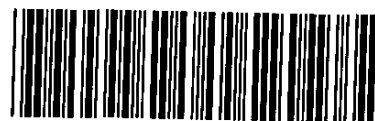


REGISTERED NUMBER: 08007191 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2019
FOR
ASSETZ CAPITAL LIMITED**

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for the Year Ended 31st March 2019

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ASSETZ CAPITAL LIMITED

COMPANY INFORMATION

for the Year Ended 31st March 2019

DIRECTORS:

Mr S A Law
Mr D M Penston
Mr C R Mellish
Mr M Wardrop
Mr A F Sheppard

REGISTERED OFFICE:

Assetz House
Manchester Green
335 Styal Road
Manchester
M22 5LW

REGISTERED NUMBER:

08007191 (England and Wales)

AUDITORS:

Kay Johnson Gee Limited
Chartered Accountants and Statutory Auditors
1 City Road East
Manchester
M15 4PN

ASSETZ CAPITAL LIMITED (REGISTERED NUMBER: 08007191)

GROUP STRATEGIC REPORT for the Year Ended 31st March 2019

The directors present their Strategic report for the company and group for the year ended 31 March 2019.

Review of the business

Assetz SME Capital Ltd which is the main trading entity of the group is an FCA regulated, marketplace lending platform for property secured UK business lending. We originate commercial mortgages, buy-to-let loans, bridging loans and property development facilities which are funded by a combination of retail, corporate and institutional investors via our proprietary marketplace technology. Our aim is to provide a stable, secure asset class for all investors who engage with our platform and to address a funding gap in under-served UK SME Lending segments.

The Group's revenues arise principally from fee income charged to borrowers for both facilitating and then servicing their loans.

The Group has invested significantly in developing its proprietary marketplace technology which allows investors to quickly invest in loans matching their chosen criteria and achieve diversification across portfolios and aid liquidity if needed.

In addition, the Group has credit knowledge and experience at its core having invested in people with extensive UK SME banking experience to allow us to facilitate sustainable lending opportunities for investors.

Developments and performance during the year

In the year to 31 March 2019 the Group has been focused on continuing to grow its highly skilled team of relationship directors who identify and structure lending opportunities. Loan origination grew to £296m in FY19, from £236m in FY18.

The Group invested in additional headcount in all areas of the business to support this increase in loan origination, with average headcount increasing from 78 in FY18 to 98 in FY19.

As a result of growth in loan origination the outstanding capital balances of loans originated increased from £247m at 31 March 2018 to £386m at 31 March 2019.

In October 2018 Chris Macklin joined the Company as Chief Risk Officer and was appointed to the board of directors of Assetz SME Capital Limited shortly thereafter.

The directors monitor the progress of the Company by reference to the following KPIs:

	2019	2018
	£'m	£'m
Outstanding Loan Book at period end	386	247
Loans Originated	296	236
Revenue	17	14
EBITDA pre exceptionals	1.9	2.2
Operating (Loss)/Profit	(0.7)	1.5
Average Headcount	98	78

Principal risks and uncertainties

As custodian of loans originated for other investors, the Group has significant resources dedicated to assessing and managing the risk that borrowers may default on their loans.

In addition to credit risk, the Group manages other risks, including:

Liquidity Risk

The risk that the Group will not be able to meet its financial obligations as they fall due. This is managed by ensuring that there is always sufficient liquidity to meet liabilities when due both under normal and stressed conditions. The directors monitor the liquidity position on an ongoing basis.

GROUP STRATEGIC REPORT

for the Year Ended 31st March 2019

Market risk

The Group's business is the facilitation of property secured UK SME lending and the directors are aware that a general and persistent weakening of the UK economy and, in particular, property values, may impact on investor appetite for property secured loans. The Group has sought to mitigate these risks by increasing its range of loan funding sources including institutional investors and also by maintaining a modest level of Loan to Value across the loan book.

Operational risk

The Group maintains robust operational systems and controls through its investment in people and technology. A risk committee reports regularly to the directors, and the Group continues its development of a strong risk and compliance function.

Capital Management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern (referred to in liquidity risk above) and to meet the FCA regulatory capital requirement. Financial performance is regularly reviewed by various committees within the business, focusing on the amount of regulatory and working capital needed. This is especially important as the business continues to expand. The process includes the monitoring of FCA returns as well as the annual budget and forecast process from which the cashflow and capital assessments and projections are made.

Future developments

In May 2019 the Assetz SME Capital Limited launched a third crowd-funding round on the Seedrs platform which was 190% over-funded at close, raising c£1.9m.

ON BEHALF OF THE BOARD:


Mr M Wardrop - Director

Date: 19/12/19

ASSETZ CAPITAL LIMITED

REPORT OF THE DIRECTORS for the Year Ended 31st March 2019

The directors present their report with the financial statements of the company and the group for the year ended 31st March 2019.

