

Westpool Investment Trust plc

Annual Report and Financial Statements

For the year ended 31 December 2020

Registered in England and Wales number 0255691



Westpool Investment Trust plc

Annual Report and Financial Statements

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Westpool Investment Trust plc

Directors' Report

The Directors present their Annual Report and the Financial Statements of the Company for the year ended 31 December 2020.

Principal activities

The Company is an investment holding company. The Directors foresee no material change in the nature of the Company's activities.

The investment policy and objective of the Company is predominantly focused on private equity investment.

Going concern

The Company is considered to be a going concern and the accounts have been prepared on a going concern basis. In making this assessment, the Directors have considered the Company and whole Group's financial position as at 31 December 2020 and have prepared liquidity forecasts for a three-year period from 1 January 2021. In preparing this liquidity forecast, consideration has also been given to the expected impact of Covid-19 on the Company and the wider Group.

During 2020, the Company, Group and its employees and service providers were able to operate effectively with limited disruption by working remotely while Covid-19 lockdown measures were in place and believe they can continue to do so in the future, if necessary. The Company's Investments are in private companies for which the timing and amount of income and/or realization is uncertain. The Investments could be further impacted by the ongoing Covid-19 pandemic, but the Group has significant liquidity from its cash balances at 31 December 2020 that would allow it to cover the operating expenditures of the Group and Company beyond the three-year period from 1 January 2021. Whilst the Company had a negative net asset position, it is still considered a going concern. Further details are provided in note 14.

Business review

The Company acts as the registered holder of various investments on behalf of either its ultimate parent company, LMS Capital plc, or other companies within the LMS Capital group. The investments can be in funds, quoted or unquoted companies.

The Company does not have any employees, nor does it trade on its own account. Any income received, or expenses incurred, result from the actions taken by LMS Capital plc and which, for financial reporting purposes, are accounted for in the Company's financial records.

The principal risks and uncertainties facing the Company are integrated with those of its ultimate Parent Company and are not managed separately. The principal risks and uncertainties faced by LMS Capital Plc are set out in its annual report and accounts which does not form part of this report.

The Directors of the Company believe that an analysis of the Company's operations using key performance indicators is neither necessary nor appropriate as the operations of the Company are managed by LMS Capital plc on a consolidated investment management business basis.

Copies of LMS Capital plc's report and accounts can be found in the Investor Relations section on its website, www.lmscapital.com, or a paper copy can be requested from its registered office, Two London Bridge, London, SE1 9RA

Westpool Investment Trust plc

Directors' Report *(continued)*

Financial review and dividends

The results for the year are set out in the Statement of Comprehensive Income on page 7. No political or charitable donations were made during the year (2019: £nil).

The Directors do not recommend the payment of a dividend (2019: £nil).

Directors

The Directors who held office during the year and as at the date of approving the Directors' Report and Financial Statements were as follows:

The Hon Robert Anthony Rayne
Nicholas Robert Friedlos

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information as defined by the Companies Act 2006, of which the Company's auditor is unaware; each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

In accordance with s.487 of the Companies Act 2006, a resolution for the re-appointment of BDO LLP as auditor of the Company was proposed at the Annual General Meeting of the Ultimate Parent Company LMS Capital Plc, which was held on 12 May 2021. In this AGM, it was resolved that BDO LLP be re-appointed as auditor to the Company to hold office until the conclusion at the next general meeting.

On behalf of the board



N Friedlos
Director
Two London Bridge
London
SE1 9RA

30 June 2021

Westpool Investment Trust plc

Statement of Directors' Responsibilities

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 they have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 101 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTPOOL INVESTMENT TRUST PLC

Opinion on the Financial Statements

In our opinion, the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 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.

We have audited the financial statements of Westpool Investment Trust plc ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the 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 101 'Reduced Disclosure Framework' (FRS 101) (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the Financial Statements are authorised for issue.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTPOOL INVESTMENT TRUST PLC (*continued*)

Other Companies Act 2006 reporting

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.

