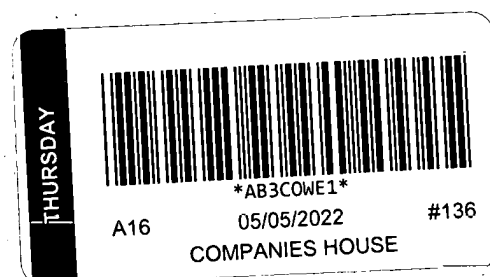


Registered number
06416837

Shore Capital Management Limited

Annual report and consolidated financial statements for the year ended

31 December 2020



Shore Capital Management Limited
Annual report and consolidated financial statements
for the year ended 31 December 2020
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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 Baker 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 2020.

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 £691,888 (2019: £1,694,314) 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 2020 of £3,068,372 (2019: £3,679,099).

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 (£4,711,000), 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 £3,440,000 on 29 February 2020.

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

This report was approved by the Board of Directors on 04 May 2022.



D R Kaya
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 2020.

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 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 to be 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

Dividends and Post balance sheet events

On 6 December 2021 a dividend of £2,800,000 was declared by the company.

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)

Statement of Directors' Responsibilities

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 04 May 2022.



D R Kaye
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 on the financial statements

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 31st December 2020 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Shore Capital Management Limited (the 'Parent Company') and its subsidiary (the 'Group') for the year ended 31st December 2020 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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 Statement of Directors' Responsibilities on page 4, 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.

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

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

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable law and regulations, including fraud. The Company monitors its compliance with these frameworks through its central compliance function. We held discussions with Management, reviewed correspondence with regulators and reviewed minutes of board meetings to assess how the Company is complying with the legal and regulatory framework.

We consider the significant laws and regulations to be the Companies Act 2006, the FCA rules, requirements of PAYE and VAT legislation and FRS 102 (UK GAAP).

In respect of management override we have tested a risk based sample of journals back to supporting documentation, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.

DocuSigned by:

Peter Smith

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Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
BDO LLP, 55 Baker Street, London

04 May 2022

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 2020

	Notes	2020 £	2019 £
Turnover	2	44,353	1,102,812
Cost of sales		(446,925)	(1,928,304)
Gross Loss		<u>(402,572)</u>	<u>(825,492)</u>
Administrative expenses		(290,296)	(769,490)
Operating Loss	3	<u>(692,868)</u>	<u>(1,594,982)</u>
Interest receivable and similar income		1,035	445
Interest payable and similar charges		(55)	(99,777)
Loss on ordinary activities before taxation		<u>(691,888)</u>	<u>(1,694,314)</u>
Tax credit on loss on ordinary activities	8	127,000	313,030
Loss for the financial year		<u><u>(564,888)</u></u>	<u><u>(1,381,284)</u></u>
Loss for the period attributable to:			
Non-controlling interest		(138,378)	(338,863)
Equity shareholders of the Company		<u>(426,510)</u>	<u>(1,042,421)</u>
		<u><u>(564,888)</u></u>	<u><u>(1,381,284)</u></u>

Continuing operations

All transactions are in respect of continuing operations.

The notes on pages 15 to 23 form part of these financial statements.

Shore Capital Management Limited
Consolidated Statement of Other Comprehensive Income
for the year ended 31 December 2020

	2020 £	2019 £
Loss for the financial year	(564,888)	(1,381,284)
Items that may be subsequently reclassified to the profit or loss:		
Foreign currency translation	(45,839)	(38,684)
Other comprehensive loss	<u>(45,839)</u>	<u>(38,684)</u>
Total comprehensive loss	<u><u>(610,727)</u></u>	<u><u>(1,419,968)</u></u>
Total comprehensive loss for the period attributable to:		
Non-controlling interest	(183,704)	(346,373)
Equity shareholders of the Company	<u>(427,023)</u>	<u>(1,073,595)</u>
	<u><u>(610,727)</u></u>	<u><u>(1,419,968)</u></u>

The notes on pages 15 to 23 form part of these financial statements.

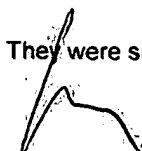
Shore Capital Management Limited
Consolidated Balance Sheet
as at 31 December 2020
Company number: 06416837

	Notes	2020 £	2019 £
Fixed assets			
Tangible fixed assets	10	-	4,710,582
Current assets			
Debtors: amounts due within one year	12	3,247,515	3,005,256
Cash at bank and in hand		175,343	258
		<u>3,422,858</u>	<u>3,005,514</u>
Creditors: amounts falling due within one year	13	(354,486)	(4,036,997)
Net current assets/(liabilities)		<u>3,068,372</u>	<u>(1,031,483)</u>
Total assets less current liabilities		<u>3,068,372</u>	<u>3,679,099</u>
Net assets		<u><u>3,068,372</u></u>	<u><u>3,679,099</u></u>
Capital and reserves			
Share capital	14	15,196,829	15,196,829
Revaluation reserve		236,606	237,119
Profit and loss account		(12,361,304)	(11,934,794)
Shareholders' funds		<u>3,072,131</u>	<u>3,499,154</u>
Non-controlling interest		(3,759)	179,945
Total capital employed		<u><u>3,068,372</u></u>	<u><u>3,679,099</u></u>

The notes on pages 15 to 23 form part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 04 May 2022.

