

**REGISTERED NUMBER: 03899545 (England and Wales)**

**DANIEL STEWART SECURITIES PLC**  
**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2018**



Keelings Limited, Statutory Auditor  
Chartered Tax Advisers and  
Chartered Certified Accountants  
Broad House  
1 The Broadway  
Old Hatfield  
Herts  
AL9 5BG

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FOR THE YEAR ENDED 31ST MARCH 2018**

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**DANIEL STEWART SECURITIES PLC**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST MARCH 2018**

**DIRECTOR:**

P D Shea

**SECRETARY:**

J Brown

**REGISTERED OFFICE:**

33 Creechurch Lane  
London  
EC3A 5EB

**REGISTERED NUMBER:**

03899545 (England and Wales)

**AUDITORS:**

Keelings Limited, Statutory Auditor  
Chartered Tax Advisers and  
Chartered Certified Accountants  
Broad House  
1 The Broadway  
Old Hatfield  
Herts  
AL9 5BG

## DANIEL STEWART SECURITIES PLC

### STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2018

The director presents his strategic report for the year ended 31st March 2018.

This review contains several subjective and forward looking statements which have been made by the director in good faith based upon the information available to him at the time. Any subjective or forward-looking statement should be considered by the user within the context of economic and business risk.

#### REVIEW OF BUSINESS

As noted in the 2017 accounts, on 12 January 2018, the company's only subsidiary, Daniel Stewart & Company Plc issued more shares, which resulted into the dilution of shares held by the reporting entity. Concurrently, Daniel Stewart Securities Plc shareholding in Daniel Stewart & Company Plc was reduced from 100% to 10% and hence became a stand-alone company.

Since that time, Daniel Stewart Securities Plc has continued to trade as a stand-alone company and the director is currently seeking to develop a new business activity.

Although the revenue for the twelve months, from trading activity was only £533, down from £114,480 for the previous year, a decrease of 99.5%, the company generated revenue of £625,136 from other operating activities. Administrative costs decreased in the year under review by £614,433.

Key financials	31 March 2018	31 March 2017	
	£	£	
Revenue - Share trading	533	114,480	(99.5%)
Other operating income	625,136	-	100%
Administrative costs	(520,675)	(1,135,108)	(54.1%)
<b>Operating profit/(loss)</b>	<b>104,994</b>	<b>(1,020,628)</b>	

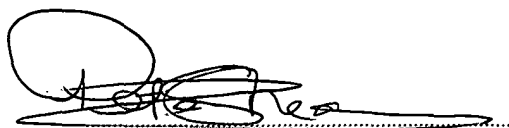
#### PRINCIPAL RISKS AND UNCERTAINTIES

The company has been non-trading since the Statement of Financial Position date and therefore no major risks are expected other than to a lesser degree interest and currency rates.

#### CURRENT TRADING

Following the dilution of company's share holding in Daniel Stewart & Company Plc from 100% to 10%, Epsilon Investments PTE Limited (EIL) on 12 January 2018, the company is not currently trading.

#### ON BEHALF OF THE BOARD:



P D Shea - Director

Date: 18 October 2018

## **DANIEL STEWART SECURITIES PLC**

### **REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31ST MARCH 2018**

The director presents his report with the financial statements of the company for the year ended 31st March 2018.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the provision of financial advice to companies; significantly acting as advisor and broker for publicly listed corporations.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31st March 2018.

#### **FUTURE DEVELOPMENTS**

The director is currently considering a number of business opportunities for the company going forward.

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **DIRECTORS**

P D Shea has held office during the whole of the period from 1st April 2017 to the date of this report.

Other changes in directors holding office are as follows:

S J Lucas and P T Ward ceased to be directors after 31st March 2018 but prior to the date of this report.

#### **PRINCIPAL RISKS FACING THE BUSINESS**

The director consider the principal risks facing the company are as follows:

##### **Credit, operational and reputational risks**

As the company became non-trading after the Statement of Financial Position date, no credit, operational and reputational risks are expected.

##### **Liquidity risk**

The company seeks to manage liquidity risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company has received and continues to receive financial support from its shareholders. Accordingly, the director deems there is sufficient funding for the near future.

#### **GOING CONCERN**

During the year, Daniel Stewart & Company Plc issued more shares which resulted in the dilution of Daniel Stewart Securities Plc shareholding in this company. The company's shareholding was reduced from 100% to 10% and subsequently became a non-trading stand-alone company.

The company has minimal overheads which are being funded, on an on-going basis, by the company's substantial cash balances and the director is currently considering a number of possible options for the company going forward, which includes a possible listing on the Standard Listing of the London Stock Exchange. An announcement will be made in due course.