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 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 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the Financial Statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the entity. We determined that the most significant regulations which are directly relevant to specific assertions in the Financial Statements are those related to the reporting framework (FRS 101 Reduced Disclosure Framework).

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTPOOL INVESTMENT TRUST PLC *(continued)*

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

- We enquired of management to identify how the entity is complying with those legal and regulatory frameworks and whether there were any known instances of non-compliance, or any actual, suspected or alleged fraud. We corroborated our enquiries through review of the group's board minutes and professional fee expenses.
- We assessed the risk of susceptibility of the entity's Financial Statements to material misstatement, including how fraud might occur and determined the principle risks related to incomplete expenditure and the valuation of investments.
- We challenged assumptions made by management in their significant accounting estimates and judgements.
- We considered the entity's control environment that has been established to prevent, detect and deter fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments in the general ledger and evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business.
- We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

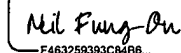
Our audit procedures were designed to respond to risks of material misstatement in the Financial Statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:


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Neil Fung-On (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
30 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Westpool Investment Trust plc

Statement of Comprehensive Income

For the year ended 31 December 2020

	<u>Notes</u>	<u>Year ended</u> <u>31-Dec-20</u> £	<u>Year ended</u> <u>31-Dec-19</u> £
Profit on disposal of investments		115,906	7,224,334
Fair value movement in the year	6	(1,668,578)	(600,696)
(Loss)/ profit from investing activities		(1,552,672)	6,623,638
Administrative expenses	2	(21,121)	3,853
Interest payable and similar charges	3	(1,467)	(592)
Interest receivable and other (loss)/income	4	(25,925)	105,888
(Loss)/ profit on ordinary activities before taxation		(1,601,185)	6,732,787
Tax charge on loss on ordinary activities	5	-	-
(Loss)/ profit for the financial year		(1,601,185)	6,732,787
Other comprehensive income		-	-
Total comprehensive (loss)/income for the financial year		(1,601,185)	6,732,787

All results are derived from continuing activities.

The notes on pages 10 to 19 form part of the Financial Statements.

Westpool Investment Trust plc

Company registered number: 0255691

Balance Sheet

As at 31 December 2020

	<u>Notes</u>	<u>31-Dec-20</u>	<u>31-Dec-19</u>
		£	(Restated) £
Non-current assets			
Investments	6	1,804,480	8,036,547
Debtors	7	11,723,162	12,236,265
		<hr/>	<hr/>
		13,527,642	20,272,812
Current assets			
Other current assets	8	11,922	-
Cash		922,246	890,327
		<hr/>	<hr/>
		934,168	890,327
Creditors	9	(15,233,945)	(20,334,089)
		<hr/>	<hr/>
Net current liabilities		(14,299,777)	(19,443,762)
		<hr/>	<hr/>
Net (liabilities)/assets		(772,135)	829,050
		<hr/>	<hr/>
Capital and Reserves			
Called up share capital	10	10,013,660	10,013,660
Share premium		588,615	588,615
Profit and loss account		(11,374,410)	(9,773,225)
		<hr/>	<hr/>
Equity Shareholders' (deficit)/ fund		(772,135)	829,050
		<hr/>	<hr/>

The notes on pages 10 to 19 form part of the Financial Statements.

These Financial Statements were approved by the Board of Directors on 30 June 2021 and were signed on its behalf by:



N Friedlos
Director

Westpool Investment Trust plc

Statement of Changes in Equity

For the year ended 31 December 2020

	Share Capital	Share Premium	Retained Earnings	Total Equity
	£	£	£	£
Balance at 1 January 2019	10,013,660	588,615	(16,506,012)	(5,903,737)
Profit for the financial year	-	-	6,732,787	6,732,787
Balance at 31 December 2019	10,013,660	588,615	(9,773,225)	829,050
Loss for the financial year	-	-	(1,601,185)	(1,601,185)
Balance at 31 December 2020	10,013,660	588,615	(11,374,410)	(772,135)

The notes on pages 10 to 19 form part of the Financial Statements.

