Company registration number: 09893549

AEGILA CAPITAL MANAGEMENT LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

AEGILA CAPITAL MANAGEMENT LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

AEGILA CAPITAL MANAGEMENT LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31 DECEMBER 2018

Company registration number	09893549
Directors	Dr Abdulrahman Saif Simone Carminati Giovanni Gregoratti
Company Secretary	T&H Secretarial Services Limited
Registered office	3 St James's Square London SW1Y 4JU
Lawyers	Trowers & Hamlins LLP 3 Bunhill Row London EC1Y 8YZ
Bankers	Barclays Bank Plc Corporate and International Banking Tagus House 9 Ocean Way Southampton SO14 3TJ
Accountants	Blick Rothenberg Limited 16 Great Queen Street Covent Garden London WC2B 5AH
Auditor	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY

AEGILA CAPITAL MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and the audited consolidated financial statements for Aegila Capital Management Limited (the "Company") and its subsidiaries (together, the "Group") for the year ended 31 December 2018.

The Company was incorporated on 30 November 2015 and became authorised and regulated by the Financial Conduct Authority to conduct investment related activities on 22 May 2017. The Company acquired two subsidiary undertakings Evoque Partners Jersey Limited Partnership and Evoque Partners Jersey GP Limited in December 2017, but these entities had not traded as at 31 December 2017.. The Company acquired two further subsidiaries Magnum Partners Jersey Limited Partnership and Magnum Partners Jersey GP Limited in April 2018 as part of the arrangements relating to an acquisition for its shareholders. These subsidiaries have not traded but have incurred administration costs during the year ended 31 December 2018. Consequently the directors have prepared consolidated ("Group") financial statements for the first time for the year ended 31 December 2018 that incorporate the Company and each of the Subsidiaries.

Principal activity & future developments

The Company's principal activity comprises the provision of investment advisory and corporate finance arrangement services for clients seeking to invest in UK and European real estate opportunities.

The Company's clients are initially the Company's two shareholders ("the Joint Venture Partners") and related investment vehicles.

During 2017, the Company established its operating platform in the UK, recruiting a team of professionals and establishing its London office infrastructure. In 2018 the company completed its first assignments and became revenue-generating earning fees of £1.57 million during the year.

The Directors of the Company continue to monitor actively the process for the United Kingdom's proposed withdrawal from the European Union ("Brexit") and continue to consider the potential implications of Brexit on the operations of the Company. In this regard, the Directors note the decision of the European Union to extend the deadline for Brexit until 31 October 2019 with the proposed terms of the United Kingdom's withdrawal remaining uncertain.

The purpose of the Company is to source and advise upon Real Estate investment opportunities on a Pan-European basis on behalf of the Company's shareholders. The terms of the Brexit withdrawal agreement may present adverse conditions both for the attractiveness of the UK Real Estate market to foreign investment (through declining real estate values) and to the ability of the Company to access investment opportunities in other European locations. Whilst the Company's financial position has no direct exposure to the UK Property Market, the Company's projected revenue growth and profitability is dependent on further Real Estate transactions being completed on behalf of the shareholders. Despite the Brexit process, the Directors of the Company are not aware of any intention of the shareholders to reduce the level of capital committed to the Company for future investment.

In addition, depending on the terms of the Brexit withdrawal agreement, the Directors note that Brexit may have implications on both the scope of the Company's regulated permissions (by potentially limiting the activities that the Company is able to perform on behalf of the shareholders) as well as to the personal circumstances of the Company's directors and employees (by restricting or adversely impacting the ability of non-UK Nationals to live and work in the United Kingdom post Brexit). The Directors of the Company will continue to monitor these circumstances and take action as appropriate.

AEGILA CAPITAL MANAGEMENT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Directors

The Directors who held office during the year and up to the date of this report were:
Abdulla Khalifa Salman Ahmed Al Khalifa, Chairman of the Board (resigned 2 December 2018)
Dr Abdulrahman Saif (appointed Chairman on 2 December 2018)
Simone Carminati
Mohammed Ahmed Abdulla Ali (resigned 2 December 2018)
Giovanni Gregoratti

Results and dividends

The consolidated loss of the Group for the year amounted to £1,952,824. The Directors have not recommended the payment of any dividend (2017: £nil).