The company received financial support through the provision of new equity capital from other investors during the year and subsequently. It is currently non-trading but the company is looking for new opportunities and intends to continue to trade in the foreseeable future. The director has considered the financial position of the company, its cash flows and liquidity position, taking into account the current market conditions, its cash flows and liquidity position and in his view the company shall continue to operate within the reserves available to it.

#### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

**DANIEL STEWART SECURITIES PLC**

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31ST MARCH 2018**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES - continued**

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations and in accordance with International Financial Reporting Standards as adopted by the European Union.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

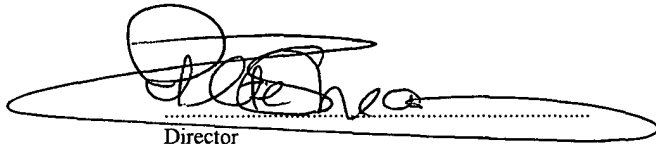
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is 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 he 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.

**AUDITORS**

The auditors, Keelings Limited, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



Director

Date: 18 OCTOBER 2018

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DANIEL STEWART SECURITIES PLC**

### **Opinion**

We have audited the financial statements of Daniel Stewart Securities Plc (the 'company') for the year ended 31st March 2018 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, 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 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, 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.

### **Opinion 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 Director 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 Director 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 Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on pages three and four, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
DANIEL STEWART SECURITIES PLC**

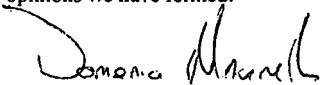
**Auditors' responsibilities for the audit of the financial statements**

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.

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.

**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.



Domenico Maurello (Senior Statutory Auditor)  
for and on behalf of Keelings Limited, Statutory Auditor  
Chartered Tax Advisers and  
Chartered Certified Accountants  
Broad House  
1 The Broadway  
Old Hatfield  
Herts  
AL9 5BG

Date: 18 October 2018



**DANIEL STEWART SECURITIES PLC**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31ST MARCH 2018**

	Notes	2018 £	2017 £
<b>CONTINUING OPERATIONS</b>			
Revenue	3	533	114,480
Other operating income		625,136	-
Administrative expenses		(520,675)	(1,135,108)
<b>OPERATING PROFIT/(LOSS)</b>		104,994	(1,020,628)
Finance costs	5	(13,468)	(17,271)
Finance income	5	189	265
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>	6	91,715	(1,037,634)
Income tax	8	-	-
<b>PROFIT/(LOSS) FOR THE YEAR</b>		91,715	(1,037,634)

The notes form part of these financial statements

**DANIEL STEWART SECURITIES PLC**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST MARCH 2018**

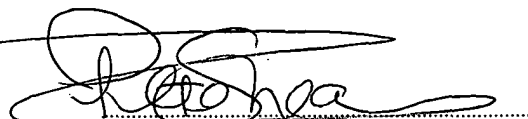
	2018 £	2017 £
PROFIT/(LOSS) FOR THE YEAR	91,715	(1,037,634)
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>91,715</u>	<u>(1,037,634)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION  
31ST MARCH 2018

	Notes	2018 £	2017 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	125,685	180,559
Investments	10	166,667	200,000
Trade and other receivables	11	225,583	225,583
		<u>517,935</u>	<u>606,142</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	11	118,409	112,786
Investments	12	4,935	9,662
Cash and cash equivalents	13	50,884	120,143
		<u>174,228</u>	<u>242,591</u>
<b>TOTAL ASSETS</b>		<u><u>692,163</u></u>	<u><u>848,733</u></u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	14	2,547,348	2,380,681
Share premium	15	11,473,732	11,440,399
Capital redemption reserve	15	49,998	49,998
Capital reserve	15	8,524,435	8,524,435
Non-redeemable convertible bond	15	349,000	349,000
Share compensation reserve	15	420,723	420,723
Accumulated loss	15	(23,327,796)	(23,419,511)
<b>TOTAL EQUITY</b>		<u><u>37,440</u></u>	<u><u>(254,275)</u></u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	396,232	844,517
Financial liabilities - borrowings			
Interest bearing loans and borrowings	17	258,491	258,491
		<u>654,723</u>	<u>1,103,008</u>
<b>TOTAL LIABILITIES</b>		<u><u>654,723</u></u>	<u><u>1,103,008</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>692,163</u></u>	<u><u>848,733</u></u>

The financial statements were approved by the director on 18 October 2018 and were signed by:

