

Registered number  
06416837

**Shore Capital Management Limited**  
**Annual report and consolidated financial statements for the year ended**  
**31 December 2019**

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**Shore Capital Management Limited**  
**Annual report and consolidated financial statements**  
**for the year ended 31 December 2019**  
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**Shore Capital Management Limited**  
**Company Information**

**Directors**

M L van Messel  
D R Kaye

**Registered Number**  
06416837

**Registered Office**  
Cassini House  
57 St James's Street  
London SW1A 1LD  
United Kingdom

**Country of incorporation**  
United Kingdom

**Auditor**  
BDO LLP  
55 Bakers Street  
London  
United Kingdom  
W1U 7EU

**Bankers**  
Barclays Bank PLC  
1 Churchill Place  
London, E14 5HP

## **Shore Capital Management Limited Strategic Report**

The Directors present their Strategic Report for Shore Capital Management Limited ("the Company") and its subsidiary The Lily Partnership LLP (together "the Group") for the year ended 31 December 2019.

### **Review of the business**

The principal activity of the Group during the year was to charter out a commercial jet.

As shown on page 8, the Group saw a loss before tax of £1,694,314 (2018: £1,779,846) for the year. The loss is funded quarterly by its subsidiary's Members.

The Directors do not recommend a final dividend on ordinary shares.

Key performance indicators for the Group are turnover and cost of sales from chartering the jet as well as net assets to ensure the Company has sufficient funds to maintain operations. The Group has a net asset figure at the year ending 31 December 2019 of £3,679,099 (2018: £4,116,214).

The Company issued £790,000 of shares in the year.

### **Principal risks and uncertainties**

The principal risk this Group faces is credit risk from debtors. Given the amounts owed to the Group are due from other Shore Capital group companies and related parties, the Directors believe the risk to be minimal.

### **Future developments**

On 29 January 2020, the Group signed a contract to dispose of its rental asset for \$6,250,000 (£4,710,000), in line with the carrying value at the year end. These funds were used to pay Other creditors of £860,000 and amounts owed to group undertakings of £4,405,000 on 29 February 2020.

The Group's revenue-generating activities have therefore ceased post year end.

Management have reviewed the future requirements of the Group and are now in the processes of winding down its operations with a view to becoming dormant. The Directors continue to adopt the going concern basis in preparing these financial statements.

### **Statement by the directors in performance of their statutory duties in accordance with c172(1) Companies Act 2006**

The directors of the Company, as those of all UK companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the Companies Act 2006, which is summarised as follows:

"A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so, have regard (amongst other matters) to:

- (a) The likely consequences of any decisions in the long term;
- (b) The interests of the company's employees;
- (c) The need to foster the company's business relationships with suppliers, customers and others;
- (d) The impact of the company's operations on the community and the environment;
- (e) The desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) The need to act fairly as between shareholders of the company."

**Shore Capital Management Limited  
Strategic Report**

**Statement by the directors in performance of their statutory duties in accordance with  
c172(1) Companies Act 2006 (continued)**

The following paragraphs summarise how the directors fulfil these duties.

***Long-term decision making***

The Company prepares an annual budget and as part of the wider Shore Capital Group is focused on driving long-term performance in preference to chasing short-term wins. All directors are also shareholders (indirectly) in the Company, ensuring an alignment of long-term interests.

***Employees***

The Company seeks to maintain the highest standards of business conduct and thereby help safeguard our reputation for the long term. To achieve this, it retains experienced and stable teams, provide our people with support and remunerate our people to a level that motivates them to perform in line with the Company's strategic objectives.

***Business Relationships***

The Company supports the group wide strategy of putting its clients at the centre of everything it does.

***Community and Environment***

The Company's approach is to use its influence to create positive change for the people and communities with which it interacts. It wants to leverage its expertise and enable colleagues to support the surrounding communities.

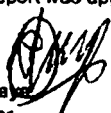
***Business Conduct***

The Company is focused on ensuring a high level of conduct and integrity at all times.

