Company registration number 12456947 (England and Wales)

LONDON BONDS 2 LTD

PREVIOUSLY NAMED 'LONDON INVESTMENT BONDS 2 PLC'

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 APRIL 2022

LONDON BONDS 2 LTD
PREVIOUSLY NAMED 'LONDON INVESTMENT BONDS 2 PLC'
COMPANY INFORMATION

Directors	Mr C Lynn Mr Y Singh
Secretary	SGH Company Secretaries Limited
Company number	12456947
Registered office	6th Floor 60 Gracechurch Street London EC3V OHR
Auditor	Simpson Wreford LLP Wellesley House Duke of Wellington Avenue Royal Arsenal London SE18 6SS

LONDON BONDS 2 LTD
PREVIOUSLY NAMED 'LONDON INVESTMENT BONDS 2 PLC'
CONTENTS

The directors present the strategic report for the year ended 29 April 2022.

Review of the business

London Bonds 2 Ltd 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 Bonds 2 Ltd 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 £0.5m.

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.

Section 172 statement - promting the success of the business

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 environmnet
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.

On behalf of the board

Mr Y Singh
Director

28 April 2023

The directors present their annual report and financial statements for the year ended 29 April 2022.

Principal activities

The principal activity of the company continued to be that of securing investment by issuing loan notes and using those funds to buy and refurbish properties to sell at profit.

Results and dividends

The results for the year are set out on page 8.

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr C Lynn
Mr Y Singh

Auditor

The auditor, Simpson Wreford LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(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.

Statement of disclosure to auditor

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

On behalf of the board

Mr Y Singh
Director

28 April 2023

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 29 APRIL 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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.

LONDON BONDS 2 LTD
PREVIOUSLY NAMED 'LONDON INVESTMENT BONDS 2 PLC'
INDEPENDENT AUDITOR REPORT
TO THE MEMBER OF LONDON BONDS 2 LTD

Opinion

We have audited the financial statements of London Bonds 2 Ltd (the 'company') for the year ended 29 April 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 29 April 2022 and of its loss 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 responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to profit and loss account in the financial statements, which indicates that the company incurred a net loss of £618,502 during the year ended 30 April 2022.

As stated in Note 1, the refinancing of the company has been agreed with all loan notes holders, but signed agreement is not expected until May 2023. As the refinancing is not finalised, this condition indicates a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 or 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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 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 Note 1 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.
- enquiring if there was any correspondence with the FCA, of which there was none.

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 is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor report.

Use of our report
This report is made solely to the company's member 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 member those matters we are required to state to the member in an auditor 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 member, 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

28 April 2023

Chartered Accountants
Statutory Auditor

Wellesley House
Duke of Wellington Avenue
Royal Arsenal
London
SE18 6SS

LONDON BONDS 2 LTD
PREVIOUSLY NAMED 'LONDON INVESTMENT BONDS 2 PLC'
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 29 APRIL 2022

	Notes	2022 £	2021 £
Administrative expenses		(516,369)	(79,949)
Interest payable and similar expenses	5	(272,092)	(58,360)
Fair value gains and losses on investment properties	6	226,612	-
Loss before taxation		(561,849)	(138,309)
Tax on loss	7	(56,653)	-
Loss for the financial year		(618,502)	(138,309)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LONDON BONDS 2 LTD
PREVIOUSLY NAMED 'LONDON INVESTMENT BONDS 2 PLC'
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 APRIL 2022

	2022	2021
	£	£
Loss for the year	(618,502)	(138,309)
Other comprehensive income	-	-
Total comprehensive income for the year	(618,502)	(138,309)

LONDON BONDS 2 LTD
PREVIOUSLY NAMED 'LONDON INVESTMENT BONDS 2 PLC'
BALANCE SHEET
AS AT 29 APRIL 2022

	Notes	29 April 2022 £	29 April 2022 £	30 April 2021 £	30 April 2021 £
Fixed assets					
Investment property	8		1,670,000		552,680
Current assets					
Debtors	10	586,169		1,347,566	
Cash at bank and in hand		48		-	
		586,217		1,347,566	
Creditors: amounts falling due within one year	11	(151,324)		(66,693)	
Net current assets			434,893		1,280,873
Total assets less current liabilities			2,104,893		1,833,553
Creditors: amounts falling due after more than one year	12		(2,755,051)		(1,921,862)
Provisions for liabilities					
Deferred tax liability	14	56,653		-	
			(56,653)		-
Net liabilities			(706,811)		(88,309)
Capital and reserves					
Called up share capital	15		50,000		50,000
Revaluation reserve			169,959		-
Profit and loss reserves			(926,770)		(138,309)
Total equity			(706,811)		(88,309)