Going concern

The Directors consider the use of the going concern basis of accounting to be appropriate because they are not aware of any material uncertainties related to events or conditions that may cast significant doubt about the ability of the Group or the Company to continue as a going concern, covering a period of at least twelve months from the date of approval of the financial statements. Whilst the Group and the Company have made a loss since incorporation, the Company has adequate liquid resources to meet the current obligations of all entities in the Group. The Joint Venture Partners have approved an authorised share capital of £20m, of which £16m remains unissued as a 31 December 2018, and could be utilised to fund the Company's potential future capital needs.

Disclosure of information to the auditors

The Directors who were members of the board at the time of approving the Directors' report are listed above. Each of these Directors confirms that:

- To the best of each Director's knowledge and belief, there is no information relevant to the preparation of these financial statements of which the Group's or the Company's auditor is unaware; and
- Each Director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Group's and the Company's auditor is aware of that information.

Independent auditor

Ernst & Young LLP has indicated its willingness to continue in office and a resolution concerning its re-appointment will be proposed at the board meeting held to approve these financial statements.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006. The Directors have not prepared a separate Strategic Report in accordance with the exemption set out on section 414B of the Companies Act 2006 for small companies.

Signed on behalf of the Board of Directors by:
Dr Abdulrahman Saif
Director and Chairman of the Board
Date: 25th April 2019

AEGILA CAPITAL MANAGEMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors are responsible for preparing the Directors' Report and the consolidated financial statements of the Company and Group in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing the 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company and Group will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and the Group to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEGILA CAPITAL MANAGEMENT LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

We have audited the financial statements of Aegila Capital Management Limited ('the Company') and its subsidiaries (together the 'Group') for the year ended 31 December 2018 which comprise the Group Statement of Comprehensive Income, the Group Statement of Financial Position, the Company Statement of Financial Position, the Group and the Company Statements of Changes in Equity, the Group and the Company Statement of Cash Flows and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Company's affairs as at 31 December 2018 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 below. We are independent of the Group and the Company in accordance with the ethical requirements in the UK that are relevant to our audit of the financial statements, including the FRC's Ethical Standard and the provisions available for small companies, under Part 15 of the Companies Act 2006, 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 Group's or the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and 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 during the course of our 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company's 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' report and the requirement to prepare a Strategic report.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the Group's and 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 https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the members of the Company, 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 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.

Ernst + Young LLP

Neil Parker (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date: 25th April 2019

AEGILA CAPITAL MANAGEMENT LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018
		£
Turnover	4	1,570,842
Administrative expenses	5	(3,523,666)
Loss on ordinary activities before taxation		**(1,952,824)**
Taxation	7	-
Loss after tax for the year		**(1,952,824)**
Other comprehensive income		-
Total comprehensive loss for the financial year		**(1,952,824)**

The results for the current and prior year are derived from continuing operations.

The notes on pages 14 to 26 are an integral part of these financial statements.

AEGILA CAPITAL MANAGEMENT LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT ENDED 31 DECEMBER 2018

	Notes	2018
		£
Assets		
Non-current assets		
Property, plant and equipment	8	255,090
Intangible assets	9	4,508
Deposits		50,000
		309,598
Current assets		
Trade and other receivables	11	447,491
Cash and cash equivalents		855,384
Total current assets		1,302,875
Total assets		1,612,473
Liabilities		
Current liabilities		
Trade and other payables	12	954,634
Non-current liabilities		
Trade and other payables	13	158,219
Total liabilities		1,112,853
Equity		
Share capital	14	4,000,000
Retained earnings		(3,500,380)
Total equity		499,620
Total equity and liabilities		1,612,473

These financial statements and the related notes 1 to 20 on pages 14 to 26 were approved by the Board of Directors and authorised for issue on 25th April 2019 and are signed on their behalf by:

Dr Abdulrahman Saif
Director and Chairman of the Board

Date: 25th April 2019

The notes on pages 14 to 26 are an integral part of these financial statements.