They were signed on its behalf by:



M L van Messel
Director

Shore Capital Management Limited
Company Balance Sheet
as at 31 December 2020
Company number: 06416837


	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	11		-	822,423	
Current assets					
Debtors: amounts due within one year	12	2,858,329		2,826,442	
Net current assets			2,858,329		2,826,442
Net assets			<u>2,858,329</u>		<u>3,648,865</u>
Capital and reserves					
Share capital	14	15,196,829		15,196,829	
Profit and loss account		(12,338,500)		(11,547,964)	
Shareholders' funds			<u>2,858,329</u>		<u>3,648,865</u>

The notes on pages 15 to 23 form part of these financial statements.

The loss for the financial year in the Company was £790,536.

These financial statements were approved by the Board of Directors and authorised for issue on 04 May 2022.

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 2020

Notes

		Share capital £	Revaluation reserve £	Profit and loss account £	Non- controlling interest £	Total £
At 1 January 2019		<u>14,406,829</u>	<u>268,293</u>	<u>(10,892,373)</u>	<u>333,465</u>	<u>4,116,214</u>
Loss for the financial year		-	-	(1,042,421)	(338,863)	(1,381,284)
Foreign currency translation		-	(31,174)	-	(7,510)	(38,684)
Total comprehensive loss		-	(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
At 31 December 2019		<u>15,196,829</u>	<u>237,119</u>	<u>(11,934,794)</u>	<u>179,945</u>	<u>3,679,099</u>
At 1 January 2020		<u>15,196,829</u>	<u>237,119</u>	<u>(11,934,794)</u>	<u>179,945</u>	<u>3,679,099</u>
Loss for the financial year		-	-	(426,510)	(138,378)	(564,888)
Foreign currency translation		-	(513)	-	(45,326)	(45,839)
Total comprehensive loss		-	(513)	(426,510)	(183,704)	(610,727)
At 31 December 2020		<u>15,196,829</u>	<u>236,606</u>	<u>(12,361,304)</u>	<u>(3,759)</u>	<u>3,068,372</u>

The notes on pages 15 to 23 form part of these financial statements.

Shore Capital Management Limited
Company Statement of Changes in Equity
for the year ended 31 December 2020

Notes

		Share capital £	Profit and loss account £	Total £
At 1 January 2019		<u>14,406,829</u>	<u>(10,464,211)</u>	<u>3,942,618</u>
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
At 31 December 2019		<u>15,196,829</u>	<u>(11,547,964)</u>	<u>3,648,865</u>
At 1 January 2020		<u>15,196,829</u>	<u>(11,547,964)</u>	<u>3,648,865</u>
Loss for the financial year		-	(790,536)	(790,536)
Total comprehensive loss		-	(790,536)	(790,536)
At 31 December 2020		<u>15,196,829</u>	<u>(12,338,500)</u>	<u>2,858,329</u>

The notes on pages 15 to 23 form part of these financial statements.

Shore Capital Management Limited
Consolidated Cash Flow Statement
for the year ended 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Loss for the financial year		(564,888)	(1,381,284)
Adjustments for:			
Depreciation charges	10	-	737,988
Tax credit	8	(127,000)	(313,030)
Net interest paid		(980)	99,332
(Increase)/decrease in debtors due within one year		(145,259)	428,284
(Decrease)/increase in trade and other creditors falling due within one year		(185,678)	3,657,737
Net cash (outflow)/inflow from operating activities		(1,023,805)	3,229,027
Interest paid	6	(55)	(99,777)
Interest received		1,035	445
Net cash (used in)/generated by operating activities		(1,022,825)	3,129,695
Cash flows from investing activities			
Sale of fixed assets	10	4,740,953	-
Net cash flows from investing activities		4,740,953	-
Cash flows from financing activities			
Investment by non controlling interest		-	192,853
Shares issued	14	-	790,000
Decrease in borrowings		-	(4,239,000)
Repayment of amounts owed to group undertakings		(3,436,240)	-
Net cash used in financing activities		(3,436,240)	(3,256,147)
Increase/(decrease) in cash in the period		281,888	(126,452)
Effect of exchange rates		(106,803)	118,646
Cash and cash equivalents at start of year		258	8,064
Cash and cash equivalents at end of year		175,343	258

The notes on pages 15 to 23 form part of these financial statements.