Westpool Investment Trust plc

Notes to the Financial Statements

1 Principal accounting policies

The following accounting policies have been applied consistently for material items in the Financial Statements.

Basis of preparation

The financial information has been prepared in accordance with applicable accounting standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101), and under the historic cost convention, modified to include the revaluation of investments that are stated at fair value rather than cost less provision for diminution in value.

The Company is a wholly owned subsidiary undertaking of another UK undertaking and has dispensed with the requirement to prepare group accounts as permitted by s.400 Companies Act 2006.

The Company, on a standalone basis, is considered to be a qualifying entity (for the purposes of this FRS 101). In preparing these Financial Statements, the Company has taken advantage of all disclosure exemptions granted by FRS 101. Therefore, these Financial Statements do not include:

- certain comparative information as required by IFRS;
- certain disclosures regarding the Company's capital;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted; and
- disclosure of the related party transactions with other wholly owned subsidiaries of the Group.

Moreover, in accordance with FRS 101, further disclosure exemptions have been adopted because the equivalent disclosures are included in the group accounts of LMS Capital Group Limited. These Financial Statements do not include certain disclosures in respect of:

- financial instruments; and
- fair value measurement.

The Company utilised the small company exemptions in preparing the Directors Report and from the requirement to prepare a Strategic Report.

The Company is considered to be a going concern and the accounts have been prepared on a going concern basis. In making this assessment, the Directors have considered the Company and whole Group's financial position as at 31 December 2020 and have prepared liquidity forecasts for a three-year period from 1 January 2021. In preparing this liquidity forecast, consideration has also been given to the expected impact of Covid-19 on the Company and the wider Group.

Westpool Investment Trust plc

Notes to the Financial Statements (continued)

1 Principal accounting policies (continued)

Basis of preparation (continued)

During 2020, the Company, Group and its employees and service providers were able to operate effectively with limited disruption by working remotely while Covid-19 lockdown measures were in place and believe they can continue to do so in the future, if necessary. The Company's Investments are in private companies for which the timing and amount of income and/or realization is uncertain. The investments could be further impacted by the ongoing Covid-19 pandemic, but the Group has significant liquidity from its cash balances at 31 December 2020 that would allow it to cover the operating expenditures of the Group and Company beyond the three-year period from 1 January 2021. Whilst the Company had a negative net asset position, it is still considered a going concern. Further details are provided in note 14.

Investments

Investments are included in the balance sheet at fair value. Fair values have been determined in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. These guidelines require the valuer to make judgments as to the most appropriate valuation method to be used and the results of the valuations.

Each investment is reviewed individually with regards to the stage, nature and circumstances of the investment and the most appropriate valuation method selected. The valuation results are then reviewed and any amendment to the carrying value of investments is made as considered appropriate.

Quoted investments

Quoted investments for which an active market exists are valued at the closing bid price at the balance sheet date.

Unquoted investments

Unquoted investments for which there is no ready market are valued using the most appropriate valuation technique with regard to the stage and nature of the investment. Valuation methods that may be used include:

- investments in an established business are valued using revenue or earnings multiples depending on the stage of development of the business and the extent to which it is generating sustainable revenue or earnings;
- investments in a business the value of which is derived mainly from its underlying net assets rather than its earnings are valued on a net asset valuation basis;
- investments in an established business which is generating sustainable revenue and positive cash flows but for which other valuation methods are not appropriate are valued using discounted revenue or cash flow forecasts;

Westpool Investment Trust plc

Notes to the Financial Statements (continued)

1 Principal accounting policies (continued)

Investments (continued)

Unquoted investments (continued)

- investments in debt instruments or loan notes are determined on a standalone basis, with the initial investment recorded at the price of the transaction and subsequent adjustments to the valuation are considered for changes in credit risk or market rates. Convertible instruments are valued by disaggregating the convertible feature from the debt instrument and valuing it using a Black-Scholes model; and
- the Company has adopted the updated IPEV guidelines which are effective from 1 January 2019. The main changes of the new guidelines are:
 - price of a recent investment removed as a primary valuation technique; and
 - valuing debt investments were expanded.
- the Company adopted the IPEV special valuation guidance issued in March 2020 in response to the significant uncertainty surrounding the Coronavirus pandemic.