***Shareholders***

The Company is ultimately owned by Shore Capital Group Limited, a Guernsey-registered company. One of the Directors of the Company is also Co-Chief Executive Officer of Shore Capital Group Limited, ensuring a high-level of shareholder engagement.

This report was approved by the Board of Directors on 16 December 2020.

  
**D R Kays**  
Director  
Cassini House  
57 St James's Street  
London SW1A 1LD

## **Shore Capital Management Limited Directors' Report**

The Directors present their annual report and audited consolidated financial statements for the year ended 31 December 2019.

### **Going Concern**

The Group's business activities and its management of financial risks, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

Following the Group's disposal of the rental asset post year end on 29 January 2020, the Group's revenue generating activities ceased. It has no staff and expects few other costs to the business over the course of the next twelve months. The Directors deem the funds from the disposal of the rental asset, along with the Group's other receivables are sufficient to pay the Group's remaining liabilities without support from the wider Shore Capital group.

The Directors therefore continue to adopt the going concern basis in preparing these financial statements.

### **Directors**

The Directors who served throughout the year and to the date of signing were as follows:

M L van Messel

D R Kaye

### **Post balance sheet events**

On 29 January 2020, the Group signed a contract to dispose of its rental asset for \$6,250,000 (£4,710,000), in line with the carrying value at the year end.

The Covid-19 pandemic struck in the months following the Group's year end, bringing widespread disruption to all forms of economic activity in the UK and beyond. The Company has considered the carrying value of its assets in the context of these developments. Given the aforementioned sale of the Group's rental asset the Group does not consider the pandemic to constitute an adjusting post balance sheet event and the results are presented accordingly.

### **Directors' Indemnities**

The Group makes qualifying third party indemnity provisions for the benefit of its Directors. These were made during the year and remain in force at the date of this report.

### **Auditor**

Each of the persons who is a Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s485 of the Companies Act 2006.

**Shore Capital Management Limited  
Directors' Report (continued)**

The Directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK". 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 Group and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

A resolution to re-appoint BDO LLP as auditor of the Group will be proposed at the Company's Annual General Meeting.

This report was approved by the Board of Directors on 16 December 2020.



**D R Kaya**  
**Director**  
Cassini House  
57 St James's Street  
London SW1A 1LD

**Shore Capital Management Limited**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF SHORE CAPITAL MANAGEMENT LIMITED**

**Opinion**

We have audited the financial statements of Shore Capital Management Limited ("the Parent Company") and its subsidiary ("the Group") for the year ended 31 December 2019 which comprise the consolidated profit and loss account, consolidated statement of other comprehensive income, consolidated and Parent company balance sheet, consolidated and Parent company statement of changes in equity, consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Directors' use of the going concern basis of accounting in the preparations of the financial statements is not appropriate; or
- The Directors have not disclosed in the financial statements any identified material uncertainties that may cast doubt about the Group or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Directors are responsible for the other information. The other information comprises the information 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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



**Shore Capital Management Limited**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF SHORE CAPITAL MANAGEMENT LIMITED**

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

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Directors**

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located at 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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*BDO LLP*

Peter Smith (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, United Kingdom  
Date: 16 December 2020

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

**Shore Capital Management Limited**  
**Consolidated Profit and Loss Account**  
**for the year ended 31 December 2019**

	Notes	2019 £	2018 £
<b>Turnover</b>	2	1,102,812	1,117,372
Cost of sales		(1,928,304)	(1,868,693)
<b>Gross Loss</b>		<u>(825,492)</u>	<u>(751,321)</u>
Administrative expenses		(769,490)	(814,518)
<b>Operating Loss</b>	3	<u>(1,594,982)</u>	<u>(1,565,839)</u>
Interest receivable and similar income		445	925
Interest payable and similar charges		(99,777)	(214,932)
<b>Loss on ordinary activities before taxation</b>		<u>(1,694,314)</u>	<u>(1,779,846)</u>
Tax credit on loss on ordinary activities	8	313,030	336,000
<b>Loss for the financial year after tax</b>		<u><u>(1,381,284)</u></u>	<u><u>(1,443,846)</u></u>
<b>Loss for the period attributable to:</b>			
Non-controlling interest		(338,863)	(355,969)
Equity shareholders of the Company		<u>(1,042,421)</u>	<u>(1,087,877)</u>
		<u><u>(1,381,284)</u></u>	<u><u>(1,443,846)</u></u>

**Continuing operations**

All transactions are in respect of continuing operations.