DIVIDENDS

No dividends will be distributed for the year ended 31st March 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st April 2018 to the date of this report.

Mr S A Law
Mr D M Penston
Mr C R Mellish
Mr M Wardrop
Mr A F Sheppard

Other changes in directors holding office are as follows:

Mr A D J Holgate - resigned 22nd August 2018

Mr R A Palfin ceased to be a director after 31st March 2019 but prior to the date of this report.

OTHER ACTIVITY

The principal activity of the group is that of a peer to peer lender. The main focus is secured business and property lending. In the past it has carried out some non-property backed lending but this activity has been discontinued. That part of the portfolio, originating from the early years of trading, has experienced a number of defaults and is now being actively managed to achieve the best results for the third party lenders who funded those loans. The Group does not lend their own capital. The Directors are seeking to conclude matters such that there is no material impact on the group.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ASSETZ CAPITAL LIMITED (REGISTERED NUMBER: 08007191)

REPORT OF THE DIRECTORS
for the Year Ended 31st March 2019

AUDITORS

Under section 487(2) of the Companies Act 2006 Kay Johnson Gee Limited, will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

ON BEHALF OF THE BOARD:


.....
Mr M Wardrop - Director

Date: 19/12/19

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ASSETZ CAPITAL LIMITED

Opinion

We have audited the financial statements of Assetz Capital Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st March 2019 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 March 2019 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group'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 in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ASSETZ CAPITAL LIMITED

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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept 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 set out on page four, 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 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.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ASSETZ CAPITAL LIMITED

Use of our report

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



Roger Blaskey (Senior Statutory Auditor)
for and on behalf of Kay Johnson Gee Limited
Chartered Accountants and Statutory Auditors
1 City Road East
Manchester
M15 4PN

Date: 19/12/2019

ASSETZ CAPITAL LIMITED**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**
for the Year Ended 31st March 2019

	Notes	2019 £	2018 £
CONTINUING OPERATIONS			
Revenue		16,991,115	13,925,923
Cost of sales		(5,697,918)	(3,672,333)
GROSS PROFIT		11,293,197	10,253,590
Other operating income		394,473	14,767
Administrative expenses		(12,364,661)	(8,805,608)
OPERATING (LOSS)/PROFIT		(676,991)	1,462,749
Finance costs	4	(451,219)	(769,841)
Finance income	4	15,875	14,009
(LOSS)/PROFIT BEFORE INCOME TAX	5	(1,112,335)	706,917
Income tax	6	2,636	206,093
(LOSS)/PROFIT FOR THE YEAR		(1,109,699)	913,010
(Loss)/profit attributable to: Owners of the parent		(1,109,699)	913,010

The notes form part of these financial statements

ASSETZ CAPITAL LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the Year Ended 31st March 2019

	2019	2018
	£	£
(LOSS)/PROFIT FOR THE YEAR	(1,109,699)	913,010
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(1,109,699)</u>	<u>913,010</u>
Total comprehensive income attributable to: Owners of the parent	<u>(1,109,699)</u>	<u>913,010</u>

The notes form part of these financial statements

ASSETZ CAPITAL LIMITED (REGISTERED NUMBER: 08007191)**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****31st March 2019**

	Notes	2019 £	2018 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Intangible assets	8	1,443,428	1,027,617
Property, plant and equipment	9	342,958	429,132
Right-of-use			
Investments	10	-	-
Trade and other receivables	11	605,197	92,451
		<u>2,391,583</u>	<u>1,549,200</u>
CURRENT ASSETS			
Trade and other receivables	11	2,618,937	3,036,959
Cash and cash equivalents	12	6,750,291	5,402,384
		<u>9,369,228</u>	<u>8,439,343</u>
TOTAL ASSETS		<u>11,760,811</u>	<u>9,988,543</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	13	14,035	14,035
Share premium	14	5,396,442	5,396,442
Retained earnings	14	(5,034,725)	(3,925,026)
TOTAL EQUITY		<u>375,752</u>	<u>1,485,451</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	15	1,944,276	1,880,468
Financial liabilities - borrowings			
Interest bearing loans and borrowings	16	128,907	182,907
		<u>2,073,183</u>	<u>2,063,375</u>
CURRENT LIABILITIES			
Trade and other payables	15	9,257,489	6,380,571
Financial liabilities - borrowings			
Interest bearing loans and borrowings	16	54,000	54,000
Tax payable		387	5,146
		<u>9,311,876</u>	<u>6,439,717</u>
TOTAL LIABILITIES		<u>11,385,059</u>	<u>8,503,092</u>
TOTAL EQUITY AND LIABILITIES		<u>11,760,811</u>	<u>9,988,543</u>