AEGILA CAPITAL MANAGEMENT LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

REGISTERED NUMBER: 09893549

	Notes	2018	2017
		£	£
Assets			
Non-current assets			
Property, plant and equipment	8	**255,090**	298,697
Intangible assets	9	**4,508**	4,657
Investments	10	**18,764**	9,996
Deposits		**50,000**	-
		328,362	313,350
Current assets			
Trade and other receivables	11	**478,317**	1,121,865
Cash and cash equivalents		**855,384**	1,627,937
Total current assets		**1,333,701**	2,749,802
Total assets		**1,662,063**	3,063,152
Liabilities			
Current liabilities			
Trade and other payables	12	**954,634**	610,708
Non-current liabilities	13	**176,983**	-
Trade and other payables			
Total liabilities		**1,131,617**	610,708
Equity			
Share capital	14	**4,000,000**	4,000,000
Retained earnings		**(3,469,554)**	(1,547,556)
Total equity		**530,446**	2,452,444
Total equity and liabilities		**1,662,063**	3,063,152

The loss of the company for the year was £1,921,998 (2017: £1,138,477).

These financial statements and the related notes 1 to 20 on pages 14 to 26 were approved by the Board of Directors and authorised for issue on 25th April 2019 and are signed on their behalf by:

Dr Abdulrahman Saif
Director and Chairman of the Board

Date: 25th April 2019

The notes on pages 14 to 26 are an integral part of these financial statements.

AEGILA CAPITAL MANAGEMENT LIMITED

GROUP AND COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

GROUP	Share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	4,000,000	(1,547,556)	2,452,444
Total comprehensive loss for the year	-	(1,952,824)	(1,952,824)
Balance at 31 December 2018	4,000,000	(3,500,380)	499,620

COMPANY	Share capital £	Retained earnings £	Total equity £
Balance at 31 December 2016 (unaudited)	4,000,000	(409,079)	3,590,921
Total comprehensive loss for the year	-	(1,138,477)	(1,138,477)
Balance at 31 December 2017	4,000,000	(1,547,556)	2,452,444
Total comprehensive loss for the year	-	(1,921,998)	(1,921,998)
Balance at 31 December 2018	4,000,000	(3,469,554)	530,446

The notes on pages 14 to 26 are an integral part of these financial statements.

AEGILA CAPITAL MANAGEMENT LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £
Net cash outflow from operating activities	**15**	**(1,703,538)**
Cash flows from investing activities		
Acquisition of tangible fixed assets		**(13,991)**
Acquisition of intangible fixed assets		**(5,024)**
Net cash used in investing activities		**(19,015)**
Cash flows from financing activities		
Issued share capital receivable		**1,000,000**
Deposit paid		**(50,000)**
Net cash generated from financing activities		**950,000**
Net decrease in cash and cash equivalents		**(772,553)**
Cash and cash equivalents at 1 January 2018		**1,627,937**
Cash and cash equivalents at 31 December 2018		**855,384**

The notes on pages 14 to 26 are an integral part of these financial statements.

AEGILA CAPITAL MANAGEMENT LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Net cash outflow from operating activities	15	**(1,694,770)**	(1,024,403)
Cash flows from investing activities			
Acquisition of tangible fixed assets		**(13,991)**	(329,106)
Acquisition of intangible fixed assets		**(5,024)**	(8,558)
Acquisition of investments		**(8,768)**	(9,996)
Net cash used in investing activities		**(27,783)**	(347,660)
Cash flows from financing activities			
Issued share capital receivable		**1,000,000**	-
Deposit paid		**(50,000)**	-
Net cash generated from financing activities		**950,000**	-
Net decrease in cash and cash equivalents		**(772,553)**	(1,372,063)
Cash and cash equivalents at 1 January 2018		**1,627,937**	3,000,000
Cash and cash equivalents at 31 December 2018		**855,384**	1,627,937

The notes on pages 14 to 26 are an integral part of these financial statements.

