

**ADVANCE GLOBAL CAPITAL
LIMITED**

AMENDING

ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED

31 DECEMBER 2019

Company Number 08179304

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ADVANCE GLOBAL CAPITAL LIMITED

COMPANY INFORMATION

Directors Daniel J. Kreps (non-executive)
Janet McKinley (non-executive)
Nathaniel H. Hartley (executive)

Company secretary Hendrik J. M. Van Deventer

Registered number 08179304

Registered office 150 Aldersgate Street
London
EC1A 4AB

Independent auditors BDO LLP
150 Aldersgate Street
London
EC1A 4AB

Bankers Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Solicitors Addleshaw Goddard LLP
Milton Gate
60 Chiswell Street
London
EC1Y 4AG

ADVANCE GLOBAL CAPITAL LIMITED

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ADVANCE GLOBAL CAPITAL LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The Directors present their report and the audited consolidated financial statements of Advance Global Capital Limited ("the Company") and its subsidiary AGC Faktor LLC ("the Subsidiary", collectively "the Group") for the year ended 31 December 2019.

Principal activities and review of the business

The principal activity of the Company in the year was that of managing investment funds ("the Funds") that specialise in financing invoices of small and medium-sized ("SME") businesses in emerging and underserved markets. The Company is authorised and regulated by the Financial Conduct Authority in the United Kingdom ("UK").

The Subsidiary was principally involved in arranging, financing and managing supply chain finance transactions. The subsidiary is regulated by the Central Bank of Kosovo in Kosovo.

The results for the year and the financial position at the year-end were considered in-line with expectations of the Directors given the Company's long-term strategic goals. The Directors do not anticipate any change in the nature of these activities or business developments for the foreseeable future.

At the date of publishing these accounts, the unprecedented Covid-19 global pandemic is ongoing. The impact on global economies and the timing of when the UK and other global economies will fully reopen remains uncertain.

The Funds managed by the Company are mainly focused on providing credit to SME businesses through the financing of invoices of these businesses. Depending on sector and geography, some of these SME businesses may be affected by the crisis. The longer economies are "locked down" the higher the probability of the value-chains these SME businesses operate in running into financial distress. This could potentially impact the returns of the Funds and may affect the revenues of the Company.

The Directors and management of the company have performed a detailed analysis of the possible effects of the pandemic on its business model and operations. This assessment included, among other things, a consideration of Fund growth targets, Fund redemption rates, Fund investor base diversification, fx volatility on the currency of Company revenues, fixed and variable Company expenditure, Company shareholder support and Company regulatory capital requirements. In addition, the Company's income levels were stress-tested to determine a range of possible outcomes and their impact on the Company's profitability.

After considering all these points and the scenario analysis, the Directors are of the belief that the Company is sufficiently positioned to weather the Covid-19 pandemic and trade through and beyond the crisis. The Directors will, however, continue to monitor all developments closely and will actively take steps as deemed appropriate should circumstances change.

ADVANCE GLOBAL CAPITAL LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Review of the business

The Group loss for the year, after taxation and appropriation to non-controlling interests, is shown in the consolidated statement of comprehensive income on page 13.

The Company mainly generates revenues through management and performance fees associated with managing the Funds. The focus for the year ahead is to maintain the assets of the Funds while aiming to achieve satisfactory risk adjusted returns for investors. Revenues for the Group includes income received from funding supply chain finance transactions whereby suppliers are paid in advance against approved invoices for a discount fee. The increase in income for the year ended 31 December 2019 is mainly attributed to growth in assets under management of the Company.

Total assets under management of the Company increased by 47.2% during the year ended 31 December 2019 (2018: 77.0% increase). The current expectation is that this growth trajectory will slow for the 2020 financial year, mainly as a result of the Covid-19 pandemic. Management are hopeful that growth will resume towards the latter part of 2020. Current forecasts are that assets under management should increase by between 0% - 16% by 31 December 2020 which could result in increased management and performance fees for the Company.

There has been a continued focus during the 2019 financial year on maximising income and reducing unnecessary expenditure. Total revenues of the Company increased by 68.2% (2018: 73% increase) year-on-year while administrative expenses only increased by 2.8% (2018: 1%) year-on-year. There will be continued monitoring of the operational expense base of the Company during the 2020 financial year to ensure efficient and optimal use of Shareholders Capital.