The notes form part of these financial statements

ASSETZ CAPITAL LIMITED (REGISTERED NUMBER: 08007191)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
31st March 2019

The financial statements were approved and authorised for issue by the Board of Directors on
19/12/15 and were signed on its behalf by:


Mr M Wardrop - Director

The notes form part of these financial statements

ASSETZ CAPITAL LIMITED (REGISTERED NUMBER: 08007191)**COMPANY STATEMENT OF FINANCIAL POSITION****31st March 2019**

	Notes	2019 £	2018 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Intangible assets	8	-	-
Property, plant and equipment	9	-	-
Right-of-use			
Investments	10	<u>6,313,143</u>	<u>6,313,143</u>
		<u>6,313,143</u>	<u>6,313,143</u>
CURRENT ASSETS			
Trade and other receivables	11	<u>525,316</u>	<u>7,664</u>
Cash and cash equivalents	12	<u>135,117</u>	<u>2,023,467</u>
		<u>660,433</u>	<u>2,031,131</u>
TOTAL ASSETS		<u>6,973,576</u>	<u>8,344,274</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	13	<u>14,035</u>	<u>14,035</u>
Share premium	14	<u>5,396,441</u>	<u>5,396,441</u>
Retained earnings	14	<u>(1,492,408)</u>	<u>(1,245,125)</u>
TOTAL EQUITY		<u>3,918,068</u>	<u>4,165,351</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	15	<u>1,944,276</u>	<u>1,880,468</u>
CURRENT LIABILITIES			
Trade and other payables	15	<u>1,111,232</u>	<u>2,298,455</u>
TOTAL LIABILITIES		<u>3,055,508</u>	<u>4,178,923</u>
TOTAL EQUITY AND LIABILITIES		<u>6,973,576</u>	<u>8,344,274</u>

The financial statements were approved and authorised for issue by the Board of Directors on 19/11/19 and were signed on its behalf by:

.....
Mr M Wardrop - Director

The notes form part of these financial statements

ASSETZ CAPITAL LIMITED (REGISTERED NUMBER: 08007191)**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
for the Year Ended 31st March 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st April 2017	12,000	(4,838,037)	97,470	(4,728,567)
Profit for the year	-	913,010	-	913,010
Total comprehensive income	-	913,010	-	913,010
Issue of share capital	2,035	-	5,298,973	5,301,008
Balance at 31st March 2018	14,035	(3,925,027)	5,396,443	1,485,451
Deficit for the year	-	(1,109,699)	-	(1,109,699)
Total comprehensive income	-	(1,109,699)	-	(1,109,699)
Balance at 31st March 2019	14,035	(5,034,726)	5,396,443	375,752

The notes form part of these financial statements

ASSETZ CAPITAL LIMITED (REGISTERED NUMBER: 08007191)**COMPANY STATEMENT OF CHANGES IN EQUITY**

for the Year Ended 31st March 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st April 2017	12,000	(469,007)	97,469	(359,538)
Deficit for the year	-	(776,118)	-	(776,118)
Total comprehensive income	-	(776,118)	-	(776,118)
Issue of share capital	2,035	-	5,298,973	5,301,008
Balance at 31st March 2018	14,035	(1,245,125)	5,396,443	4,165,352
Deficit for the year	-	(247,283)	-	(247,283)
Total comprehensive income	-	(247,283)	-	(247,283)
Balance at 31st March 2019	14,035	(1,492,408)	5,396,442	3,918,069

The notes form part of these financial statements

ASSETZ CAPITAL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 31st March 2019

		2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	2,888,926	283,485
Interest paid		(451,219)	(769,841)
Tax paid		(2,123)	206,094
Net cash from operating activities		<u>2,435,584</u>	<u>(280,262)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(965,433)	(710,829)
Purchase of tangible fixed assets		(84,119)	(536,865)
Interest received		15,875	14,009
Net cash from investing activities		<u>(1,033,677)</u>	<u>(1,233,685)</u>
Cash flows from financing activities			
New loans in year		-	236,907
Payment of lease liabilities		(54,000)	-
Share issue		-	2,035
Share buyback		-	5,298,972
Net cash from financing activities		<u>(54,000)</u>	<u>5,537,914</u>
Increase in cash and cash equivalents		<u>1,347,907</u>	<u>4,023,967</u>
Cash and cash equivalents at beginning of year	2	<u>5,402,384</u>	<u>1,378,417</u>
Cash and cash equivalents at end of year	2	<u><u>6,750,291</u></u>	<u><u>5,402,384</u></u>

The notes form part of these financial statements

ASSETZ CAPITAL LIMITED**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**
for the Year Ended 31st March 2019**1. RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS**