Shore Capital Management Limited
Notes to the consolidated financial statements
for the year ended 31 December 2020

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 2020

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 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 time frame 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 2020

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 2020

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 2020

2 Turnover

	Group	
	2020	2019
	£	£
Turnover	<u>44,353</u>	<u>1,102,812</u>

All turnover is generated in Europe.

3 Operating Loss

	Group	
	2020	2019
	£	£
This is stated after charging:		
Depreciation	-	737,988
	<u>-</u>	<u>737,988</u>

4 Auditor's remuneration

	Group	
	2020	2019
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts.	<u>5,000</u>	<u>3,100</u>

5 Staff costs

	Group	
	2020	2019
	£	£
Wages and salaries	-	194,356
Social security costs	-	24,311
Other pension costs	-	12,928
	<u>-</u>	<u>231,595</u>
	Number	Number
Average number of employees during the year	<u>-</u>	<u>3</u>

6 Interest payable and similar charges

	2020	2019
	£	£
Bank loans and overdrafts	55	99,777
	<u>55</u>	<u>99,777</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

	Group	
	2020	2019
UK corporation tax credit	(97,000)	(246,030)
Deferred tax on timing differences	(30,000)	(67,000)
Tax credit for the year	<u>(127,000)</u>	<u>(313,030)</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:

	2020 £	2019 £
Loss on ordinary activities before tax	(691,888)	(1,694,314)
Standard rate of corporation tax in the UK	19.00%	19.00%
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax	(131,459)	(321,920)
Effects of:		
Expenses not deductible	4,459	8,890
Tax credit on loss on ordinary activities for the year	(127,000)	(313,030)

Factors that may affect future tax charges

The average tax rate on the loss before tax for the Company's UK activities for 2020 was 19.00% (2019: 19.00%). The Company has used 19% to calculate the deferred tax.

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.

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
At 1 January	(80,593)	(160,535)	95,113	28,113
Credit to profit or loss	30,000	67,000	30,000	67,000
Credit to equity	20,000	12,942	-	-
Transfer to current tax	30,593	-	(125,113)	-
At 31 December	-	(80,593)	-	95,113

Shore Capital Management Limited
Notes to the consolidated financial statements
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10 Tangible fixed assets

	Group
	Rental Asset Total
	£
Cost	
At 1 January 2020	15,375,730
Foreign currency translation	99,137
Disposals	<u>(15,474,867)</u>
At 31 December 2020	<u><u>-</u></u>
Depreciation and impairment	
At 1 January 2020	10,665,148
Foreign currency translation	68,766
On disposals	<u>(10,733,914)</u>
At 31 December 2020	<u><u>-</u></u>
Net book value	
At 31 December 2020	<u><u>-</u></u>
At 31 December 2019	<u><u>4,710,582</u></u>

The Group's rental asset was sold in the year for \$6,250,000 (£4,741,000), at net book value for no gain or loss.

Shore Capital Management Limited
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11 Investments

	Company	
	2020	2019
	£	£
At 1 January	822,423	1,447,642
(Disposals)/ Additions	-	771,564
Impairments	(822,423)	(1,396,783)
At 31 December	-	822,423

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 2020 in accordance with section 479C of the Companies Act 2006.

12 Debtors: amounts due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts owed by group undertakings	2,904,484	2,302,959	2,485,299	2,219,299
Deferred tax	-	-	-	95,113
Other debtors	343,031	671,393	373,030	512,030
Prepayments and accrued income	-	30,904	-	-
	<u>3,247,515</u>	<u>3,005,256</u>	<u>2,858,329</u>	<u>2,826,442</u>

Shore Capital Management Limited
Notes to the consolidated financial statements
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13 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Amounts owed to group undertakings	-	2,961,132	-	-
Trade creditors	44,869	109,147	-	-
Corporation tax	30,593	-	-	-
Other creditors	279,024	886,125	-	-
Deferred tax	-	80,593	-	-
	<u>354,486</u>	<u>4,036,997</u>	<u>-</u>	<u>-</u>

14 Share capital

	Group and Company		Group and Company	
	2020	2019	2020	2019
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	15,196,829	15,196,829	<u>15,196,829</u>	<u>15,196,829</u>

The Company did not issue any ordinary shares in the year (2019: 790,000 ordinary shares with a nominal value of £790,000).

15 Related party transactions

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

- £2,904,484 (2019: £2,219,632), the majority of which relates to tax on losses group relieved to other group companies.

During the year, the group received income from Puma Brandenburg Limited ("PBL") of £86,000 (2019: £829,000). 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, Roseneath, The Grange, St Peter Port, Guernsey, GY1 2QJ. The immediate parent company is Shore Capital Group plc.

17 Post Balance Sheet events

On 6 December 2021 a dividend of £2,800,000 was declared by the board of Shore Capital Management Limited.