The notes on pages 15 to 24 form part of these financial statements.

**Shore Capital Management Limited**  
**Consolidated Statement of Other Comprehensive Income**  
**for the year ended 31 December 2019**

	Notes	2019 £	2018 £
<b>Loss for the financial year</b>		(1,381,284)	(1,443,846)
<b>Items that may be subsequently reclassified to the profit or loss:</b>			
Foreign currency translation		(38,684)	297,855
Gains arising on cash flow hedges during the period		-	11,512
Tax relating to items of other comprehensive income		-	(1,737)
<b>Other comprehensive (loss)/income</b>		<u>(38,684)</u>	<u>307,630</u>
<b>Total comprehensive loss</b>		<u><u>(1,419,968)</u></u>	<u><u>(1,136,216)</u></u>
<b>Total comprehensive loss for the period attributable to:</b>			
Non-controlling interest		(346,373)	(294,670)
Equity shareholders of the Company		<u>(1,073,595)</u>	<u>(841,546)</u>
		<u><u>(1,419,968)</u></u>	<u><u>(1,136,216)</u></u>

The notes on pages 15 to 24 form part of these financial statements.

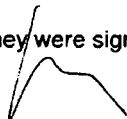
**Shore Capital Management Limited**  
**Consolidated Balance Sheet**  
**as at 31 December 2019**  
**Company number: 06416837**

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible fixed assets	10	4,710,582	5,665,489
<b>Current assets</b>			
Debtors: amounts due within one year	12	3,005,256	3,187,510
Cash at bank and in hand		258	8,064
		<u>3,005,514</u>	<u>3,195,574</u>
<b>Creditors: amounts falling due within one year</b>	13	(4,036,997)	(4,744,849)
<b>Net current liabilities</b>		<u>(1,031,483)</u>	<u>(1,549,275)</u>
<b>Total assets less current liabilities</b>		<u>3,679,099</u>	<u>4,116,214</u>
<b>Net assets</b>		<u>3,679,099</u>	<u>4,116,214</u>
<b>Capital and reserves</b>			
Share capital	14	15,196,829	14,406,829
Revaluation reserve		237,119	268,293
Hedging reserve		-	-
Profit and loss account		(11,934,794)	(10,892,373)
<b>Shareholders' funds</b>		<u>3,499,154</u>	<u>3,782,749</u>
Non-controlling interest		179,945	333,465
<b>Total capital employed</b>		<u>3,679,099</u>	<u>4,116,214</u>

The notes on pages 15 to 24 form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 16 December 2020.

They were signed on its behalf by:



**M L van Messel**  
Director

**Shore Capital Management Limited**  
**Company Balance Sheet**  
**as at 31 December 2019**  
**Company number: 06416837**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investments	11		822,423		1,447,642
<b>Current assets</b>					
Debtors: amounts due within one year	12	2,826,442		2,494,976	
<b>Net current assets</b>			2,826,442		2,494,976
<b>Net assets</b>			<u>3,648,865</u>		<u>3,942,618</u>
<b>Capital and reserves</b>					
Share capital	14		15,196,829		14,406,829
Profit and loss account			(11,547,964)		(10,464,211)
<b>Shareholders' funds</b>			<u>3,648,865</u>		<u>3,942,618</u>

The notes on pages 15 to 24 form part of these financial statements.

The loss for the financial year in the Company was £1,083,753.

These financial statements were approved by the Board of Directors and authorised for issue on 16 December 2020.