	2019	2018
	£	£
(Loss)/profit before Income tax	(1,112,335)	706,917
Depreciation charges	719,915	548,789
Finance costs	451,219	769,841
Finance income	(15,875)	(14,009)
	42,924	2,011,538
Increase in trade and other receivables	(94,724)	(1,533,558)
Increase/(decrease) in trade and other payables	2,940,726	(194,495)
Cash generated from operations	<u>2,888,926</u>	<u>283,485</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31st March 2019

	31/3/19	1/4/18
	£	£
Cash and cash equivalents	<u>6,750,291</u>	<u>5,402,384</u>

Year ended 31st March 2018

	31/3/18	1/4/17
	£	£
Cash and cash equivalents	<u>5,402,384</u>	<u>1,378,417</u>

The notes form part of these financial statements

ASSETZ CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the Year Ended 31st March 2019

1. ACCOUNTING POLICIES

Statutory information

Assetz Capital Limited is a private company limited by share capital, incorporated in England and Wales, registration number 08007191. The address of the registered office and principal place of business is Assetz House, Manchester Green, 335 Styal Road, Manchester, M22 5LW.

Basis of preparation

These annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) Interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the year the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Transition to IFRS

The financial statements and notes have been prepared in accordance with IFRS for the first time.

The Company's transition date is 1 April 2017. The company prepared its opening statement of financial position at that date and the Company's IFRS adoption date is 31 March 2018. The Company has applied IFRS 1 in preparing these financial statements. There are no material effects to the financial statements as a result of this transition.

Going concern

The financial statements have been prepared on a going concern basis, applying a historical cost convention except for certain financial instruments that are carried at fair value.

The Group's business activities together with the factors likely to affect its future development and position are set out in the Principal Activity and General Business Review section of the Strategic report on page 3.

The Group made a total comprehensive loss of £1.1m during the year ended 31 March 2019 (2018: profit of £913K), as a result of significant ongoing investment in staff, technology and marketing, which is expected to continue in 2020.

The financial statements are prepared on a going concern basis, as the directors are satisfied that the Group has the resources to continue in business for the foreseeable future (which has been taken as 12 months from the date of approval of the financial statements). In making this assessment, the directors have considered the performance of the Company and the provision of continuing financial support of the Parent and its ability to provide such support.

Having made appropriate enquiries, the directors consider that the Group has the ability to remain in operation for the foreseeable future, as they have confirmed the continuing financial support and the ability to provide that support of the Parent and have therefore continued to adopt the going concern basis in preparing financial statements.

Basis of consolidation

The financial statements consolidate the accounts of Assetz Capital Limited and all of its subsidiary undertakings drawn up to each year 31st March each year.

All intra group transactions, balances, income and expenses are eliminated on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31st March 2019

Changes in accounting policies

The Company has adopted the following new and amended IFRSs from 1 April 2017 prospectively in the financial statements. There has not been a material impact to the Company when adopting these new and amended IFRSs:

IFRS 9 Financial Instruments

The Company adopted IFRS 9 Financial Instruments as issued by the IASB in July 2014 with a date of transition of 1 April 2017, which resulted in changes in the accounting policies and certain disclosures in the financial statements.

There have been no adjustments to the carrying value of financial assets and liabilities at the date of transition that have been recognised in the opening retained earnings.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers was issued in 2014 and was endorsed by the EU in 2016. IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue.

IFRS 15 provides a single, principles-based five-step model to be applied to all contracts with Customers:

- 1) identify the contract with the Customer;
- 2) identify the performance obligations in the contract, introducing the new concept of "distinct";
- 3) determine the transaction price;
- 4) allocate the transaction price to the performance obligations in the contracts, on a relative stand-alone selling price basis; and
- 5) recognise revenue when (or as) the entity satisfies its performance obligation.

IFRS 15 also introduces new guidance on, amongst other areas, combining contracts, discounts, variable consideration and contract modifications. It requires that certain costs incurred in obtaining and fulfilling customer contracts be deferred on the balance sheet and amortised over the period an entity expects to benefit from the customer relationship.

Management has conducted a detailed analysis of the impact of IFRS 15 on the Company which has shown that the recognition of revenue will be consistent with the transfer of risks and rewards to the customer under IAS 18. We have concluded following this assessment that the implementation of IFRS 15 has not resulted in any impact to revenue in the Company's consolidated financial statements. Transaction fees, servicing fees and other revenue are recognised when the Company satisfies the respective performance obligations which remains consistent with the treatment of these revenue streams prior to IFRS 15 (refer to revenue recognition policy).

New standards, amendments and interpretations

The following standard and interpretation were issued by the IASB and IFRS IC but have not been adopted because they are not yet mandatory and the group has not chosen to early adopt. These will be mandatory from period commencing 1 January 2019.