Funds

Investments in managed funds are valued at fair value. The general partners of the funds will provide periodic valuations on a fair value basis, the latest available of which the Company will adopt provided it is satisfied that the valuation methods used by the funds are not materially different from the Company's valuation methods and adjusting for any material transactions between the date of the fund report and the year-end date.

Cash at bank and in hand

Cash comprises cash in hand, cash at banks and demand deposits.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction. Monetary assets and monetary liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date, and exchange differences are included in the Statement of Comprehensive Income. Investments denominated in foreign currencies are translated at the closing rates ruling at the balance sheet date as part of the fair value adjustment and are taken as a gain/(loss) in the current year profit/(loss).

Westpool Investment Trust plc

Notes to the Financial Statements (continued)

1 Principal accounting policies (continued)

Taxation

Corporation tax payable both in the UK and overseas is provided on taxable profits at the current rate. Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the accounts and their recognition in a tax computation that are not expected to be recovered in the short term. Deferred tax is provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date that may give rise to an obligation to pay more or less tax in the near future. No deferred tax asset has been recognised as at 31 December 2020.

Debtors

The Company's debtor relates to an amount owed by the immediate parent. This is recognised initially at fair value. Subsequent to initial recognition this is measured at amortised cost using the effective interest method, less any expected credit losses.

Consideration has been given to the expected credit loss model in determining the value of the debtor. Expected credit losses are required to be measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses from the possible default events within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses from all possible default events over the life of the financial instrument).

A loss allowance for full lifetime expected credit loss is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables that do not constitute a financing transaction.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

Impairment losses on financial assets carried at amortised cost are reversed in subsequent periods if the expected credit losses decrease.

Creditors

The Company's creditors include amounts owed to the ultimate parent and accounts payable. These are initially recognized at fair value. Subsequent measurement is at amortised cost using the effective interest method.

Westpool Investment Trust plc

Notes to the Financial Statements (continued)

1 Principal accounting policies (continued)

Gains and losses on Investment

Realised and unrealized gains and losses on investments are recognised in the income statement in the period which they arise.

Interest Income

Interest income recognized as it accrues using the effective interest method.

Administrative Expenses

Administrative expenses are recognised on an accruals basis.

Capital and Reserves

Capital and reserves for the Company represent the following:

- a) Share capital – the nominal value of shares issued, increased for subsequent share issues or reduced due to shares bought back by the Company for cancellation.
- b) Share premium – this reserve contains the excess of gross proceeds over the nominal value of shares allotted, less and share issue costs.
- c) Profit and loss reserve – the cumulative net profit or loss of the Company.

Prior Period Adjustment

As at 31 December 2019, there was an amount owed by the ultimate parent company, LMS Capital plc, to Westpool Investment Trust plc of £12,236,265. Additionally, Westpool Investment Trust plc owed £20,109,089 to other subsidiaries. This was presented as a net amount owed by Westpool Investment Trust plc to the subsidiaries of £7,872,824, in both the balance sheet and in the creditors note. As there is not a legally enforceable right to set off these amounts and no intention to settle on a net basis the amounts should be shown gross rather than net. This has been adjusted for as a prior period adjustment.

As such, for the year ended 31 December 2019 non-current debtors have increased by £12,236,265 and current creditors have increased by £12,236,265. Furthermore, net current liabilities decreased by £12,236,265.

In the Financial Statement for year ending 31 December 2020, the amount owed by the ultimate parent £11,723,162 (2019: £12,236,265) is not expected to be settled in the next 12 months after the reporting period.