During the year ended 31 December 2019 the Subsidiary continued to perform below expectations. Due to the underperformance of this business the Directors took the decision to write-down the investment to the net carrying value of the Subsidiary at year-end resulting in an impairment charge of £66,002 (2018: £117,658). After a thorough review of this business, the Directors took the decision to place the Subsidiary into voluntary liquidation effective 31 July 2019. Management expect the liquidation process - which is focused on asset realisation - to continue for a period of 12 months from the date of this report.

Principal risks and uncertainties

The Board of Directors define the business strategy and oversee the associated risks of the Group by the implementation and monitoring of effective systems and control. The Group manages its risk via a risk matrix which identifies, quantifies, and establishes control procedures and assigns line responsibility for all risks that could have material impact on the firm. The potential risks identified are credit risk, liquidity risk, market risk and operational risk. These potential risks are mitigated by periodic monitoring of the financial strength of credit institutions where cash is held, contractual agreements of fee payments, preparation of budgets, monitoring of cash levels and hedging against any unexpected currency fluctuations, respectively.

Additionally, as required by the Financial Conduct Authority in the UK, the Company:

- carries out regular assessments of the amounts, types and distribution of financial resources, capital resources and internal capital that it considers adequate to cover the nature and level of the risks to which it is or might be exposed;
- identifies the major sources of risk to its ability to meet its liabilities as they fall due;
- conducts stress and scenario tests;
- ensures that the processes, strategies and systems are both comprehensive and proportionate to the nature, scale and complexity of the Company's activities; and
- formally documents all control processes and procedures.

ADVANCE GLOBAL CAPITAL LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of Directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The Board of Directors of the Company consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2019. This section of the Companies Act requires the Board of Directors to have regard to six specified areas that relate to wider stakeholder interests, being:

- the likely consequence of any decision in the long term;
- the interests of employees;
- the need to foster business relationships with suppliers, customers and others;
- the impact of operations on the community and the environment;
- the desirability to maintain a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

Each of these are discussed in more detail below.

Our purpose, strategy, and consideration of the consequences of decisions for the long term

The Company is a global impact investment manager that supports local economic growth in underserved communities worldwide by specialising in financing invoices for SMEs - the engine of economic growth and job creation and the foundation of resilient local communities.

Our mission is to support local, responsible and inclusive economic growth by delivering well-structured financing options that help underserved small businesses thrive.

We work with investors who want both risk-adjusted market-rate returns and measurable, positive impact that aligns with their values. Together with our investors, we believe that private capital has the potential to do good in the world, and that SMEs, especially those owned by women, are worth supporting. We want to make sure that money continues to move around the world to work hard for our investors, partners and SMEs.

To ensure the Board have the most up-to-date information available to assist them in their decision-making, meetings are regularly held between senior management and the Board. In addition to these meetings the Board held 5 formal Board meetings and several informal meetings during 2019. Any decision taken at these meetings is carefully considered taking the effect on all foreseeable stakeholders into account. Besides for specific items which may be discussed and considered at Board meetings, there is a standing agenda for each meeting to provide the Board of Directors with updates on:

- Compliance, Legal & Regulatory
- Risk Management
- Technology
- Finance & Accounting
- Investor Relations
- Service Providers
- Operations
- Strategy
- Human Resources

The Board annually reviews the business plan and budget for the next two financial years in November of each year. The most recent review of the business plan and budget was in November 2019 and was approved after careful consideration of the effects on, among others, employees, factoring partners, investors, regulators and the greater community in which the Company and Funds operate.

ADVANCE GLOBAL CAPITAL LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Interests of employees

Being a relatively small company of 14 employees operating in one location, there is a high level of visibility of the Board and management by employees and vice versa. In 2019, in addition to feedback from employees considered through the annual appraisal process, engagement with employees included:

- Weekly update meetings between senior management and employees to ensure all staff are updated on business developments;
- Individual meeting sessions between employees and Board representatives where employees were encouraged to provide feedback and suggestions; and
- Individual meeting sessions between the employees and the majority shareholder of the business to foster an open relationship and allow questions to be asked.