IFRS 16 replaces IAS 17 Leases and will primarily change lease accounting, with lessor accounting under IFRS 16 expected to be similar to lessor accounting under IAS 17. Lessee accounting under IFRS 16 will be similar in many respects to IAS 17 accounting for finance leases, but is expected to be substantively different to existing accounting for operating leases.

ASSETZ CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31st March 2019

Where a contract meets IFRS 16's definition of a lease and the Company acts as a lessee, lease agreements will give rise to the recognition of a non-current asset representing the right to use the leased item, and a loan obligation for future lease payables on the Company's balance sheet.

Lease costs will be recognised in the form of depreciation of the right-of-use asset and interest on the lease liability, which may impact the phasing of operating profit and profit before tax, compared to existing cost profiles and presentation in the Statement of comprehensive income, and will also impact the classification of associated cash flows.

The Company intends to apply the full retrospective approach in the application of IFRS 16 on the transition date.

Total costs incurred remain unchanged over the life of the lease but the timing of when those costs are recognised within the Statement of comprehensive income will be impacted. Based on analysis of lease commitments held by the Company at 31 December 2018, and using estimated discount rates, the net impact on profit is expected to be immaterial to the Company. This does not impact the timing of Company's cash flows.

Below is a summary of the impact of the new standard on the Balance Sheet and Statement of comprehensive income for the year ended 31 March 2019:

Balance sheet	Prior to implementation of IFRS 16 £'000	Impact of IFRS 16 £'000	Post implementation of IFRS 16 £'000
Total Assets	11,760	1,463	13,223
Total Liabilities	(11,385)	(1,491)	(12,876)
Total equity	375	(27)	348
Statement of comprehensive income			
Operating loss	(676)	136	(540)
Finance costs	(451)	(164)	(615)
Finance income	15	-	15
Loss before tax	(1,112)	(27)	(1,139)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31st March 2019

Revenue recognition

Revenue represents fees receivable for the arranging of finance and servicing that finance.

Revenue earned for the arrangement of finance is classified as arrangement fees and is recognised immediately once loans are fully funded on the marketplace, after the loans are accepted by the borrowers. Such fees are automatically deducted from the amount borrowed and recognised at that point as the Company has the right to consideration.

Revenue earned from servicing of finance is recognised at the beginning of the contract to the extent of the minimum revenue entitlement to be contractually received by the company in relation to the loan agreement.

Revenue comprises the fair value of the consideration received or receivable in the ordinary course of the Company's activities. All revenue recorded in the financial statements is generated in the UK and sourced from financing transactions. All fees are calculated based on the above revenue recognition policy.

Interest Receivable

Interest receivable is recognised on an accruals basis within 'Interest income' in the Statement of comprehensive income.

Administrative expenses

Expenses are recognised as an expense in the Statement of comprehensive income in the period in which they are incurred on an accruals basis.

Capitalised Development Costs

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell
- the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs.

Other development expenditure that does not meet these criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use over their estimated useful lives of five years. These items relate to the development of the company's technology platform.

ASSETZ CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued **for the Year Ended 31st March 2019**

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on tangible fixed assets is charged to the profit and loss so as to write off their value, over their estimated useful lives, using the following methods:

Plant and machinery	- 25% on cost
Fixture and fittings	- 25% on cost
Computer equipment	- 25% on cost

Impairment of tangible assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued

for the Year Ended 31st March 2019

1. ACCOUNTING POLICIES - continued

Financial Instruments

Financial assets

The Company determines the classification of its financial assets at initial recognition. From 1 April 2018 the requirements of IFRS 9 for classification and subsequent measurement have been applied which require financial assets to be classified based on the Company's business model for managing the asset, and the contractual cash flow characteristics of the asset:

- Financial assets are measured at amortised cost if they are held within a business model the objective of which is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent solely payments of principal and interest.
- Financial assets are measured at fair value through profit or loss if they are held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets and their contractual cash flows represent solely payments of principal and interest.
- Financial assets that do not meet the criteria to be amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. In addition, the Company may, at initial recognition, designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Company does not recognise on its balance sheet loans arranged between borrowers and investors as it is not a principal party to the contracts and is not exposed to the risks and rewards of these loans.

Other financial assets

Financial assets recognised in the balance sheet as trade and other receivables are classified as loans and receivables (from 1 April 2018: amortised cost). They are recognised at fair value and subsequently measured at amortised cost less provision for impairment.

Cash and cash equivalents are also classified as loans and receivables (from 1 April 2018: amortised cost). Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. The carrying amount of these assets approximates their fair value.

Impairment of financial assets

For periods before the year ended 31 March 2019 the Company applied the impairment requirements of IAS 39.