  
P D Shea - Director

**DANIEL STEWART SECURITIES PLC**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST MARCH 2018**

	Called up share capital £	Accumulated loss £	Share premium £	Capital redemption reserve £
<b>Balance at 1st April 2016</b>	2,380,681	(22,381,877)	11,440,399	49,998
<b>Changes in equity</b>				
Total comprehensive income	-	(1,037,634)	-	-
<b>Balance at 31st March 2017</b>	<u>2,380,681</u>	<u>(23,419,511)</u>	<u>11,440,399</u>	<u>49,998</u>
<b>Changes in equity</b>				
Issue of share capital	166,667	-	33,333	-
Total comprehensive income	-	91,715	-	-
<b>Balance at 31st March 2018</b>	<u>2,547,348</u>	<u>(23,327,796)</u>	<u>11,473,732</u>	<u>49,998</u>
	Capital reserve £	Non-redeemable convertible bond £	Share compensation reserve £	Total equity £
<b>Balance at 1st April 2016</b>	8,524,435	349,000	420,723	783,359
<b>Changes in equity</b>				
Total comprehensive income	-	-	-	(1,037,634)
<b>Balance at 31st March 2017</b>	<u>8,524,435</u>	<u>349,000</u>	<u>420,723</u>	<u>(254,275)</u>
<b>Changes in equity</b>				
Issue of share capital	-	-	-	200,000
Total comprehensive income	-	-	-	91,715
<b>Balance at 31st March 2018</b>	<u>8,524,435</u>	<u>349,000</u>	<u>420,723</u>	<u>37,440</u>

The notes form part of these financial statements

**DANIEL STEWART SECURITIES PLC**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH 2018**

		2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	197,852	172,707
Interest paid		(13,468)	(17,271)
Net cash from operating activities		<u>184,384</u>	<u>155,436</u>
<b>Cash flows from investing activities</b>			
Investment in subsidiary		-	(1,378,699)
Disposal of listed investments		4,727	-
Interest received		189	265
Net cash from investing activities		<u>4,916</u>	<u>(1,378,434)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(2,662)	-
Loan from group companies repaid		(455,897)	1,269,000
Share issue		200,000	-
Net cash from financing activities		<u>(258,559)</u>	<u>1,269,000</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(69,259)</u>	<u>46,002</u>
Cash and cash equivalents at beginning of year	2	120,143	74,141
<b>Cash and cash equivalents at end of year</b>	2	<u><u>50,884</u></u>	<u><u>120,143</u></u>

The notes form part of these financial statements

**DANIEL STEWART SECURITIES PLC**

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31ST MARCH 2018**

**1. RECONCILIATION OF PROFIT/(LOSS) BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2018 £	2017 £
Profit/(loss) before income tax	91,715	(1,037,634)
Depreciation charges	54,874	56,747
Impairment of investment in subsidiary	-	1,178,699
(Increase)/decrease in financial assets	-	(7,218)
Impairment of unlisted investments	33,333	-
Finance costs	13,468	17,271
Finance income	(189)	(265)
	<u>193,201</u>	<u>207,600</u>
(Increase)/decrease in trade and other receivables	(5,623)	8,445
Increase/(decrease) in trade and other payables	<u>10,274</u>	<u>(43,338)</u>
<b>Cash generated from operations</b>	<u><u>197,852</u></u>	<u><u>172,707</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31st March 2018**

	31.3.18 £	1.4.17 £
Cash and cash equivalents	<u><u>50,884</u></u>	<u><u>120,143</u></u>

**Year ended 31st March 2017**

	31.3.17 £	1.4.16 £
Cash and cash equivalents	<u><u>120,143</u></u>	<u><u>74,141</u></u>

**DANIEL STEWART SECURITIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2018**

**1. STATUTORY INFORMATION**

Daniel Stewart Securities Plc is a public company limited by shares incorporated and domiciled in the United Kingdom. The company's registered number and registered office address can be found on the Company Information page. The financial statements are presented in pounds sterling.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018**

**2. ACCOUNTING POLICIES**

**Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as adopted and endorsed by the European Union and as issued by the International Accounting Standards Board (IASB), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, with the prior period being presented on the same basis. The financial statements have been prepared under the historical cost convention.

**Financial risk management objectives and policies**

The company's principal financial assets are cash and cash equivalents, other receivables and investments. The amounts presented in the Statement of Financial Position are net of allowances for impairment. The company's principal financial liabilities are in respect of loans, trade payables, taxation and leases.

Except as described below, the same accounting policies, presentation and methods of estimation are followed in these financial statements as applied in the company's financial statements for the year ended 31 March 2017.

**Accounting standards issued but not yet effective**

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the company, except the following, set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different from that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted, subject to EU endorsement. The full impact of IFRS 9 has not yet been assessed.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted, subject to EU endorsement. The full impact of IFRS 15 has not yet been assessed.

IFRS 16, 'Leases' addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from IFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces IAS 17 'Leases', and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted, subject to EU endorsement and the entity adopting IFRS 15 'Revenue from contracts with customers' at the same time. The full impact of IFRS 16 has not yet been assessed.

**Going concern**

During the year, Daniel Stewart & Company Plc issued more shares which resulted in the dilution of Daniel Stewart Securities Plc shareholding in this company. The company's shareholding was reduced from 100% to 10% and subsequently became a non-trading stand-alone company.