Signed on behalf of the Board of Directors:



**M L van Messel**  
Director

**Shore Capital Management Limited**  
**Consolidated Statement of Changes in Equity**  
**for the year ended 31 December 2019**

**Notes**

	<b>Share capital £</b>	<b>Revaluation reserve £</b>	<b>Hedging reserve £</b>	<b>Profit and loss account £</b>	<b>Non- controlling interest £</b>	<b>Total £</b>
<b>At 1 January 2018</b>	9,056,829	29,781	(7,819)	(9,804,496)	(654,727)	(1,380,432)
Loss for the financial year	-	-	-	(1,087,877)	(355,969)	(1,443,846)
Foreign currency translation	-	238,512	-	-	59,343	297,855
Valuation change on cash flow hedge	-	-	9,185	-	2,327	11,512
Tax relating to items of other comprehensive income	-	-	(1,366)	-	(371)	(1,737)
<b>Total comprehensive loss</b>	-	238,512	7,819	(1,087,877)	(294,670)	(1,136,216)
Shares issued	5,350,000	-	-	-	-	5,350,000
Investment by non-controlling interest	-	-	-	-	1,282,862	1,282,862
<b>At 31 December 2018</b>	<u>14,406,829</u>	<u>268,293</u>	<u>-</u>	<u>(10,892,373)</u>	<u>333,465</u>	<u>4,116,214</u>
<b>At 1 January 2019</b>	14,406,829	268,293	-	(10,892,373)	333,465	4,116,214
Loss for the financial year	-	-	-	(1,042,421)	(338,863)	(1,381,284)
Foreign currency translation	-	(31,174)	-	-	(7,510)	(38,684)
<b>Total comprehensive loss</b>	-	(31,174)	-	(1,042,421)	(346,373)	(1,419,968)
Shares issued	14 790,000	-	-	-	-	790,000
Investment by non-controlling interest	-	-	-	-	192,853	192,853
<b>At 31 December 2019</b>	<u>15,196,829</u>	<u>237,119</u>	<u>-</u>	<u>(11,934,794)</u>	<u>179,945</u>	<u>3,679,099</u>

The notes on pages 15 to 24 form part of these financial statements.

**Shore Capital Management Limited**  
**Company Statement of Changes in Equity**  
**for the year ended 31 December 2019**

**Notes**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 1 January 2018</b>	9,056,829	(7,119,888)	1,936,941
Loss for the financial year	-	(3,344,323)	(3,344,323)
Total comprehensive loss	-	(3,344,323)	(3,344,323)
Shares issued	5,350,000	-	5,350,000
<b>At 31 December 2018</b>	<u>14,406,829</u>	<u>(10,464,211)</u>	<u>3,942,618</u>
<b>At 1 January 2019</b>	14,406,829	(10,464,211)	3,942,618
Loss for the financial year	-	(1,083,753)	(1,083,753)
Total comprehensive loss	-	(1,083,753)	(1,083,753)
Shares issued	14 790,000	-	790,000
<b>At 31 December 2019</b>	<u>15,196,829</u>	<u>(11,547,964)</u>	<u>3,648,865</u>

The notes on pages 15 to 24 form part of these financial statements.

**Shore Capital Management Limited**  
**Consolidated Cash Flow Statement**  
**for the year ended 31 December 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Loss for the financial year after tax		(1,381,284)	(1,443,846)
Adjustments for:			
Depreciation charges	10	737,988	789,734
Tax credit	8	(313,030)	(336,000)
Net interest paid		99,332	214,007
Decrease/(increase) in debtors due within one year		428,284	(708,763)
Increase/(decrease) in trade and other creditors falling due within one year		3,657,737	(16,487)
<b>Net cash inflow/(outflow) from operating activities</b>		<u>3,229,027</u>	<u>(1,501,355)</u>
Interest paid	6	(99,777)	(214,932)
Interest received		445	925
<b>Net cash generated by/ (used in) operating activities</b>		<u>3,129,695</u>	<u>(1,715,362)</u>
<b>Cash flows from investing activities</b>		-	-
<b>Net cashflows from investing activities</b>		<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Investment by non controlling interest		192,853	1,282,862
Shares issued	14	790,000	5,350,000
Decrease in borrowings		(4,239,000)	(9,944,627)
New borrowings		-	4,153,415
<b>Net cash (used in)/ generated by financing activities</b>		<u>(3,256,147)</u>	<u>841,650</u>
<b>Decrease in cash in the period</b>		<u>(126,452)</u>	<u>(873,712)</u>
<b>Effect of exchange rates</b>		118,646	364,081
<b>Cash and cash equivalents at start of year</b>		8,064	517,695
<b>Cash and cash equivalents at end of year</b>		<u>258</u>	<u>8,064</u>

The notes on pages 15 to 24 form part of these financial statements.