Under the requirements of IAS 39 at each reporting date, the Company assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence (such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in the Statement of comprehensive income.

This evidence may include observable data indicating that there is an adverse change in the payment status of debtors, or national or economic conditions that correlate with defaults on assets. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling in future cash flows. The methodology and assumptions used for estimating both the amount and timings of future cash flows are reviewed regularly to reduce any variances between loss estimates and actual loss experience.

ASSETZ CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued **for the Year Ended 31st March 2019**

1. ACCOUNTING POLICIES - continued

From 1 April 2018 the Company applied the impairment requirements of IFRS 9. The IFRS 9 impairment model introduces a three-stage approach:

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses (that is, expected losses arising from the risk of default in the next 12 months) are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but are not credit-impaired. For these assets, lifetime ECL (that is, expected losses arising from the risk of default over the life of the financial instrument) are recognised, and interest revenue is still calculated on the gross carrying amount of the asset.

Stage 3 consists of financial assets that are credit-impaired, which is when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. For these assets, lifetime ECL are also recognised, but interest revenue is calculated on the net carrying amount (that is, net of the ECL allowance).

The introduction of the 'expected credit loss' model has not significantly impacted the Company's accounting as it does not have any complex financial instruments or material credit risks. The Company uses its historical experience, external indicators and forward-looking information to calculate expected credit losses.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the financial assets expire or the Company has either transferred the contractual right to receive the cash flows from that asset, or has assumed an obligation to pay those cash flows to one or more recipients.

The Company derecognises a transferred financial asset if it transfers substantially all the risks and rewards of ownership.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31st March 2019

1. ACCOUNTING POLICIES - continued

Current and deferred tax

The tax expense for the period comprises current and deferred tax. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, based on amounts expected to be paid to the tax authorities.

Deferred tax assets for unused tax losses, tax credits and deductible temporary are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affect neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted at the year-end date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax balances are not discounted.

Pension obligations

The Company operates a defined contribution pension scheme. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions payable to the Company's pension scheme are charged to the Statement of comprehensive income in the period to which they relate. The Company has no further payment obligations once the contributions have been paid.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Leases

Leases are recognised as finance leases. The lease liability is initially recognised at the present value of the lease payments which have not yet been made and subsequently measured under the amortised cost method. The initial cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, lease payments made prior to the lease commencement date, initial direct costs and the estimated costs of removing or dismantling the underlying asset per the conditions of the contract.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

ASSETZ CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31st March 2019

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the key sources of estimation uncertainty that the Directors have made in the process of applying the Company's accounting policies and have the most significant effect on the amounts recognised in the financial statements. There are no further critical accounting judgements.

Useful life of intangible assets

The assessment of the useful economic life of the Company's internally developed and acquired software and licences is judgemental and can change due to obsolescence due to unforeseen technological developments, and other factors. The useful life of licences represents management's view of the expected term over which the Company will receive benefits from the software, and does not exceed the licence term. For internally developed and acquired software the life is based on historical experience with similar products as well as anticipation of future events which may impact their useful economic life.

Financial risk management

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and ensure any limits are adhered to. The Company's activities are reviewed regularly and potential risks are considered.

Risk factors

The Group has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and

Principal financial instruments

The principal financial instruments used by the Group from which financial instrument risk arises, are as follows:

- Loan due from and payable to related undertakings
- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

Categorisation of financial assets and financial liabilities

The table shows the carrying amounts and fair values of financial assets and financial liabilities by category of financial instrument as at 31 March 2019:

	Carrying amount £	Fair value £
Assets		
Trade and other receivables	3,224,134	3,224,134
Cash and cash equivalents	6,750,291	6,750,291
	9,974,425	9,974,425
Liabilities		
Trade and other payable	9,074,582	9,074,582
Interest bearing Loan	2,127,183	2,127,183
	11,201,765	11,201,765

ASSETZ CAPITAL LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
for the Year Ended 31st March 2019

The table shows the carrying amounts and fair values of financial assets and financial liabilities by category of financial instrument as at 31 March 2018:

	Carrying amount £	Fair value £
Assets		
Trade and other receivables	3,129,410	3,129,410
Cash and cash equivalents	5,402,384	5,402,384
	8,531,794	8,531,794
Liabilities		
Trade and other payable	6,143,664	6,143,664
Interest bearing Loan	2,117,375	2,117,375
	8,261,039	8,261,039

Financial instruments measured at amortised cost

Financial instruments measured at amortised cost, rather than fair value, include cash and cash equivalents, trade and other receivables, trade and other payables, and loans and payables/receivables to/from related parties. Due to their short-term nature, the carrying value of each of the above financial instruments approximates to their fair value.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and cash and cash equivalents held at banks.