The company has minimal overheads which are being funded, on an on-going basis, by the company's substantial cash balances and the director is currently considering a number of possible options for the company going forward, which includes a possible listing on the Standard Listing of the London Stock Exchange. An announcement will be made in due course.



**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018**

The company received financial support through the provision of new equity capital from other investors during the year and subsequently. It is currently non-trading but the company is looking for new opportunities and intends to continue to trade in the foreseeable future. The director has considered the financial position of the company, its cash flows and liquidity position, taking into account the current market conditions, its cash flows and liquidity position and in his view the company shall continue to operate within the reserves available to it.

**Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable in the circumstances, the results of which form the basis of judgements about carrying values of assets and liabilities. Actual results may differ from those amounts reported.

**Valuation of investments**

Investments include securities and options over securities which have been received as consideration for corporate finance services rendered. These assets are valued according to bid price where applicable, adjusted in respect of share options which are either still to be exercised or have not been pre-sold through a contract for difference.

Where no market data is available, unquoted equities are valued with reference to the most recent relevant corporate action.

**Bad debt policy**

The company regularly reviews all outstanding balances and provides where there is evidence of impairment for amounts it considers irrecoverable. The assessment of bad debt is made with reference to advice from a third party debt collector where debts have proven irrecoverable from internal procedures.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue includes gains less losses on shares, arrived at after taking into account attributable dividends and directly related interest, together with commission income receivable, which is recorded on trade date when earned, and retainer fees which are recorded in the period earned.

Movements in value of financial assets are recognised in revenue, a more detailed description of this accounting policy is reported in note 3 to these financial statements.

Interest income is recognised at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

**Share-based payments**

The company has applied the requirements of IFRS 2 Share based payment. The company issues equity-settled share based payments to certain employees and others. Equity-settled share based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the date of grant of the equity-settled share based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

The cumulative effect of these transactions on the income statement is mirrored in the share compensation reserve.

**Property, plant and equipment**

Plant and equipment are stated at cost, net of depreciation and any provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its estimated useful life as follows:

Improvements to leasehold premises: Five years

Office equipment: Four years

Depreciation is provided at a rate of 25% on a reducing balance value basis on office equipment.

The carrying values of plant and equipment are subject to depreciation, and an annual review of residual values and useful lives, any impairment is charged to the statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018**

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

The company classifies its financial assets and financial liabilities in the following categories: financial assets and financial liabilities at fair value through profit or loss; receivables; held-to-maturity investments and other financial liabilities.

Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

**Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment of trade receivables is established when there is evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter an insolvency arrangement or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flow. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income within administrative costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative costs in the Statement of Comprehensive Income.

**Financial assets at fair value through profit or loss ("FVTPL")**

FVTPL assets principally represent investment securities. These investments comprise both long and short positions and are initially measured at fair value excluding transaction costs. Subsequently and at each reporting date, these investments are measured at their fair values, with the resultant gains and losses arising from changes in fair value being taken to the income statement. FVTPL include securities and options over securities which have been received as consideration for corporate finance services rendered.

Financial assets are classified as financial assets at FVTPL where the Group acquires the financial asset principally for the purpose of selling in the near term, or the financial asset is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking. Financial assets at fair value through profit or loss are stated at fair value, with any resulting gain or loss recognised in the income statement. The net gain or loss recognised in the income statement incorporates any dividend or interest earned on the financial asset.

It is the company's policy to recognise investments held in unlisted companies as non-current assets or current, depending on the company's intentions for, and potential timescales anticipated in, realising the investment. They have been designated FVTPL because they are managed and evaluated on a fair value basis and information on the assets fair value is provided to the board in the management financial statements.

Options and warrants held are valued using the Black-Scholes model.

**Trade and other payables**

Trade and other payables are initially measured at fair value and subsequently held at amortised cost. At each reporting date, these trade payables are measured at amortised cost using the effective interest rate method.

**Financial liabilities and equity**

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.

**Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the company has transferred substantially all risks and rewards of ownership. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the company is recognised as a separate asset or liability in the Statement of Financial Position. In transactions in which the company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

There have not been any instances where assets have only been partially derecognised.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

**Amortised cost measurement**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018**

**2. ACCOUNTING POLICIES - continued**

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method for any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

**Fair value measurement**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities traded in active markets are based on current bids and offer prices respectively. If the market is not active the company establishes a fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, valuation models and reference to other instruments that are substantially the same for which market observable prices exist.

**Taxation**

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

The tax currently payable is based on taxable profit for the year. Taxable profits differ from net profit as reported in the Statement of Comprehensive Income 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 date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enactive at the Statement of Financial Position date.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are reported at the rates of exchange prevailing at that date.