1. General information

Aegila Capital Management Limited (the "Company") was incorporated on 30 November 2015 as a private company limited by shares and is domiciled in England and Wales. The address of its registered office is 3 St James's Square, London, SW1Y 4JU.

The Company is registered and authorised by the Financial Conduct Authority (the "FCA") to provide investment advisory and arranging services.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Group's consolidated financial statements are set out below.

2.1 Statement of compliance

These financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the Companies Act 2006.

2.2 Basis of presentation

The financial statements have been prepared on a going concern basis and under the historical cost convention.

The preparation of financial statements in conformity with the adopted IFRS, defined above, requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's and the Group's accounting policies.

The Company was, at the 31 December 2018, subject to the small companies regime and the Directors have taken advantage of the small companies exemption in preparing the Directors' report and the requirement to prepare a Strategic report.

Any changes to assumptions may have a significant impact on the financial statements for the period over which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements, therefore, present its financial position and results fairly.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Basis of consolidation and Group financial statements

Given the company's subsidiaries have traded within the year and the exemption under Section 399 of the Companies Act 2006 no longer applies, the Group has prepared consolidated financial statements and they are presented without comparatives as this is the first year of consolidation. The consolidated financial statements present the results of the Company and its subsidiaries ("together the Group") as if they form a single entity. Intercompany transactions and balances between group entities are therefore eliminated in full.

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The Company's loss for the year was £1,921,998.

2.2 Basis of presentation (continued)

Standards, amendments and interpretations effective on or after 1 January 2018

The impact on the Group's and the Company's financial statements of new and revised standards and amendments which became effective for annual periods beginning 1 January 2018 and which have been adopted for the first time by the Group and the Company is summarised below:

IFRS 9 Financial Instruments
IFRS 9 Financial Instruments replaces IAS 39 "Financial Instruments: Recognition and Management" and introduces new requirements for the classification, measurement and recognition of financial assets and financial liabilities, for impairment and for hedge accounting.

Following the adoption of IFRS 9, the Company has assessed the classification of recognised financial instruments both at the date of initial application and retrospectively concluding that all financial assets continue to be appropriately classified and accounted for on a basis consistent with the treatment adopted under IAS 39.

In addition, the adoption of IFRS 9 has brought no material impact on the financial statements through the recognition, timing and measurement of impairment loss.

The Company had not applied hedge accounting under IAS 39 and has not applied hedge accounting under IFRS9.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 supersedes all previous revenue recognition requirements under IFRS. The core principle of IFRS 15 is for entities to recognise revenue depicting the transfer of goods or services to customers in amounts that reflect the consideration to which the Company is entitled. This is applied using a five-step model.

There has been no material impact on the revenue recognised by the Group or the Company following the adoption of IFRS 15.

Early adoption of standards

The Company and Group did not adopt any new or amended standards in 2018, described below, that have been issued by the IASB but that are yet to become effective.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (the lease liability) and an asset representing the right to use the underlying asset during the lease term (the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease payments. The lessee will recognise the amount of the remeasurement of the lease liability as an adjustment to the right of-use asset. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard is effective for annual periods beginning on or after 1 January 2019. The Company expects to adopt IFRS 16 using the modified retrospective approach for the annual period beginning 1 January 2019.

2.2 Basis of preparation (continued)

The Company expects to recognise a right-of-use asset and lease liability for the non-cancellable lease of its office (refer to Note 19), previously classified as an operating lease, with a corresponding impact in its opening retained earnings and tax balances as of 1 January 2019.

Capital management

The Company adopts a capital management policy that aims to ensure that the Group's capital balance is sufficient at all times to support its business operations and regulatory capital requirements. Capital is defined as the Group's equity balance and retained earnings.

The Company achieves this objective by regularly monitoring its capital balance in consideration of current economic conditions and the minimum capital requirements imposed by the FCA. If forecasted developments highlight increased capital needs, the Company may choose to request an additional capital infusion from its shareholders.

2.3 Functional and presentational currency

The financial statements are presented in pound sterling, which is the currency of the primary economic environment in which the Company and the Group operates (the functional currency).

