

**STRATEGIC REPORT, DIRECTORS' REPORT AND**  
**FINANCIAL STATEMENTS FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**  
**FOR**  
**LONDON INVESTMENT BONDS 2 PLC**

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**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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**LONDON INVESTMENT BONDS 2 PLC**

**COMPANY INFORMATION**

**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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**DIRECTORS:**

Y S Gill  
C D Lynn

**SECRETARY:**

SGH Company Secretaries Limited

**REGISTERED OFFICE:**

6th Floor 60 Gracechurch Street  
London  
EC3V 0HR

**REGISTERED NUMBER:**

12456947 (England and Wales)

**AUDITORS:**

Simpson Wreford LLP, Chartered Accountants  
Wellesley House  
Duke of Wellington Avenue, Royal Arsenal  
London  
SE18 6SS

**STRATEGIC REPORT**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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The directors present their strategic report for the period 11 February 2020 to 30 April 2021.

**REVIEW OF BUSINESS**

London Investment Bonds 2 Plc was incorporated in February 2020. Corporate details are available on the Companies House resource: <https://find-and-update.company-information.service.gov.uk/company/12456947>.

The principal activity of London Investment Bonds 2 Plc is that of Securing investment by issuing loan notes and using those funds to buy and refurbish properties to sell at profit.

The Company is aimed to build up strong and loyal relations with core clients, clearly understand their business needs and be flexible to develop unique solutions to satisfy their needs and expectations in timely manner.

The focus of the business remains to achieve the right balance between the needs and expectations of our customers, expectations of shareholders as well as of other stakeholders, by controlling our costs and managing our cash efficiently while making sufficient profit to support growth plans.

The company considers its key performance indicator to be the level of capital raised. During the financial period the company raised £1.9m.

**STRATEGIC REPORT**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors identified several risks which may affect the Company's ability to deliver its strategic goals. The list of such identified risks is given below.

The company seeks to minimize its exposure to external financial risks. The Company is exposed to various financial risks, including currency exchange rate fluctuations as the company operates internationally. Another major risk of adverse AML deficiencies in operations is adequately mitigated by comprehensive measures including an external audit which the Company has undergone successfully. In order to properly mitigate operational risks, company has a combination of various controls in place, both internal and external, aimed at the elimination of possible threats to operations. Company directors manage these risks and have a reasonable expectation that company maintains adequate resources to minimize the negative impact on its financials.

**Regulatory and Compliance Risk**

The company accepts customers from different countries and faces some uncertainty in regard to changing regulatory requirements in those countries. As part of its legal and regulatory compliance, the company faces the challenge of reacting and quickly implementing different legal and regulatory changes. The company and its clients must comply with all applicable money-laundering rules and legislation.

The company as a whole has a risk appetite set down, documented and agreed by the board. To ensure that this appetite is adhered to in terms of customer risk, the company is responsible for assessing each area of the business to ensure that the AML policies are appropriate to mitigate any risk posed by, but not limited to, the following: new customers, new jurisdictions, new services, existing customers, existing jurisdictions, existing services. All of the company's clients undergo rigorous KYC processes in line with regulatory requirements.

**Liquidity Risk**

The company does not consider it has a high level of liquidity risk in view of the level of capitalization required and the policy of the Directors not to take on obligations unless there is a source of finance to satisfy those obligations.

**Foreign Currency Risk**

The company's principal foreign currency exposures arise from trading with overseas clients.

**STRATEGIC REPORT**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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**SECTION 172(1) STATEMENT**

This section describes how we have engaged with and had regard to the interests of our key stakeholders when exercising our duty to promote the success of the Company under section 172(1) of the Companies Act 2006. The principles underpinning section 172 are not something that are only considered at board level, they are embedded throughout our Company. Sometimes decisions must be made based on competing priorities of stakeholders. We describe below how the Board seeks to understand what matters to stakeholders and carefully considers all the relevant factors when selecting the appropriate course of action.

**Customers**

Our customers are the reason we exist. They have near limitless choice, so it is essential to our future that we can consistently and continuously design and offer attractive and high quality services to new and existing customers at an accessible price. In doing so, we build our brand value and loyalty.

**Regulators**

We seek to enjoy a constructive and cooperative relationship with the bodies that authorise and regulate our business activities. This helps us maintain a reputation for high standards of business conduct. They expect us to comply with applicable laws and regulations.

**Communities and the Environment**

Communities and the wider public expect us to act as a responsible company and neighbour, and to minimise any adverse impact we might have on local communities and the environment.

**Investors**

We rely on our shareholder as essential sources of capital to further our business objectives. They rely on us to protect and manage their investments in a responsible and sustainable way that generates value for them.