**Shore Capital Management Limited**  
**Notes to the consolidated financial statements**  
**for the year ended 31 December 2019**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

**1 Accounting policies**

**Company information**

Shore Capital Management Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Cassini House, 57 St James's Street, London, England, SW1A 1LD.

**Accounting convention**

The Group is incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Group's operations and principal activities are set out in the Strategic Report.

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The Group's functional and presentational currency are both Sterling.

The Company meets the definition of a qualifying entity under FRS 102 (1.12) and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in the Company financial statements in relation to presentation of a Company cash flow statement and financial instruments disclosures.

**Basis of consolidation**

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year.

**Judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The key judgements and sources of estimation are as follows:

***Taxation***

Management estimates the level of provision required for both current and deferred tax on the basis of professional advice and the nature of any current discussions with the tax authority concerned.

***Impairment of assets***

Investments in subsidiaries and tangible fixed assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

**Shore Capital Management Limited**  
**Notes to the consolidated financial statements**  
**for the year ended 31 December 2019**

**1 Accounting policies (continued)**

**Going concern**

The Group's business activities and its management of financial risks, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report.

Following the Group's disposal of the rental asset post year end on 29 January 2020, the Group's revenue generating activities ceased. Subsequent to the year end it has no staff and expects few other costs to the business over the course of the next twelve months. The Directors deem the funds from the disposal of the rental asset, along with the Group's other receivables are sufficient to pay the Group's remaining liabilities without support from the wider Shore Capital group.

The Directors therefore continue to adopt the going concern basis in preparing these financial statements.

**Financial Instruments**

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company applies the recognition and measurement provisions of IAS 39 Financial Instruments in accordance with FRS 102 section 12.

**Financial assets and liabilities**

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

**Financial assets and liabilities at FVTPL**

Financial assets and liabilities are classified as at FVTPL where the financial asset or liability is either held for trading or it is designated as at FVTPL. A financial asset or liability is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments which the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative which is not designated as being effective as a hedging instrument.

Financial instruments which are classified as held for trading through profit or loss comprise of derivative instruments.

Derivatives are initially recognised at the contract value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

**Shore Capital Management Limited**  
**Notes to the consolidated financial statements**  
**for the year ended 31 December 2019**

**1 Accounting policies (continued)**  
**Financial assets and liabilities at FVTPL (continued)**

A financial asset or liability, other than a financial asset or liability held for trading, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets and liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss within operating profit. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset or financial liability.

The Group's financial assets designated as at FVTPL upon initial recognition include positions in quoted and unquoted securities.

**Derecognition of financial assets**

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

**Trade debtors and other receivables**

Trade debtors, intercompany receivables and other receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cashflows.

**Trade creditors and other payables**

Trade creditors, intercompany payables and other payables are measured at initial recognition at fair value, and are subsequently measured at amortised cost.

**Cash at bank and in hand**

Cash comprises cash on hand and demand deposits which may be accessed without penalty.

**Interest income**

Interest income is recognised on an accruals basis.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated so as to write off the cost of tangible fixed assets by equal annual instalments over their estimated useful lives.

**Shore Capital Management Limited**  
**Notes to the consolidated financial statements**  
**for the year ended 31 December 2019**

**1 Accounting policies (continued)**

**Impairment of assets**

Assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs').