2.4 Income recognition

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided. The Group recognises revenue on an accruals basis net of VAT when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the Group.

Income comprises transaction fees and recurring investment advisory fees from services provided in respect of real estate transactions. Transaction fees are a success based fee and are recognised when the transaction to which it relates closes. Investment advisory fees are recognised on a quarterly basis in arrears based on a percentage of invested equity plus reimbursed out of pocket expenses. Income is recognised from the point that equity is deployed.

2.5 Foreign currency translation

Foreign currency transactions that are transactions denominated, or that require settlement, in a foreign currency are translated into the functional currency of the Company and the Group using the exchange rates prevailing at the dates of the relevant transactions.

Monetary items denominated in a foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the transactions, at period-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the Group Statement of comprehensive income.

2.6 Expenses

Expenses incurred are recognised on an accruals basis.

2.7 Trade and other receivables

Trade and other receivables are measured at fair value on initial recognition being equal to the amount expected to be received by the Company or the Group on settlement of the asset. A provision for impairment of receivables is established when there is objective evidence that the Company and or the Group will not be able to collect all amounts due according to the original terms of the receivable. The amount of the provision is the difference between the original carrying amount and the recoverable amount and this difference is recognised in the Group Statement of Comprehensive Income.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity, including cash in hand, deposits held at call with bank and other short-term highly liquid investments with original maturities of three months or less.

2.9 Trade and other payables

Trade and other payables are recognised at fair value on initial recognition which equates to the amount expected to be required to settle the obligation on behalf of the Company or the Group. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2.10 Operating leases

Rentals payable under operating leases are charged to the Group Statement of Comprehensive Income on a straight line accruals basis over the term of the lease.

2.11 Corporate tax

Current income tax

The current income tax charge is calculated on the basis of the applicable tax law in the jurisdiction in which taxable profit is generated by the Company's or the Group's activities. It is recognised as an expense for the year except to the extent that such taxable profit is charged or credited in other comprehensive income or directly to equity. In these circumstances, current tax is charged or credited to other comprehensive income or to equity

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

The tax effects of carrying forward unused losses or unused tax credits are recognised as an asset to the extent that it is probable that future taxable profits will be available against which these losses can be utilised.

2.12 Property, plant and equipment

All property, plant and equipment are recognised initially at cost, being its purchase price as well as any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Subsequent to initial recognition they are measured at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost of each asset to their residual values over their expected useful lives, as follows:

- Leasehold improvements – over the lease term
- Fixtures & fittings – straight line over four years
- Computer equipment – straight line over three years

Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each year end. Any impairment is measured in the Group Statement of Comprehensive Income.

2.13 Intangible assets

Intangible assts stated at cost less accumulated amoritsation. They are capitalised on the basis of the costs incurred to acquire and bring to use. These costs are amortised over their estimated useful lives of one to five years and are recognised in the Group Statement of Comprehensive Income.

2.14 Investments

Investments in subsidiaries are measured at cost less accumulated impairment. Any impairment is recognised in the Statement of Comprehensive Income in the year that it arises.

3. Critical accounting estimates and judgements

The Group financial statements are influenced by accounting policies, assumptions, estimates and management's judgement, which necessarily have to be made in the course of preparation of the financial statements. The key factors concerning future and other key sources of estimation uncertainty or accounting judgement at the end of year are discussed below.

Property, plant and equipment
Expected useful lives for property, plant and equipment are determined based on the number of years an asset is considered useable before its value is fully depreciated. The expected and actual useful lives could be different and impact the depreciation and/or impairment loss recognised in the Consolidated Statement of Comprehensive Income.

Accrued expenses
Accrued expenses represent expenses that have been incurred during the year but that have not yet been invoiced by the counterparty at the end of the year. Accrued and actual expenses could be different and impact the administrative expenses recognised in the Consolidated Statement of Comprehensive Income.