The financial statements were approved by the board of directors and authorised for issue on 28 April 2023 and are signed on its behalf by:

Mr Y Singh
Director

Company Registration No. 12456947

LONDON BONDS 2 LTD
PREVIOUSLY NAMED 'LONDON INVESTMENT BONDS 2 PLC'
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 APRIL 2022

	Notes	Share capital	Revaluation reserve	Profit and loss reserves	Total
		£	£	£	£
Balance at 11 February 2020		-	-	-	-
Year ended 30 April 2021:					
Loss and total comprehensive income for the year		-	-	(138,309)	(138,309)
Issue of share capital	**15**	50,000	-	-	50,000
Balance at 30 April 2021		50,000	-	(138,309)	(88,309)
Year ended 29 April 2022:					
Loss and total comprehensive income for the year		-	-	(618,502)	(618,502)
Transfers		-	169,959	(169,959)	-
Balance at 29 April 2022		50,000	169,959	(926,770)	(706,811)

LONDON BONDS 2 LTD
PREVIOUSLY NAMED 'LONDON INVESTMENT BONDS 2 PLC'
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 29 APRIL 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	**19**		329,659		(1,360,822)
Interest paid			(272,092)		(58,360)
Net cash inflow/(outflow) from operating activities			57,567		(1,419,182)
Investing activities					
Purchase of investment property		(890,708)		(552,680)	
Net cash used in investing activities			(890,708)		(552,680)
Financing activities					
Proceeds from issue of shares		-		50,000	
Repayment of debentures		833,189		1,921,862	
Net cash generated from financing activities			833,189		1,971,862
Net increase in cash and cash equivalents			48		-
Cash and cash equivalents at beginning of year			-		-
Cash and cash equivalents at end of year			48		-

1 Accounting policies

Company information

London Bonds 2 Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 6th Floor, 60 Gracechurch Street, London, EC3V OHR.

1.1 Accounting convention

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

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

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

1.2 Going concern

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

As at the balance sheet approval date the company has negotiated with all loan note holders to accept a 50% reduction in the cash repayment of their loan notes in exchange for 86% of their investment repaid in the form of shares in a connected company, with is listed on the Merj exchange. whilst the final agreements have not been signed, this is expected to happen in May 2023.

1.3 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.4 Cash and cash equivalents

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

1.5 Financial instruments

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

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

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

Basic financial assets

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

1 Accounting policies **(Continued)**

Other financial assets

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 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.

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.

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

1 Accounting policies **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.6 Equity instruments

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

1.7 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.

1.8 Leases

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

1.9 Capital raising costs

Capital raising costs paid to secure loan notes are initially held within other debtors and recognised in the profit and loss account over the duration of the loan note. The balance at the end of the year is split between capital raising costs due to be recognised within one year and recognition after one year.

2 Judgements and key sources of estimation uncertainty

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.

3 Operating loss

	2022	2021
Operating loss for the year is stated after charging:	£	£
Exchange losses	189,561	17,717
Fees payable to the company's auditor for the audit of the company's financial statements	5,040	4,800
Operating lease charges	15,416	-

4 Employees

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

	2022 Number	2021 Number
Total	-	-

5 Interest payable and similar expenses

	2022	2021
	£	£
Other finance costs:		
Other interest	272,092	58,360

6 Amounts written off investments

	2022	2021
	£	£
Changes in the fair value of investment properties	226,612	-

7 Taxation

	2022	2021
	£	£
Deferred tax		
Origination and reversal of timing differences	56,653	-

7 Taxation (Continued)

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

	2022	2021
	£	£
Loss before taxation	(561,849)	(138,309)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(106,751)	(26,279)
Change in unrecognised deferred tax assets	106,751	26,279
Effect of revaluations of investments	56,653	-
Taxation charge for the year	56,653	-

8 Investment property

	2022
	£
Fair value	
At 1 May 2021	552,680
Additions through external acquisition	890,708
Net gains or losses through fair value adjustments	226,612
At 29 April 2022	1,670,000

Investment property comprises of UK residential property. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 13 April 2022 by Foxtons Chartered Surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. One of the properties was under contract and completion was on the 3 May 2022. The valuation is based on the sales price.