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

**Loans and borrowing**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

**Foreign exchange**

*Company*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

*Group*

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The assets and liabilities of overseas subsidiary undertakings are translated into the presentational currency at the rate of exchange ruling at that balance sheet date. Income and expenses for each statement of comprehensive income are translated at exchange rates at the dates of transaction. All resulting exchange differences are recognised in other comprehensive income.

**Turnover**

Turnover represents the charter income from chartering out the corporate jet. Turnover is attributable to one continuing activity.

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. These differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements and deferred taxation is provided thereon at the anticipated tax rates.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**Shore Capital Management Limited**  
**Notes to the consolidated financial statements**  
**for the year ended 31 December 2019**

**2 Turnover**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Turnover	<u>1,102,812</u>	<u>1,117,372</u>

All turnover is generated in Europe.

**3 Operating Loss**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation	<u>737,988</u>	<u>789,734</u>
	<u>737,988</u>	<u>789,734</u>

**4 Auditor's remuneration**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor for the audit of the Company's annual accounts.	<u>3,100</u>	<u>3,000</u>

**5 Staff costs**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Wages and salaries	194,356	252,712
Social security costs	24,311	22,260
Other pension costs	12,928	8,812
	<u>231,595</u>	<u>283,784</u>
	<b>Number</b>	<b>Number</b>
Average number of employees during the year	<u>3</u>	<u>3</u>

**6 Interest payable and similar charges**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	99,777	214,932
	<u>99,777</u>	<u>214,932</u>

**7 Directors and employees**

There are no directors' emoluments as the Directors do not receive any remuneration in respect of their directorship in this company. Directors are remunerated by other group companies in respect of their directorship in and employment by those companies. There is no other key management personnel outside the directors.

**8 Tax credit on loss on ordinary activities**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
UK corporation tax credit	(246,030)	(266,000)
Deferred tax on timing differences	(67,000)	(70,000)
Tax credit for the year	<u>(313,030)</u>	<u>(336,000)</u>

**Shore Capital Management Limited**  
**Notes to the consolidated financial statements**  
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**8 Tax credit on loss on ordinary activities (continued)**

The differences between the total tax credit on losses shown above and the amount calculated by applying the standard rate of UK corporation tax are explained as follows:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(1,694,314)</u>	<u>(1,779,846)</u>
Standard rate of corporation tax in the UK	19.00%	19.00%
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax	(321,920)	(338,171)
Effects of:		
Expenses not deductible	8,890	2,171
Tax credit on loss on ordinary activities for the year	<u>(313,030)</u>	<u>(336,000)</u>

**Factors that may affect future tax charges**

The average tax rate on the profit before tax for the Company's UK activities for 2019 was 19.00% (2018: 19.00%). The Company has used 19% to calculate the deferred tax. To the extent that deferred tax reverses at a different rate from that at which it is recognised, this will change the impact on the net deferred tax liability.

**9 Deferred tax asset / (liability)**

The deferred tax asset relates to capital allowances in excess of depreciation on tangible fixed assets and tax losses brought forward.

	<b>Group</b>		<b>Company</b>	
	2019 £	2018 £	2019 £	2018 £
At 1 January	(160,535)	(205,887)	28,113	(41,887)
Charged to profit or loss	67,000	70,000	67,000	70,000
Charged to equity	12,942	-	-	-
Foreign currency translation	-	(24,648)	-	-
At 31 December	<u>(80,593)</u>	<u>(160,535)</u>	<u>95,113</u>	<u>28,113</u>

**Shore Capital Management Limited**  
**Notes to the consolidated financial statements**  
**for the year ended 31 December 2019**

**10 Tangible fixed assets**

	<b>Group</b>
	<b>Rental Asset Total</b>
	<b>£</b>
<b>Cost</b>	
At 1 January 2019	15,987,868
Foreign currency translation	<u>(612,138)</u>
At 31 December 2019	<u>15,375,730</u>
<b>Depreciation and impairment</b>	
At 1 January 2019	10,322,379
Charge for the year	737,988
Foreign currency translation	<u>(395,219)</u>
At 31 December 2019	<u>10,665,148</u>
<b>Net book value</b>	
At 31 December 2019	<u>4,710,582</u>
At 31 December 2018	<u>5,665,489</u>

The Group carries out an annual review of the recoverable amount of the asset. The Group estimated the fair value less costs of disposal of the asset as £4,710,000, based on a review of the market values of comparable assets. On 29 January 2020, the Group signed a contract to dispose of its rental asset for \$6,250,000, in line with the carrying value at the year end.