4 Income

	2018
	£
Transaction fees	1,021,410
Reimbursed expenses	24,397
Advisory fees	525,035
	1,570,842

All of the Group's turnover is derived from assets held outside the United Kingdom

5 Administrative expenses

The administrative expenses of the Group for the year include:

	2018
	£
Auditor's remuneration	
- Fees payable for the audit of the Group's financial statements	25,000
Depreciation charge	57,598
Amortisation charge	5,173
Loss/(gain) on foreign currency translation	38,341
Operating lease rentals	232,210

The auditor did not receive any remuneration in respect of non-audit services during the year (2017: £nil).

6 Directors and employees

The Group had an average of 6 (2017: 3) employees during the year.

The aggregate payroll costs of the above employees were:

	2018
	£
Wages and salaries	2,114,562
Social security costs	282,223
Pension contributions	55,906
	2,452,691

6 Directors and employees (continued)

The average number of Directors during the year was 5 (2017: 5).

During the year, retirement benefits were accruing to 1 director (2017: 1) in respect of defined contribution pension schemes.

Directors considered key management personnel of the Group, received £1,021,382 (2017: £326,116) in remuneration in respect of services provided to the Group. Included within this figure is £54,715 (2017: £5,000) of pension scheme contributions.

The remuneration of the remaining Directors of the Company is borne by the Company's shareholders and has not been recharged to the Company. The costs associated with the services that the Directors provide to the Company are considered to represent a small proportion of the overall responsibilities performed by these Directors and, accordingly, it is not considered feasible to allocate a proportion of each Director's overall remuneration to the Company.

7 Taxation

Reconciliation of current tax expense

	2018
	£
Loss on ordinary activities before tax	(1,952,824)
Loss on ordinary activities multiplied by standard rate of corporate tax in the UK at 19% for 2018 (19.25% for 2017)	(371,037)
Effects of:	
Disallowed expenses	1,512
Fixed asset timing differences	9,021
Unrelieved tax losses carried forward	360,504
	-

The Group has trading losses of £3,441,711 (2017: £1,570,777) on which no deferred tax has been recognised. The losses are available indefinitely for use against future profits of the Group. No deferred tax has been provided or presented in the financial statements due to uncertainty of timing and quantum of future profits.

In the Finance Act 2016, which received royal assent on 15 September 2016, the UK Government announced a reduction in the rate of UK corporation tax to 17% from 1 April 2020. The reduced rates of UK corporation tax will affect future cash tax payments to be made by the Group and has been taken into account in calculating deferred tax.

8 Property, plant and equipment – Group and Company

	Leasehold improvements £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
As at 1 January 2018	218,671	78,518	31,917	329,106
Additions	10,367	541	3,083	13,991
As at 31 December 2018	**229,038**	**79,059**	**35,000**	**343,097**
Depreciation				
As at 1 January 2018	14,475	9,975	5,959	30,409
Charge for the year	26,942	19,674	10,982	57,598
As at 31 December 2018	**41,417**	**29,649**	**16,941**	**88,007**
Net book value				
As at 31 December 2018	**187,621**	**49,410**	**18,059**	**255,090**
As at 31 December 2017	204,196	68,543	25,958	298,697

9 Intangible assets – Group and Company

	Software & licenses £	Total £
Cost		
As at 1 January 2018	8,558	8,558
Additions	5,024	5,024
As at 31 December 2018	**13,582**	**13,582**
Amortisation		
As at 1 January 2018	3,901	3,901
Charge for the year	5,173	5,173
As at 31 December 2018	**9,074**	**9,074**
Net book value		
As at 31 December 2018	**4,508**	**4,508**
As at 31 December 2017	4,657	4,657

10 Investments in subsidiaries

	£
At 1 January 2018	9,996
Additions	8,768
At 31 December 2018	**18,764**

The addition in the year comprises 9,996 partnership units of €1 each.

