company incorporated in the United States, none of which are publicly traded. The investment in shares is held at fair value using valuation techniques while the investment in warrants are held at estimated fair market value based on option pricing models.

12. DEBTORS

	2019	2018
	£	£
Trade Debtors	2,520,462	-
Amounts owed by group undertakings	52,589	17,621
Prepayments and accrued income	186,368	35,531
Other debtors	200,567	153,744
	<u>2,959,986</u>	<u>206,896</u>

Other debtors – £200,567

Due within one year – £44,751 (2018: £75,120)

Due within more than one year – £155,816 (2018: £78,624)

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

13. CREDITORS: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	88,229	105,172
Amounts owed to group undertakings	190,920	191,295
Accruals	2,940,077	2,080,871
Corporation tax	256,653	286,876
Other creditors	440,418	207,488
	<u>3,916,297</u>	<u>2,871,702</u>

14. FINANCIAL INSTRUMENTS

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	2019	2018
	£	£
Financial assets measured at amortised cost		
Trade debtors	2,520,462	-
Amounts owed by group undertakings	52,589	17,621
Other debtors	200,567	153,744
Accrued income	141,994	-
	<u>2,915,612</u>	<u>171,365</u>
Financial liabilities measured at amortised cost		
Amounts owed to group undertakings	(190,920)	(191,295)
Trade creditors	(88,299)	(105,172)
Accruals	(2,940,077)	(2,080,871)
Other creditors	(12,929)	(15,302)
	<u>(3,232,155)</u>	<u>(2,392,640)</u>

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15. SHARE CAPITAL

Allotted, called up and fully paid

	2019 Number	2018 Number	2019 £	2018 £
Ordinary shares of £0.001	<u>1,030,557</u>	<u>1,030,557</u>	<u>1,031</u>	<u>1,031</u>

16. RESERVES

Called-up share capital represents the nominal value of shares that have been issued.

Share premium account includes any premiums received on issue of share capital over and above their par value.

Profit and loss account includes all current and prior period retained profits and losses available for distribution.

17. CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts

	2019 £	2018 £
Cash and cash equivalents	<u>4,038,823</u>	<u>4,965,612</u>

CONNAUGHT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

18. ULTIMATE CONTROLLING PARTY

The Company's immediate parent is Connaught International Limited and is controlled by the holding company Longsutton Limited. The smallest group in which the results of the Company are consolidated is Connaught International Limited, a company incorporated in England and Wales. Copies of the financial statements of Connaught International Limited are available from Companies House.

19. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Connaught International Limited and as such has taken advantage of the exemption available under FRS102 not to disclose related party transactions with entities that are part of the Group.

Osborne & Partners (UK) Ltd is a UK Company controlled by Ian Osborne. During the year Osborne & Partners (UK) Ltd charged expenses of £622,174 (2018: £1,027,476) to the Company for general office, rental and travel costs. As at 31 December 2019 the company owed Osborne & Partners (UK) Ltd £69,359 (2018: £66,496).

Longsutton Limited is a company incorporated in Guernsey and is wholly owned by Ian Osborne. During the year Longsutton Limited charged referral fees of £923,676 (2018: £1,408,736) to the Company. As at 31 December 2019, the Company owed Longsutton Limited £Nil (2018: £Nil).

Key management personnel

The directors do not consider there to be any key management personnel other than the directors and as such, no disclosure of their remuneration is required.

20. NON-ADJUSTING POST BALANCE SHEET EVENT

The global economy was affected by the COVID-19 pandemic and the related market volatility. The current and potential near-term impact of the development on the Company is discussed in the Directors' Report.