Gains and losses arising during the year on transactions denominated in foreign currencies are treated as normal items of income and expenditure in the Statement of Comprehensive Income.

**Operating leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the year of the lease.

**Finance leases**

Assets held under finance leases are capitalised at their initial cost and the corresponding leasing obligations are shown as liabilities. The company currently holds no assets under finance lease arrangements.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2018**

**2. ACCOUNTING POLICIES - continued**

**Capital management**

**Externally imposed capital requirement**

Capital levels are set with reference to the shareholder's funds and these are adjusted to reflect risk and liquidity. Shareholder's funds do not include any amount that may constitute a commitment or liability to any party other than a distribution to the equity shareholder.

The board has no intention of making any distribution to the equity shareholders.

The company manages capital to ensure that the company will be able to continue as a going concern while aiming to maximise the return to stakeholders. The capital structure of the company consists of equity attributable to equity holders of the company, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity. At present the company is highly geared and it is the responsibility of the board to review the company's gearing levels on an ongoing basis.

**Significant accounting policies:**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2018**

**2. ACCOUNTING POLICIES - continued**

**Financial risk management**

**Strategy**

The company board is responsible for approving all risk management policies and for determining the overall risk appetite for the company. The company board receives a quarterly financial report detailing key credit risk exposures, operational risk incidents and losses.

Key market risks are considered by the senior management on a formal basis, weekly, and are subject to continuous rolling scrutiny.

The company board monitor and assess all types of risk within the company to ensure that internal controls are properly established so that the company risk exposure is maintained within the internally evaluated parameters.

**Equity price risk**

Non-current financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market conditions. They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently held at fair value. Dividends and interest on these equity instruments are recognised in the statement of comprehensive income when the entity's right to receive payment is established. Realised and unrealised gains and losses arising from changes in fair value are included are recognised in the statement of comprehensive income.

For financial assets that are quoted in active markets, fair values are determined by reference to the current quoted bid price. Where independent prices are not available, fair values are determined using valuation techniques with reference to observable data. This valuation is carried out as the information becomes available. Derivative contracts relating to equity options and warrants held have been acquired at zero cost in lieu of corporate finance fees are fair valued when earned and then at each reporting date with reference to market data and liquidity of the prevailing investment. Options and warrants held are valued using the Black-Scholes model.

The company face risk arising from holding investments in markets that fluctuate. The company manage equity price risk by establishing individual stock limits and overall investment criteria and management reports are prepared daily in support of a review regime. The board reviews material investments at all meetings.

**Financial assets at fair value through profit or loss**

**Fair value estimation**

This requires company disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1: Quoted prices unadjusted in active markets for identical assets or liabilities,

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, observed either directly as prices or indirectly from prices. These are valued with reference to a Black Scholes model, and

Level 3: Inputs for the asset or liability that are not based on observable market data

Financial assets held by the group and company are:

	<b>Total</b>	<b>Current assets</b>	<b>Current assets</b>	<b>Non-current / current assets</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Fair value as at 1 April 2017</b>	<b>9,662</b>	<b>9,662</b>	-	-
<b>Additions at initial fair value/cost</b>	<b>87,735</b>	<b>87,735</b>	-	-
<b>Disposal proceeds</b>	<b>(92,995)</b>	<b>(92,995)</b>	-	-
<b>Realised profit - Equities</b>	<b>533</b>	<b>533</b>	-	-
<b>Fair value as at 31 March 2018</b>	<b>4,935</b>	<b>4,935</b>	-	-

**Currency Risk**

The company's activities are primarily denominated in pounds sterling and it therefore has minimal foreign exchange risk. Any significant transaction denominated in a foreign currency that would expose the company to currency risk would be hedged immediately in the spot market.

**Interest Rate Risk**

The company has interest bearing assets in mainly cash and cash equivalents. The company has a policy of maintaining excess funds in cash and short-term deposits. The company does not use any derivatives to hedge interest rate risk.

**Credit Risk**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018**

**2. ACCOUNTING POLICIES - continued**

The company takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the company by failing to discharge an obligation. Credit risk exposure is generated primarily from the settlement risk on equities traded under an agency agreement with our clients or principally via market makers. The company also extends credit to corporate clients.

The company does not lend money to trading clients, nor does it trade in OTC derivatives and the longest dated transactions are limited to trade date plus ten business days.

All overdrawn balances are reviewed daily and actioned.

The compliance department undertakes a credit review of all new accounts and periodically reviews all existing counterparties. New accounts cannot begin to trade until the credit review has been completed.

All accounts are subject to credit limits.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. Trade receivables at 31 March 2018 are £Nil (2017: £NIL) the directors do not consider there is a need for any further provision against this amount.

**Liquidity Risk**

The company seeks to manage liquidity risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company has received and continues to receive financial support from Epsilon Investments PTE Limited.