**FUTURE DEVELOPMENTS AND SUBSEQUENT EVENTS**

The company remains committed to increase the amount of capital raised from investors. With a strong and stable management team the company is well positioned to continue its growth and increase the performance and the assets of the business.

**ON BEHALF OF THE BOARD:**

C D Lynn - Director

1 June 2022

**DIRECTORS' REPORT**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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The directors present their report with the financial statements of the company for the period 11 February 2020 to 30 April 2021.

**INCORPORATION**

The company was incorporated on 11 February 2020 and commenced trading on the same date.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of securing investment by issuing loan notes and using those funds to buy and refurbish properties to sell at profit.

**DIVIDENDS**

No dividends will be distributed for the period ended 30 April 2021.

**DIRECTORS**

The directors who have held office during the period from 11 February 2020 to the date of this report are as follows:

Y S Gill - appointed 12 February 2021

C D Lynn - appointed 21 May 2020

P W H Mason - appointed 11 February 2020 - resigned 22 February 2021

A M Thompson - appointed 11 February 2020 - resigned 22 February 2021

The directors who have held office during the period from 1 November 2019 to the date of this report are as follows:

Yadwinder Singh Gill - appointed 12 February 2021

Christopher David Lynn - appointed 21 May 2020

Peter William Harradine Mason - appointed 1 November 2019 - resigned 22 February 2021

Andrew Michael Thompson - appointed 1 November 2019 - resigned 22 February 2021

The company has chosen in accordance with Companies Act 2006, s414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of:

- i) Review of the business
- ii) Risk and uncertainty
- iii) Analysis of development and performance
- iv) Future developments
- v) Key Performance Indicators
- vi) Non Key Performance Indicators
- vii) Additional information.

Both the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

**DIRECTORS' REPORT**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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**JUDGEMENTS AND KEY ESTIMATES**

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

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 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;
- 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.



**DIRECTORS' REPORT**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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**AUDITORS**

The auditors, Simpson Wreford LLP, Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

C D Lynn - Director

1 June 2022

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LONDON INVESTMENT BONDS 2 PLC**

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### **Opinion**

We have audited the financial statements of London Investment Bonds 2 Plc (the 'company') for the period ended 30 April 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 Financial Reporting Standard 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 30 April 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
LONDON INVESTMENT BONDS 2 PLC**

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**Matters on which we are required to report by exception**

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

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.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LONDON INVESTMENT BONDS 2 PLC**

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### **Auditors' 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 a Report of the Auditors 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.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the computer software and support sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, data protection and FCA regulation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

### **Audit response to risks identified**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the notes were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation and;
- enquiring of management as to actual and potential litigation and claims.
- reviewing correspondence with the FCA

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
LONDON INVESTMENT BONDS 2 PLC**

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**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 a Report of the Auditors 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.

Kate Taylor FCA (Senior Statutory Auditor)  
for and on behalf of Simpson Wreford LLP, Chartered Accountants  
Wellesley House  
Duke of Wellington Avenue, Royal Arsenal  
London  
SE18 6SS

1 June 2022

**INCOME STATEMENT**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

	Notes	£
<b>TURNOVER</b>		-
Administrative expenses		<u>79,949</u>
<b>OPERATING LOSS</b>	4	<u>(79,949)</u>
Interest payable and similar expenses	5	<u>58,360</u>
<b>LOSS BEFORE TAXATION</b>		<u>(138,309)</u>
Tax on loss	6	<u>-</u>
<b>LOSS FOR THE FINANCIAL PERIOD</b>		<u>(138,309)</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

	Notes	£
LOSS FOR THE PERIOD		(138,309)
OTHER COMPREHENSIVE INCOME		-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>(138,309)</u>

**BALANCE SHEET**  
**30 APRIL 2021**

	Notes	£	£
<b>FIXED ASSETS</b>			
Investment property	7		552,680
<b>CURRENT ASSETS</b>			
Debtors	8	1,347,566	
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>66,693</u>	
<b>NET CURRENT ASSETS</b>			<u>1,280,873</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,833,553
<b>CREDITORS</b>			
Amounts falling due after more than one year	10		<u>1,921,862</u>
<b>NET LIABILITIES</b>			<u>(88,309)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11		50,000
Retained earnings	12		<u>(138,309)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(88,309)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 1 June 2022 and were signed on its behalf by:

C D Lynn - Director



**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Changes in equity</b>			
Issue of share capital	50,000	-	50,000
Total comprehensive income	-	(138,309)	(138,309)
<b>Balance at 30 April 2021</b>	<b>50,000</b>	<b>(138,309)</b>	<b>(88,309)</b>