Within the notes of the Financial Statement for the year ending 31 December 2019, the capital commitments were omitted and as such these are restated to show an increase of £86,994.

Westpool Investment Trust plc

Notes to the Financial Statements (continued)

2 Administrative expenses

	<u>Year ended</u> <u>31-Dec-20</u>	<u>Year ended</u> <u>31-Dec-19</u>
	£	£
Accounting and administration fees	121	(3,853)
Audit fees	21,000	-
	<u>21,121</u>	<u>(3,853)</u>

Audit fees for the year is £21,000 which is payable by the Company (2019: £20,000 charged to the ultimate parent). The Company does not have any employees (2019: nil) and there were no Directors' emoluments (2019: £nil). There were no non-audit services provided by BDO.

3 Interest payable and similar charge

	<u>Year ended</u> <u>31-Dec-20</u>	<u>Year ended</u> <u>31-Dec-19</u>
	£	£
Bank charges	<u>1,467</u>	<u>592</u>

4 Interest receivable and other income

	<u>Year ended</u> <u>31-Dec-20</u>	<u>Year ended</u> <u>31-Dec-19</u>
	£	£
Net foreign exchange (loss)/ gains	(25,925)	105,838
Interest income	-	50
	<u>(25,925)</u>	<u>105,888</u>

5 Tax charge on loss on ordinary activities

	<u>Year ended</u> <u>31-Dec-20</u>	<u>Year ended</u> <u>31-Dec-19</u>
	£	£
Analysis of tax charge for the year		
Total tax charge	<u>-</u>	<u>-</u>

Westpool Investment Trust plc

Notes to the Financial Statements (continued)

5 Tax charge on loss on ordinary activities (continued)

Factors affecting the tax charge for the year

	<u>Year ended</u> <u>31-Dec-20</u> £	<u>Year ended</u> <u>31-Dec-19</u> £
Current tax reconciliation		
(Loss)/ profit on ordinary activities before taxation	<u>(1,601,185)</u>	<u>6,732,787</u>
Current tax at 19% (2019: 19%)	<u>304,225</u>	<u>(1,279,230)</u>
Effects of:		
Non-taxable investment fair value adjustments	(317,030)	(113,614)
Loss on disposal	22,022	295,351
Fair value adjustment on disposal	-	623,127
Foreign exchange adjustments	-	8,099
Transfer pricing adjustments	34,437	142,763
Interest accrual	-	(82,487)
Losses brought forward	-	282,275
Group relief	(35,701)	-
Indexation allowance	-	171,870
Deferred tax asset not recognised	<u>(7,953)</u>	<u>(48,154)</u>
Tax charge for the year	<u>-</u>	<u>-</u>

The Company has tax losses available for offset against future chargeable gains of £15.6 million as at 31 December 2020 (2019: £15.6 million). No deferred tax asset has been recognised in respect of these losses because the amount and timing of their utilisation is uncertain.

6 Investments

	<u>Fund</u> <u>Investments</u> £	<u>Quoted</u> <u>investments</u> £	<u>Unquoted</u> <u>investments</u> £	<u>Total</u> £
Valuation				
At 31 December 2019	6,423,034	3,513	1,610,000	8,036,547
Disposals at book value	(4,786,918)	(1,571)	-	(4,788,489)
Additions at cost	-	-	225,000	225,000
Fair value movement	(230,903)	(1,396)	(1,436,279)	(1,668,578)
At 31 December 2020	<u>1,405,213</u>	<u>546</u>	<u>398,721</u>	<u>1,804,480</u>

As is common practice in the venture capital industry, the investments are structured using a variety of instruments including ordinary shares, preference and other shares carrying special rights, options and warrants and debt instruments both with and without conversion rights. The investments are held for resale with a view to the realisation of capital gains. Generally, the investments do not pay significant income.

Westpool Investment Trust plc

Notes to the Financial Statements (continued)

7 Debtors

	<u>31-Dec-20</u>	<u>31-Dec-19</u> <u>(Restated)</u>
	£	£
Amounts owed by ultimate parent	<u>11,723,162</u>	<u>12,236,265</u>

Further details on the restatement of 2019 balances is provided in note 1.