The company's financial liabilities wholly consist of trade and other payables totalling £654,722 (2017: £1,103,008) all having a maturity of less than six months based on contractual undiscounted payments.

**Operational Risk**

At the highest level Operational risk is managed through budgetary control. The company will not enter into new markets, customer types or products without fully considering the operational aspects of such risks (including its impact on resources). The company will not enter into product structures or transactions, which incur significant operational risks. The company makes appropriate investments in technology, capital and staff to ensure that its operational risks are adequately managed.

The trade settlement function has been outsourced via a 'Model B' clearing and custody arrangement provided by Jarvis.

Operational risk is monitored to continually assess any upwards trends of processing errors, customer complaints and other events that can result in operational risk, so that they are identified, investigated and rectified at the earliest opportunity.

Insurance is used to limit operational exposure for a number of key risks. In quantitative terms, the insurance policy excesses approximate the boundary of risk appetite, although it is understood that in certain situations, insurance may only partially mitigate certain risks.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2018**

**3. BUSINESS AND GEOGRAPHICAL REVENUE STREAMS**

The directors consider that the business comprises one segment under IFRS8, and do not report or analyse profit by business unit. The following additional information is provided by revenue stream and geography.

**Revenue**

The majority of revenue derives from the UK; the location of the provision of the service is the basis for attributing revenues geographically.

**Share Trading**

This revenue derives from the trading of securities and warrants.

**Business and Geographical revenue streams**

	2018	2017
By activity	£	£
Share trading	533	114,480
	<u>533</u>	<u>114,480</u>
	2018	2017
By geographical segment	£	£
Europe	533	114,480
	<u>533</u>	<u>114,480</u>

The costs of the company are predominantly of a fixed nature, therefore any allocation of these costs on a geographical or activity basis would involve utilisation of arbitrary proportions. The nature of the company's business and activity is such that these allocations are not performed or therefore reported to the board.

**4. EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31st March 2018 nor for the year ended 31st March 2017.

The average number of employees during the year was as follows:

	2018	2017
Directors	3	3
	<u>3</u>	<u>3</u>
	2018	2017
Directors' remuneration	£	£
	-	-
	<u>-</u>	<u>-</u>

The directors charged consultancy fee of £32,000 (2017 = £20,000) to the company.

**5. NET FINANCE COSTS**

	2018	2017
	£	£
Finance income:		
Deposit account interest	189	15
Sundry income	-	250
	<u>189</u>	<u>265</u>
Finance costs:		
Bank interest	167	533
Loan	13,301	16,738
	<u>13,468</u>	<u>17,271</u>
Net finance costs	<u>13,279</u>	<u>17,006</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2018**

**6. PROFIT/(LOSS) BEFORE INCOME TAX**

The profit before income tax (2017 - loss before income tax) is stated after charging:

	2018	2017
	£	£
Other operating leases	258,115	256,067
Depreciation - owned assets	54,874	56,747
	<u>          </u>	<u>          </u>

**7. AUDITORS' REMUNERATION**

	2018	2017
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	24,000	25,000
	<u>          </u>	<u>          </u>

The auditors' remuneration for non-audit services amounted to £7,500 (2017 = £2,500).

**8. INCOME TAX**

**Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31st March 2018 nor for the year ended 31st March 2017.

**Factors affecting the tax expense**

The tax assessed for the year is lower (2017 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£	£
Profit/(loss) before income tax	91,715	(1,037,634)
	<u>          </u>	<u>          </u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	17,426	(207,527)
Effects of:		
Expenses not deductible for tax purposes	11,462	101,176
Current year losses not recognised	9,077	106,351
not recognised		
Prior year losses utilised	(37,965)	-
	<u>          </u>	<u>          </u>
Tax expense	-	-
	<u>          </u>	<u>          </u>

At the Statement of Financial Position date, the company had estimated trading tax losses carried forward of £6,296,820 (2017: £6,496,638). No deferred tax amount has been recognised, since there is uncertainty as to the company's ability to recover them.



**DANIEL STEWART SECURITIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018**

**9. PROPERTY, PLANT AND EQUIPMENT**

	Improvements to property £
<b>COST</b>	
At 1st April 2017	
and 31st March 2018	267,456
<b>DEPRECIATION</b>	
At 1st April 2017	86,897
Charge for year	54,874
At 31st March 2018	141,771
<b>NET BOOK VALUE</b>	
At 31st March 2018	125,685
At 31st March 2017	180,559

**10. INVESTMENTS**

	Shares in group undertakings £	Unlisted investments £	Totals £
<b>COST</b>			
At 1st April 2017	9,656,815	-	9,656,815
Reclassification/transfer	(9,656,815)	9,656,815	-
At 31st March 2018	-	9,656,815	9,656,815
<b>PROVISIONS</b>			
At 1st April 2017	9,456,815	-	9,456,815
Impairments	-	33,333	33,333
Reclassification	(9,456,815)	9,456,815	-
At 31st March 2018	-	9,490,148	9,490,148
<b>NET BOOK VALUE</b>			
At 31st March 2018	-	166,667	166,667
At 31st March 2017	200,000	-	200,000

The carrying value of the principal investment, being that in Daniel Stewart & Company Plc has been assessed with reference to condition of the DSAC business and its prospects at the balance sheet date. The director has concluded that the investment in relation to Daniel Stewart & Company Plc is impaired and provision has been made accordingly.