**CASH FLOW STATEMENT  
FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

	Notes	£
<b>Cash flows from operating activities</b>		
Cash generated from operations	I	539,742
Interest paid		(58,360)
Finance costs paid		21,298
Net cash from operating activities		<u>502,680</u>
<b>Cash flows from investing activities</b>		
Purchase of investment property		<u>(552,680)</u>
Net cash from investing activities		<u>(552,680)</u>
<b>Cash flows from financing activities</b>		
Share issue		<u>50,000</u>
Net cash from financing activities		<u>50,000</u>
<b>Increase in cash and cash equivalents</b>		<u>-</u>
<b>Cash and cash equivalents at beginning of period</b>		<u>-</u>
<b>Cash and cash equivalents at end of period</b>		<u><u>-</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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1. **RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>£</b>
Loss before taxation	(138,309)
Finance costs	<u>58,360</u>
	(79,949)
Increase in trade and other debtors	(1,347,566)
Increase in trade and other creditors	<u>1,967,257</u>
<b>Cash generated from operations</b>	<b><u>539,742</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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**1. STATUTORY INFORMATION**

London Investment Bonds 2 Plc is a private company , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**BASIS OF PREPARING THE FINANCIAL STATEMENTS**

These 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 have been prepared under the historical cost convention.

**RELATED PARTY EXEMPTION**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**INVESTMENT PROPERTY**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Property was put on market for sale and the expected proceeds were to be £725,000.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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**2. ACCOUNTING POLICIES - continued**

**FINANCIAL INSTRUMENTS**

**Financial Assets**

Basic financial assets, which include trade and 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets, including investment properties, 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 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.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

**Impairment of financial assets**

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

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

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

**Derecognition of financial assets**

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

**Financial liabilities**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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**2. ACCOUNTING POLICIES - continued**

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

**Derecognition of financial liabilities**

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

**Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs

**TAXATION**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**DEFERRED TAX**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**FOREIGN CURRENCIES**

Assets and liabilities in foreign currencies are translated into sterling at the 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 transaction. Exchange differences are taken into account in arriving at the operating result.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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**2. ACCOUNTING POLICIES - continued**

**GOING CONCERN**

When preparing financial statements, the management of an entity using this FRS shall make an assessment of the entity's ability to continue as a going concern. An entity is a going concern unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the date when the financial statements are authorized for issue.

When management is aware, in making its assessment, of material uncertainties related to events or conditions that cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties. When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which it prepared the financial statements and the reason why the entity is not regarded as a going concern.

**PERIOD CHANGE**

An entity shall present a complete set of financial statements at least annually. When the end of an entity's reporting period changes and the annual financial statements are presented for a period longer or shorter than one year, the entity shall disclose the following:

(a) The reason is to bring other group companies in line.

**FUNCTIONAL CURRENCY**

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

**3. EMPLOYEES AND DIRECTORS**

**4. OPERATING LOSS**

The operating loss is stated after charging:

	£
Auditors' remuneration	4,800
Foreign exchange differences	<u>17,717</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	£
Loan Note Interest	<u>58,360</u>

**6. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the period.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021****7. INVESTMENT PROPERTY**

	<b>Total £</b>
<b>FAIR VALUE</b>	
Additions	552,680
At 30 April 2021	<u>552,680</u>
<b>NET BOOK VALUE</b>	
At 30 April 2021	<u>552,680</u>

**8. DEBTORS**

	<b>£</b>
Amounts falling due within one year:	
Asserson Law Client Account	692,858
Inter Co. - London Chelsea Gro	50,000
Capital raising cost	189,277
Prepayments	<u>99,110</u>
	<u>1,031,245</u>
 Amounts falling due after more than one year:	
Capital raising cost	<u>316,321</u>
 Aggregate amounts	<u>1,347,566</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>£</b>
Trade creditors	23,000
Inter Co. - London Chelsea Ltd	37,062
Accrued expenses	<u>6,631</u>
	<u>66,693</u>

**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>£</b>
Loan Note Interest Payable	21,298
Loan Notes (ILS Growth/Income)	<u>1,900,564</u>
	<u>1,921,862</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 11 FEBRUARY 2020 TO 30 APRIL 2021**

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**11. CALLED UP SHARE CAPITAL**

**Allotted, issued and fully paid:**

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>£</b>
5,000,000	Ordinary Shares	.01	<u>50,000</u>

**12. RESERVES**

	<b>Retained earnings £</b>
Deficit for the period	<u>(138,309)</u>
At 30 April 2021	<u>(138,309)</u>

**13. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is London Chelsea Group Ltd.

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