The Company's maximum exposure to credit risk by class of financial asset is as follows:-

	2019 £	2018 £
Assets		
Trade and other receivables	3,224,134	3,129,410
Cash and cash equivalents	6,750,291	5,402,384
	9,974,425	8,531,794

Trade receivables of £3,192,043 (2018: £2,468,308) represent invoiced amount in respect of servicing fees due from borrowers. The risk of financial loss is deemed minimal because all loans are secured.

Ongoing credit evaluation is performed on the financial condition of other receivable and, where appropriate, a provision for impairment is recorded in the financial statements.

Individual risk limits for banks and financial institutions are set by external rating agencies. The credit risk on cash and cash equivalents is managed under the Company's treasury policy that stipulates the limits and quantities that the company must remain within. No credit or counter party limits were exceeded during the year.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's position.

The Company's liquidity position is monitored and reviewed on an ongoing basis by the Directors.

ASSETZ CAPITAL LIMITED**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
for the Year Ended 31st March 2019**Capital management**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern and to meet the FCA regulatory capital requirements. Financial performance is regularly reviewed by various committees in the business, focusing on the amount of regulatory and working capital needed. This is especially important as the business continues to expand. The process includes the monitoring of FCA returns as well as the annual budget and forecast process from which cashflow and capital assessments and projections are made.

3. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	5,603,060	4,241,232
Social security costs	744,617	566,857
Other pension costs	129,922	61,248
	<u>6,477,599</u>	<u>4,869,337</u>

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

	2019	2018
Product & technology	17	14
Operations, support and administrative	81	64
	<u>98</u>	<u>78</u>

	2019	2018
	£	£
Director's remuneration (inc BIK)	976,527	686,089
	<u>976,527</u>	<u>686,089</u>

Highest paid Director

	£	£
Director's remuneration (inc BIK)	186,960	149,026
	<u>186,960</u>	<u>149,026</u>

The Directors are also the key management personnel of the Company.

4. NET FINANCE COSTS

	2019	2018
	£	£
Finance income:		
Deposit account interest	15,875	14,009
	<u>15,875</u>	<u>14,009</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Year Ended 31st March 2019**4. NET FINANCE COSTS - continued**

	2019 £	2018 £
Finance costs:		
Other interest paid	20,022	7,917
Loan interest	431,197	761,905
Interest on overdue tax paid	-	19
	<u>451,219</u>	<u>769,841</u>
Net finance costs	<u>435,344</u>	<u>755,832</u>

5. (LOSS)/PROFIT BEFORE INCOME TAX

The (loss)/Profit before taxation is stated after charging:

	2019 £	2018 £
Depreciation - owned assets	102,774	83,123
Depreciation - Hp assets	67,500	67,500
Development costs amortisation	549,622	398,140
Auditor's remuneration	18,600	12,000
Operating lease rental - land & buildings	<u>249,278</u>	<u>145,412</u>

6. INCOME TAX**Analysis of tax income**

	2019 £	2018 £
Current tax:		
Tax	-	(206,093)
Corporation tax prior years	<u>(2,636)</u>	<u>-</u>
Total tax income in consolidated statement of profit or loss	<u>(2,636)</u>	<u>(206,093)</u>

7. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the Income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(247,283) (2018 - £(776,118)).

ASSETZ CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31st March 2019

8. INTANGIBLE ASSETS

Group

	Development costs £
COST	
At 1st April 2018	1,990,772
Additions	965,433
At 31st March 2019	2,956,205
AMORTISATION	
At 1st April 2018	963,155
Amortisation for year	549,622
At 31st March 2019	1,512,777
NET BOOK VALUE	
At 31st March 2019	1,443,428
At 31st March 2018	1,027,617

9. PROPERTY, PLANT AND EQUIPMENT

Group

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st April 2018	196,323	341,151	78,024	615,498
Additions	3,288	10,310	70,521	84,119
At 31st March 2019	199,611	351,461	148,545	699,617
DEPRECIATION				
At 1st April 2018	53,600	89,468	43,298	186,366
Charge for year	50,090	87,845	32,358	170,293
At 31st March 2019	103,690	177,313	75,656	356,659
NET BOOK VALUE				
At 31st March 2019	95,921	174,148	72,889	342,958
At 31st March 2018	142,723	251,683	34,726	429,132

The net book value of fixture and fittings includes £135,000(2018: £202,500) in respect of assets held under hire purchase contract.

ASSETZ CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31st March 2019

10. INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1st April 2018
and 31st March 2019

6,313,143

NET BOOK VALUE

At 31st March 2019

6,313,143

At 31st March 2018

6,313,143

The following were subsidiary undertakings of the company:

Name	Country of Incorporation	Class of shares	Holding	Principal Activity
Assetz SME Capital Limited	England and Wales	Ordinary	100%	Loan Agents
Assetz Development Capital	England and Wales	Ordinary	100%	Loan Agents
Assetz Provision Funding Limited	England and Wales	Ordinary	100%	Loan Agents

All of the above companies are incorporated in England and Wales. The registered office for all companies is on page 1.