Subsidiary undertakings

The following entities were subsidiary undertakings of the Company:

Name	Class of shares	Proportion of ownership interest	Principal place of business
Evoque Partners Jersey Limited Partnership	Partnership interest	99.96%	St Helier, 4th Floor, St Paul's Gate, 22-24 New Street, St Helier, Jersey, JE1 4TR
Evoque Partners Jersey GP Limited	Ordinary	100%	
Magnum Partners Jersey Limited Partnership	Partnership interest	99.96%	
Magnum Partners Jersey GP Limited	Ordinary	100%	

Name	Capital and reserves £	Loss for the year £
Evoque Partners Jersey Limited Partnership	(323)	10,323
Evoque Partners Jersey GP Limited	(8,257)	8,258
Magnum Partners Jersey Limited Partnership	2,648	6,124
Magnum Partners Jersey GP Limited	(5,972)	5,973

Evoque Partners Jersey Limited Partnership was established on 21 December 2017 and has been set up to facilitate real estate investments. Evoque Partners Jersey GP Limited was established on 20 December 2017 has been set up to facilitate real estate investments. Magnum Partners Jersey Limited Partnership was established on 13 April 2018 and has been set up to facilitate real estate investments. Magnum Partners Jersey GP Limited was established on 17 April 2018 and has been set up to facilitate real estate investments.

These subsidiaries have not traded since incorporation other than incurring administration costs.

11 Trade and other receivables

	Group	Company	
	31 Dec 2018	31 Dec 2018	31 Dec 2017
	£	£	£
Accounts receivable	286,519	286,519	-
VAT recoverable	35,015	35,015	25,223
Other debtors	-	-	17,101
Accounts owed by subsidiary undertakings	-	30,826	-
Prepayments	125,957	125,957	79,541
Called up share capital unpaid	-	-	1,000,000
	447,491	478,317	1,121,865

The carrying amount of the balances shown above equate to the fair value. No balances are considered to be past due or impaired (2017: none).

12 Trade and other payables

	Group	Company	
	31 Dec 2018	31 Dec 2018	31 Dec 2017
	£	£	£
Trade payables	31,472	31,472	34,805
Deferred rent	-	-	60,842
Other creditors	54,693	54,693	54,077
Social security and other taxes	36,544	36,544	31,227
Amounts due to related parties	-	-	429,757
Accruals	831,925	831,925	-
	954,634	954,634	610,708

The amounts shown in the table above equate to fair value.

13 Non-current liabilities

	Group	Company	
	31 Dec 2018	31 Dec 2018	31 Dec 2017
	£	£	£
Amounts owed to group undertakings	-	18,764	-
Accruals	158,219	158,219	-
	158,219	176,983	

14 Share capital - company

	31 Dec 2018	31 Dec 2017
	£	£
Authorised share capital:		
10,000,000 Ordinary (A) shares of £1 each	**10,000,000**	10,000,000
10,000,000 Ordinary (B) shares of £1 each	**10,000,000**	10,000,000
	20,000,000	20,000,000
Allotted, called up and fully paid:		
2,000,000 (2017: 1,500,000) Ordinary (A) shares of £1 each	**2,000,000**	1,500,000
2,000,000 (2017: 1,500,000) Ordinary (B) shares of £1 each	**2,000,000**	1,500,000
	4,000,000	3,000,000
Allotted:		
500,000 Ordinary (A) shares of £1 each	-	500,000
500,000 Ordinary (B) shares of £1 each	-	500,000
	-	1,000,000

Each Ordinary A and B share carries one vote. The shares rank equally in all respects and carry the right to participate in any distributions, as respects dividends and as respects return of capital on a winding up of the Company and are not redeemable.

15 Cash flow used in operating activities

Reconciliation of loss for the period to the net cash used in operating activities:

	Group	Company	
	Year ended 31 Dec 2018	Year ended 31 Dec 2018	Year ended 31 Dec 2017
	£	£	£
Total comprehensive loss for the year before taxation	**(1,952,824)**	**(1,921,998)**	(1,138,477)
Adjustments for:			
Depreciation	**57,598**	**57,598**	30,409
Amortisation	**5,173**	**5,173**	3,901
Changes in working capital:			
Increase in trade and other receivables	**(315,630)**	**(356,452)**	(120,435)
Increase in payables and accrued expenses	**502,145**	**520,909**	200,199
Cash used in operations	**(1,703,538)**	**(1,694,770)**	(1,024,403)

16 Financial risk management

Liquidity and capital risk
The Company's policy is to regularly monitor current and expected liquidity and capital requirements to ensure that it maintains sufficient cash reserves to meet its liquidity requirements in the short and longer term, as well as comply with regulatory capital adequacy requirements. The amount expected to be required to settle the Group's obligations is equivalent to the aggregate amount shown in Note 12 and Note 13.