8 Other current assets

	<u>31-Dec-20</u>	<u>31-Dec-19</u> <u>(Restated)</u>
	£	£
Other current assets	<u>11,922</u>	<u>-</u>

9 Creditors

	<u>31-Dec-20</u>	<u>31-Dec-19</u> <u>(Restated)</u>
	£	£
LMS Tiger Investments (II) Ltd	13,929,319	14,287,619
LMS Capital (Bermuda) Ltd	966,089	944,026
International Oil Field Services	317,537	-
LMS Capital 2007 L.P.	-	4,452,819
LMS Capital 2008 L.P.	-	171,007
LMS Capital 2009 L.P.	-	253,619
Trade payable	-	225,000
Accruals	21,000	-
	<u>15,233,945</u>	<u>20,334,089</u>

Further details on the restatement of 2019 balances is provided in note 1.

10 Called up share capital

	<u>31-Dec-20</u>	<u>31-Dec-19</u> <u>(Restated)</u>
	£	£
Authorised		
167,600,000 Ordinary shares of 10p each	<u>16,760,000</u>	<u>16,760,000</u>
Allotted, called up and fully paid		
100,136,604 Ordinary shares of 10p each	<u>10,013,660</u>	<u>10,013,660</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Westpool Investment Trust plc

Notes to the Financial Statements (continued)

11 Capital commitments

Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	<u>31-Dec-20</u>	<u>31-Dec-19</u> <u>(Restated)</u>
	£	£
Outstanding capital commitment to funds	-	86,994

Further details on the restatement of 2019 balances is provided in note 1.

12 Related party transactions

The Company has taken advantage of the exemption contained in Financial Reporting Standard 101.8(k) 'Related party disclosures' and has therefore not disclosed transactions or balances with entities which form part of the group.

13 Immediate and ultimate parent company and subsidiaries/undertakings

The Company is controlled by LMS Tiger Investments (II) Limited, the Company's immediate parent company. The ultimate controlling party at the balance sheet date is LMS Capital plc, the Company's ultimate parent company, which is incorporated in England and Wales. As a consequence of the adoption of an amendment to IFRS 10, the ultimate parent company LMS Capital plc no longer prepares consolidated accounts. LMS Capital Group Limited, a 100% owned subsidiary of LMS Capital plc, now prepares consolidated Financial Statements. The Financial Statements of LMS Capital Group Limited include the results of the Company. The consolidated Financial Statements of LMS Capital Group Limited may be obtained at the following address: Two London Bridge, London, SE1 9RA.

The Company had interests in underlying Limited Partnerships: LMS Capital 2007 LP and LMS Capital 2008 LP which are registered in Bermuda, registered address: Clarendon House, 2 Church Street, Hamilton, HM 11 Bermuda. Both companies were liquidated during the year.

Westpool Investment Trust plc

Notes to the Financial Statements (continued)

14 Financial support by ultimate parent

LMS Capital plc has provided the Company with an understanding that it will continue to make available such funds as needed by the Company to enable it to meet its liabilities as they fall due. As at 31 December 2020, LMS Capital plc has sufficient cash on balance sheet, £16.4 million, to be able to settle Westpool Investment Trust plc's intercompany liabilities on its behalf should it require this support. Furthermore, the Companies to which Westpool Investment Trust plc owes these amounts to are fellow intercompanies which are in a positive net asset position and as such are less likely to require repayment from the Company within the next 12 months of the date of signing these Financial Statements. Furthermore, there are common directorships around the Group increasing the likelihood that financial support will be provided. As with any company placing reliance on other Group entities for financial support, the Directors acknowledge that there can be no certainty that support will continue although, at the date of approval of these Financial Statements, they have no reason to believe that it will not do so.

15 Subsequent events

There are no subsequent events that would materially affect the interpretation of these Financial Statements.