**Shore Capital Management Limited**  
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**11 Investments**

	<b>Company</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
At 1 January	1,447,642	-
Additions	771,564	5,127,965
Impairments	(1,396,783)	(3,680,323)
At 31 December	<b>822,423</b>	<b>1,447,642</b>

The Company holds an 80% interest in The Lily Partnership LLP, a limited liability partnership registered in the UK. It's registered office is Cassini House, 57 St James's Street, London, England, SW1A 1LD. Its principal business is to charter out a commercial jet.

The Lily Partnership LLP is exempt from audit by virtue of Section 479A of the Companies Act 2006 as the immediate parent undertaking Shore Capital Management Limited (06416837), has provided a guarantee to The Lily Partnership LLP (OC332843) for the financial year ending 2019 in accordance with section 479C of the Companies Act 2006.

**12 Debtors: amounts due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	2,302,959	2,726,985	2,219,299	2,466,863
Deferred tax	-	-	95,113	28,113
Other debtors	671,393	336,873	512,030	-
Prepayments and accrued income	30,904	123,652	-	-
	<b>3,005,256</b>	<b>3,187,510</b>	<b>2,826,442</b>	<b>2,494,976</b>



**Shore Capital Management Limited**  
**Notes to the consolidated financial statements**  
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13 Creditors: amounts falling due within one year	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Amounts owed to group undertakings	2,961,132	-	-	-
Bank loans	-	4,298,589	-	-
Trade creditors	109,147	246,579	-	-
Other creditors	886,125	39,146	-	-
Deferred tax	80,593	160,535	-	-
	<u>4,036,997</u>	<u>4,744,849</u>	<u>-</u>	<u>-</u>

The Group's loan of \$5,485,000, carrying an interest rate of 2.25% above USD LIBOR was fully repaid on 25 June 2019.

14 Share capital	Group and Company		Group and Company	
	2019 No	2018 No	2019 £	2018 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	11,490,000	10,700,000	<u>11,490,000</u>	<u>10,700,000</u>

During the year the Company issued 790,000 ordinary shares with a nominal value of £790,000 (2018: 5,350,000 ordinary shares with a nominal value of £5,350,000).

**15 Related party transactions**

At year end the group is owed the following balances by other group companies:

- £2,219,632 (2018: £2,726,985), the majority of which relates to tax on losses group relieved to other group companies.

- Shore Capital Limited £83,327

It owes:

- Shore Capital Group plc £2,940,683

- Shore Capital Stockbrokers Limited £20,449

During the year, the group received income from Puma Brandenburg Limited ("PBL") of £829,000 (2018: £698,000). PBL is a related party as it has a high degree of common ownership.

**16 Parent company**

The ultimate parent undertaking and controlling entity is Shore Capital Group Limited, a company incorporated in Guernsey. Shore Capital Group Limited prepares consolidated accounts, which is the largest consolidation which the Company forms part of, this consolidation being the smallest. Copies of its financial statements are available on application from Shore Capital Group Limited, 3rd Floor, 1 Le Truchot, St Peter Port, Guernsey GY1 1WD. The immediate parent company is Shore Capital Group plc.

**Shore Capital Management Limited**  
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**17 Post Balance Sheet events**

On 29 January 2020, the Group signed a contract to dispose of its rental asset for \$6,250,000 (£4,710,000), in line with the carrying value at the year end.

The Covid-19 pandemic struck in the months following the Group's year end, bringing widespread disruption to all forms of economic activity in the UK and beyond. The Company has considered the carrying value of its assets in the context of these developments. Given the aforementioned sale of the Group's rental asset the Group does not consider the pandemic to constitute an adjusting post balance sheet event and the results are presented accordingly.