Foreign exchange risk
Foreign currency risk is the risk that the value of financial assets or liabilities will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk as its transactions may be denominated in currencies other than Sterling. Currency risk is managed by closely monitoring daily foreign currency movements and seeking competitive exchange rates from banks.

The effect of a 10% increase or decrease in the Euro exchange rate would have the following effect on the financial statements with all other variables held constant.

Currency	**Charge in rate%**	**2018**	2017
		£	£
Euro	+ 10%	**(27,942)**	-
Euro	+ 10%	**26,358**	

Market risk
The Group and the Company does not hold any financial assets or liabilities that are subject to changes in value due to market activity, as such the Group and the Company are not directly exposed to market risk.

Credit risk
The Group and the Company's largest exposure to credit risk relates to the balance on trade receivables of £286,519 and amounts owed by subsidiary undertakings of £30,827. The Group and the Company's maximum exposure to credit risk is the amount shown in Note 11 and the balance of cash and cash equivalent.

Interest rate risk
The Group and the Company's only interest bearing financial assets are cash and cash equivalents. It has no interest bearing financial liabilities, as such the Group and the Company are not significantly exposed to interest rate risk.

17 Ultimate parent undertaking and controlling party

In the opinion of the directors, the Company has no immediate and no ultimate controlling party.

18 Related party transactions

During the year BBK B.S.C, Bahrain, a joint venture participant, incurred costs on behalf of the Company and provided administrative and support services to the Company totalling £nil (2017: £16,692), at the year end the total amount payable was £nil (2017: £214,879). Shares were issued to BBK B.S.C, Bahrain totalling £nil (2017: £nil) during the year, of which £nil (2017: £500,000) was receivable at the year end. The Company has a bank account with BBK B.S.C. Bahrain with a balance at year end of £805,018 (2017 £1,411,488).

During the year OSOOL Asset Management B.S.C(C), Bahrain, a joint venture participant, incurred costs on behalf of the Company and provided administrative and support services to the Company totalling £nil (2017: £16,692), at the year end the total amount payable was £nil (2017: £214,878). Shares were issued to OSOOL Asset Management B.S.C(C), Bahrain totalling £nil (2017: £nil) during the year, of which £nil (2017: £500,000) was receivable at the year end.

During the year the Company charged advisory and transaction fees of £926,744 and reimbursement expenses of £17,238 to Evoque Holdings Jersey Limited a company which is controlled by funds which are managed by the Joint Venture Partners of which £221,091 was outstanding at the year end. During the year the Company charged advisory transaction fees of £619,719 and reimbursement expenses of £7,141 to Magnum Partners Holding Limited a company which is controlled by funds which are managed by the Joint Venture Partners of which £84,501 was outstanding at the year end.

19 Operating lease commitments

The Company has minimum lease payments under a non-cancellable operating lease falling due for payment as follows:

	Land and buildings 2018	Land and buildings 2017
	£	£
- No later than one year	**255,300**	137,093
- Later than one year but not later than five years	**1,021,200**	1,021,200
- More than five years	**497,310**	752,610

BBK B.S.C, a Joint Venture Partner, acts as the guarantor in respect of certain of the Company's rental obligations. There is a counter indemnity agreement in place between BBK B.S.C and the Company, dated 22 May 2017.

20 Subsequent events

Subsequent events have been evaluated by management for the period after the period end and up until the date the financial statements were authorised for issue on 25 April 2019.

On 31 March 2019, the shareholders approved a £1m increase in ordinary share capital. This has been treated as a non-adjusting event for the period. No other events, of either an adjusting or non-adjusting nature, were identified which could have an impact on the financial statements of the Company or Group.