Daniel Stewart Securities Plc held 100% of the issued share capital (865,789,608 Ordinary 'B' Shares of 0.5p each) in Daniel Stewart & Company Plc, an investment banking company, registered in England and Wales. During the year, Daniel Stewart & Company Plc issued an additional 7,792,106,472 Ordinary 'A' Shares to Epsilon Investments PTE Limited for £1.5m, which resulted in the dilution of shares owned by the reporting entity to 10%. Therefore, the investment in Daniel Stewart & Company Plc has been reclassified as unlisted investments. Accordingly the group does not exist at the Statement of Financial Position date.

In the opinion of the director, the value of the investments is not less than the amount at which they are stated in the company's statement of financial position.

**DANIEL STEWART SECURITIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018**

**11. TRADE AND OTHER RECEIVABLES**

	2018 £	2017 £
Current:		
Other debtors	50,066	50,537
VAT	4,202	617
Prepayments and accrued income	64,141	61,632
	<u>118,409</u>	<u>112,786</u>
Non-current:		
Other debtors	<u>225,583</u>	<u>225,583</u>
Aggregate amounts	<u>343,992</u>	<u>338,369</u>

All debtors are reported after taking impairment into account. An allowance has been made for estimated irrecoverable amounts of £Nil (2017: £Nil).

The director considers that the carrying amount of trade and other receivables approximates their fair value. All amounts considered uncollectible have been provided for or written off.

**12. INVESTMENTS**

	2018 £	2017 £
Listed investments	<u>4,935</u>	<u>9,662</u>

**13. CASH AND CASH EQUIVALENTS**

	2018 £	2017 £
Bank accounts	<u>50,884</u>	<u>120,143</u>

**14. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
1,018,939,246	Ordinary	0.25p	<u>2,547,348</u>	<u>2,380,681</u>

66,666,666 Ordinary shares of 0.25p each were allotted as fully paid at a premium of 0.05p per share during the year.

**15. RESERVES**

	Accumulated loss £	Share premium £	Capital redemption reserve £
At 1st April 2017	(23,419,511)	11,440,399	49,998
Profit for the year	91,715		
Cash share issue	-	33,333	-
At 31st March 2018	<u>(23,327,796)</u>	<u>11,473,732</u>	<u>49,998</u>

**DANIEL STEWART SECURITIES PLC**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2018**

**15. RESERVES - continued**

	Capital reserve £	Non-redeemable convertible bond £	Share compensation reserve £	Totals £
At 1st April 2017	8,524,435	349,000	420,723	(2,634,956)
Profit for the year				91,715
Cash share issue	-	-	-	33,333
At 31st March 2018	<u>8,524,435</u>	<u>349,000</u>	<u>420,723</u>	<u>(2,509,908)</u>

**16. TRADE AND OTHER PAYABLES**

	2018 £	2017 £
Current:		
Trade creditors	44,509	48,010
Amounts owed to group undertakings	-	455,897
Social security and other taxes	93,833	93,833
Other creditors	101,000	103,662
Accruals and deferred income	156,890	143,115
	<u>396,232</u>	<u>844,517</u>

All creditors are payable within one year of the reporting date.

**17. FINANCIAL LIABILITIES - BORROWINGS**

	2018 £	2017 £
Current:		
Amounts payable to related parties	<u>258,491</u>	<u>258,491</u>
Terms and debt repayment schedule		
		1 year or less £
Amounts payable to related parties		<u>258,491</u>

All creditors are payable within one year of the reporting date. The amounts payable to related parties are repayable on demand, but the director has received assurances that they will not be called for the foreseeable future. This creditor is secured by a fixed and floating charge over the company's assets dated 29 January 2016.

**18. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	225,568	225,568
Between one and five years	289,839	515,407
	<u>515,407</u>	<u>740,975</u>

During the year lease payments of £214,333 (2017: £236,545) were recognised as an expense.

# **DANIEL STEWART SECURITIES PLC**

## **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2018**

### **19. FINANCIAL INSTRUMENTS**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Financial assets:</b>		
Investments at fair value	4,935	9,662
Cash at bank balances	100,950	170,680
Loans and receivables	225,583	225,583
	<u>331,468</u>	<u>405,925</u>
<b>Financial liabilities:</b>		
Amortised costs	<u>£</u>	<u>£</u>
		863,397

### **20. COMMITMENTS AND CONTINGENT LIABILITIES**

A contingent liability in respect of exposure to client share trading will exist at any given time. All unsettled trades at 31 March 2018 have now been fully satisfied. At 31 March 2018, the company had an open position of £Nil (2017: £216,128).