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Current:				
Trade debtors	2,586,846	2,375,857	-	-
Amounts owed by group undertakings	-	-	514,600	-
Other debtors	21,097	553,422	10,717	7,665
Prepayments and accrued income	10,994	107,680	-	-
	2,618,937	3,036,959	525,317	7,665
Non-current:				
Trade debtors	605,197	92,451	-	-
	605,197	92,451	-	-
Aggregate amounts	3,224,134	3,129,410	525,317	7,665

ASSETZ CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31st March 2019

11. TRADE AND OTHER RECEIVABLES - continued

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

Receivables from related undertakings are interest free and repayable on demand.

No trade receivables were impaired.

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank accounts	<u>6,750,291</u>	<u>5,402,384</u>	<u>135,117</u>	<u>2,023,467</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value	31.03.2019	31.03.2018
			£	£
10,221,273	Ordinary A	1p	10,221	10,221
75,000	Ordinary F	1p	75	75
6,000	Ordinary G	1p	6	6
3,733,425	Ordinary O	1p	<u>3,733</u>	<u>3,733</u>
			<u>14,035</u>	<u>14,035</u>

In addition, the company has previously issued 1,804 shares whose rights and value have been indefinitely deferred.

ASSETZ CAPITAL LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued for the Year Ended 31st March 2019

14. RESERVES

Group

	Retained earnings £	Share premium £	Totals £
At 1st April 2018	(3,925,027)	5,396,442	1,471,415
Deficit for the year	(1,109,699)		(1,109,699)
At 31st March 2019	<u>(5,034,726)</u>	<u>5,396,442</u>	<u>361,716</u>

Company

	Retained earnings £	Share premium £	Totals £
At 1st April 2018	(1,245,125)	5,396,441	4,151,316
Deficit for the year	(247,283)		(247,283)
At 31st March 2019	<u>(1,492,408)</u>	<u>5,396,441</u>	<u>3,904,033</u>

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Current:				
Trade creditors	185,195	403,836	-	-
Amounts owed to group undertakings	-	-	-	687,221
Social security and other taxes	278,095	241,630	-	-
Other creditors	7,551,385	4,877,380	1,100,221	1,520,362
Accrued expenses	1,206,411	843,725	11,011	90,872
VAT	36,403	14,000	-	-
	<u>9,257,489</u>	<u>6,380,571</u>	<u>1,111,232</u>	<u>2,298,455</u>
Non-current:				
Other creditors	1,944,276	1,880,468	1,944,276	1,880,468
	<u>1,944,276</u>	<u>1,880,468</u>	<u>1,944,276</u>	<u>1,880,468</u>
Aggregate amounts	<u>11,201,765</u>	<u>8,261,039</u>	<u>3,055,508</u>	<u>4,178,923</u>

ASSETZ CAPITAL LIMITED (REGISTERED NUMBER: 08007191)**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**
for the Year Ended 31st March 2019**16. FINANCIAL LIABILITIES - BORROWINGS**

	Group	
	2019	2018
	£	£
Current:		
Leases (see note 17)	<u>54,000</u>	<u>54,000</u>
Non-current:		
Leases (see note 17)	<u>128,907</u>	<u>182,907</u>
Terms and debt repayment schedule		
Group		

	1 year or less	1-2 years	2-5 years	Totals
	£	£	£	£
Leases	<u>54,000</u>	<u>54,000</u>	<u>74,907</u>	<u>182,907</u>

17. LEASING**Group lease liabilities**

Minimum lease payments fall due as follows:

	2019	2018
	£	£
Gross obligations repayable:		
Within one year	54,000	54,000
Between one and five years	128,907	182,907
	<u>182,907</u>	<u>236,907</u>
Net obligations repayable:		
Within one year	54,000	54,000
Between one and five years	128,907	182,907
	<u>182,907</u>	<u>236,907</u>

18. NOTES TO THE RECONCILIATION OF EQUITY

These financial statements represent the first annual financial statements prepared in accordance with IFRS as adopted by European Union. The Company adopted IFRS 1, First-time Adoption of International Financial Reporting Standards. The accounting policies set out in note 2 have been applied on a retrospective basis in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in preparation of the opening statement of financial position at 1 April 2017. The Company's financial statements were previously prepared in accordance with the provisions of Financial Reporting Standard 102 for Smaller Entities (section 1A).

Transition had no impact on the Company statement of financial position as at 1 April 2017.