9 Financial instruments

	2022	2021
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	152,917	742,858
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	2,881,565	1,988,555

10 Debtors

	2022	2021
Amounts falling due within one year:	£	£
Amounts owed by group undertakings	-	50,000
Other debtors	218,832	882,135
Prepayments and accrued income	-	99,110
	218,832	1,031,245

	2022	2021
Amounts falling due after more than one year:	£	£
Other debtors	367,337	316,321
Total debtors	586,169	1,347,566

11 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	-	23,000
Other creditors	126,515	37,062
Accruals and deferred income	24,809	6,631
	151,324	66,693

12 Creditors: amounts falling due after more than one year

		2022	2021
	Notes	£	£
Loan notes and interest payable	13	2,755,051	1,921,862

13 Loans and overdrafts

	2022	2021
	£	£
Loan notes and interest payable	2,755,051	1,921,862
Payable after one year	2,755,051	1,921,862

13 Loans and overdrafts **(Continued)**

Loan notes issued are for a period of three years. Loan notes holders have the option to receive a 10% interest payment on a quarterly basis throughout the period of three years or to receive an accruing interest rate of 12% which is added to the loan balance throughout the period. The interest element due payable at the end of the period is included with loan notes and interest payable after 1 year.

There is no security provided to loan notes holders.

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022	Liabilities 2021
Balances:	**£**	**£**
Revaluations	56,653	-

	2022
Movements in the year:	**£**
Liability at 1 May 2021	-
Charge to profit or loss	56,653
Liability at 29 April 2022	56,653

The deferred tax liability set out above is expected to reverse within 12 months and relates to expected taxation on revalued investment properties.

15 Share capital

	2022	2021	2022	2021
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary of 1p each	5,000,000	5,000,000	50,000	50,000

16 Events after the reporting date

On the 3 May 2022, the company completed on the sale of one of the investment properties, the sales price was £725,000. Contracts were exchanged in April 2022 and a deposit of £72,500 was held on account. The second property held in the accounts as at 30 April 2022 was also sold in October 2022 for £945,000.

On the 8 December 2022, the company purchased another property for development potential for £795,000.

Further loan notes were issued on the 9 May 2022 at a valuation of £226,145.

17 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

17 Related party transactions **(Continued)**

During the year, there have been a number of related party transactions with connected companies and related parties.

London Bonds 1 Ltd, a 100% subsidiary of London Bonds Ltd made a number of expense payments on behalf of London Bonds 2 Ltd totalling £89,870. Payments were also made into the bank from London Bonds 1 Ltd in total of £45,000. To offset against this loans outstanding to London Bonds Ltd, the parent company, of £32,500 and £96,148 from London Bonds 3 Ltd, another 100% subsidiary of London Bonds Ltd.

London Bonds 3 Ltd made payments for refurbishment works on behalf of London Bonds 2 Ltd during the year totalling £102,800. London Bonds 3 Ltd income from capital raising fees charged to London Bonds 2 Ltd during the year totalling £170,748. Loan note interest was paid for quarter 1 by London Bonds 3 Ltd to loan note holders totalling £37,053. A credit note was also raised to reverse the refurbishment works invoiced in advance last year for £102,340.

A couple of small transfers were made into the London Bonds 2 Ltd bank account from London Bonds 3 Ltd totalling £24. The balance on the intercompany was transferred to London Bonds 1 Ltd as noted above for £96,148.

During the year London Bonds 3 Ltd raised charges to London Bonds 2 Ltd for £25,200 (2021 - £25,250) for a property finders fee.

Payments were made by London Richmond Ltd for property refurbishment works for £25,000, this amount was reimbursed by London Bonds 1 Ltd. London Richmond Ltd, is a company the Director Y Singh is also Director.

The balance owed to London Bonds 1 Ltd as at 30 April 2022 was £28,765 (2021 - £nil)
The balance owed to London Bonds 3 Ltd as at 30 April 2022 was £25,250 (2021 - 37,062)

18 Ultimate controlling party

The company is a subsidiary of London Bonds Ltd (previously named London Chelsea Group Ltd), a company registered in England & Wales, company number 13220711, registered office at 6th Floor, Gracechurch Street, London, EC3V 0HR.

19 Cash generated from/(absorbed by) operations

	2022	2021
	£	£
Loss for the year after tax	(618,502)	(138,309)
Adjustments for:		
Taxation charged	56,653	-
Finance costs	272,092	58,360
Fair value gain on investment properties	(226,612)	-
Movements in working capital:		
Decrease/(increase) in debtors	761,397	(1,347,566)
Increase in creditors	84,631	66,693
Cash generated from/(absorbed by) operations	329,659	(1,360,822)

20 Analysis of changes in net debt

	1 May 2021	Cash flows	29 April 2022
	£	£	£
Cash at bank and in hand	-	48	48
Borrowings excluding overdrafts	(1,921,862)	(833,189)	(2,755,051)
	(1,921,862)	(833,141)	(2,755,003)