### **21. RELATED PARTY DISCLOSURES**

At the Statement of Financial Position date Daniel Stewart Securities Plc held 10% of the issued share capital of Daniel Stewart & Company Plc following its share dilution during the year. Further information on this is detailed below.

During the year Daniel Stewart & Company Plc charged management fee of £387,386 (2017 = £Nil) to the company and rent recharged to Daniel Stewart & Company Plc by the company amounted to £210,151 (2017 = £Nil).

At the Statement of Financial Position date the company owed £Nil (2017: £455,897) to Daniel Stewart & Company Plc.

Epsilon Investments PTE Limited is a significant shareholder of Daniel Stewart Securities Plc.

As at the Statement of Financial Position date the company owed £258,491 (2017: £258,491) to Epsilon Investments PTE Limited in respect of a loan repayable on demand with an annual interest rate of 5%.

On 12th January 2018, the reporting entity's 100% shareholding in Daniel Stewart & Company Plc was diluted when new shares equating to 90% holding were issued to Epsilon Investments PTE Limited for £1.5m.

Peter Shea, a director of Daniel Stewart Securities Plc, has provided a £10,000 personal guarantee in respect of credit cards from Adam & Co bank. During the year the company paid him commission of £20,000 (2017: £Nil) and £7,000 (2017: £Nil) for consultancy services.

Stuart Lucas, a director of Daniel Stewart Securities Plc until 28 August 2018, was paid £20,000 (2017: £20,000) for providing consultancy services to the company.

Jonathan Brown, the secretary of Daniel Stewart Securities Plc, was paid £5,000 (2017: £Nil) for providing consultancy services to the company.

In September 2018, Daniel Stewart Securities Plc Employee Benefit Trust (EBT) was dissolved.

The following directors of the company has interests in options over Ordinary shares of Daniel Stewart Securities plc as shown below:

Price	<b>12p</b>	<b>2.5p</b>	<b>2p</b>
Vesting date	<b>14 Feb 2008</b>	<b>29 Mar 2011</b>	<b>29 Mar 2011</b>
Peter Shea	500,000	3,000,000	7,000,000
Stuart Lucas	-	1,000,000	-

None of the directors' exercised any options during the year ended 31 March 2018.

# DANIEL STEWART SECURITIES PLC

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31ST MARCH 2018

### 22. EVENTS AFTER THE REPORTING PERIOD

The director is in the process of negotiating with the landlords to end the land and buildings lease whereby, in the forthcoming months, the lease will be shifted to Daniel Stewart and Company Plc.

In April 2018, 66,666,666 Ordinary shares of 0.25p each were issued for a consideration of £200k.

In May 2018, 56,333,333 Ordinary shares of 0.25p each were issued for a consideration of £169k.

In June 2018, 33,333,333 Ordinary shares of 0.25p each were issued for a consideration of £100k.

In July 2018, 23,499,999 Ordinary shares of 0.25p each were issued for a consideration of £70.5k.

In September 2018, the Daniel Stewart Securities Plc Employee Benefit Trust has been dissolved.

### 23. SHARE-BASED PAYMENT TRANSACTIONS

The company has two share option schemes for all employees of the company which provide employees with the option to acquire shares in the company. Options are exercisable at a price agreed upon in the share option agreement on the date of grant. The vesting period lies between immediate exercise and three years. If the options remain unexercised after a period of 10 years from the vesting date, or the option holder ceases to be an employee or office holder within the company before the options vest, the options will lapse on the date of such cessation.

The share options outstanding at 31 March are as follows:

				No of shares	
	Date of grant	Vesting period	Exercise price	2018	2017
<b>Granted at start of period</b>					
Unapproved	22 May 2006	Three years employment	27.75p	-	4,000,000
Approved	29 March 2010	One year employment	2.00p	9,950,000	9,950,000
Approved	29 March 2010	One year employment	2.50p	7,150,000	7,150,000
<b>Surrendered or lapsed during the period</b>					
Unapproved	22 May 2006	Three years employment		-	(4,000,000)
				<hr/>	<hr/>
				17,100,000	17,100,000

The options were originally valued using a Black Sholes Monte Carlo model with reference to relevant vesting periods and actual share prices at the date of issue, exercise date and accounting reference date, historic share price volatility. No options have been awarded in the period, and since all are vested, there is no charge for the period (2017: £Nil).

Historically the Old Jewry Employee Benefit Trust has acquired shares for the sole purpose of meeting the commitments of the options above.