The Company has well-documented employee policies which are provided to all employees when they join the Company. Employees are also required to attest on an annual basis that they are aware of the policies and understand them. These policies include, among other items, a whistleblowing policy. This policy sets out the process for employees to follow if they believe one of their colleagues (irrespective of seniority) is not living up to the high standards expected of all employees and contractors of the Company.

Human Resources and Employees are discussed at each Board meeting as part of the standing Board meeting agenda.

Understanding stakeholders, fostering business relationships and acting fairly between members of the company

Building and nurturing strong working relationships with employees, investors, factoring partners, suppliers, professional services firms, and other stakeholders is critical to the success of the Company and is intrinsic in the day-to-day activities.

The manner in which the Board of Directors undertakes to understand key stakeholders is summarised below:

Investors

The Company seeks to attract investors into our Funds both directly and via intermediaries such as wealth advisors, multi-family offices and impact advisors. Our investor base is made up of HNWIs, Foundations, Family Offices, Funds/Funds of Funds, and Endowments. We have an active marketing strategy globally including the US, the UK and Switzerland.

Investors are provided with a high degree of transparency through monthly factsheets, quarterly performance reports and an annual impact report. Investors have the ability to request calls or meetings with the Board of Directors if deemed necessary.

Investor Relations are discussed at each Board meeting as part of the standing Board meeting agenda.

Factoring partners

The success of the Company is inextricably linked to the success of the Funds we manage. These Funds raise capital from investors and deploy money to SME businesses through financial institutions, commonly referred to as "factoring partners", around the world. The Company sources financing opportunities through these factoring partners due to the attractive financial and social impact returns.

Employees of the Company are in constant communication with factoring partners on a day-to-day basis. On a monthly basis a formal update of the portfolio is provided by senior management to the Investment Committee who have been mandated by the Board to oversee and manage the portfolio. The portfolio review report is also provided to the Board of Directors independently of the investment committee.

ADVANCE GLOBAL CAPITAL LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Fostering strong business relationships with these factoring partners is of utmost importance to the success of the Funds and the Company. The Company does however hold Environmental, Social, Governance and Impact ("ESGI") considerations in the highest regard and does not allow financial motivations to override these considerations. The Company requires factoring partners to sign an ESGI memorandum of understanding at the onset of the relationship whereby they agree to support the Company's impact objectives, comply with Company ESGI screens, and commit to good business practices.

Suppliers

Suppliers mainly include administrative suppliers and professional service firms. The Board have tasked senior management with the responsibility to foster relationships with these suppliers and to review service delivery levels and propose changes to service providers from time-to-time. Service providers are discussed at each Board meeting as part of the standing Board meeting agenda.

Regulatory, legal and statutory

The Company has interactions with various regulators, including the UK, US, Cayman Islands and Switzerland. The Board hold regulators in high esteem and promote a culture of always ensuring compliance with regulatory requirements. Compliance, legal and regulatory updates and feedback are informally provided to the Board by management on a continues basis. There is also a formal update provided at each Board meeting as part of the standing Board meeting agenda.

The desirability to maintain a reputation for high standards of business conduct and considering the impact of operations on the community and the environment

During 2019 the Company issued a revised and updated ESGI Policy. This policy outlines how the Company's mission and values are reflected in the operations of its business. The policy sets expectations for how it pursues its social impact objectives and how it considers environmental, social, governance and impact issues in its investment process. All staff were provided with training on the updated policy.

The Company is committed to measuring and reporting the social impact using standard social impact metrics which align with UN Sustainable Development Goals 5, 8 and 9 which address Gender Equality, Decent Work and Economic Growth and Industry, Innovation and Infrastructure.

The Company's social impact objectives are defined as:

- Financial inclusion;
- Small business (SME) growth and job creation ;
- Opportunities for women; and
- Strengthening local financial ecosystems.

The Company incorporates ESGI Screening into our Fund investment process by refraining from investing in industries and companies that are substantially involved in either the production or distribution of fossil fuels or in sectors and businesses identified in the IFC Exclusion List. Reporting of industry exposures is provided to the investment committee and Board of Directors on at least a monthly basis.

The Company works with local factoring partners to deliver flexible working capital to underserved, formally organised small businesses – and especially those led by women and other underrepresented groups – so that they can survive, grow and create jobs – helping to create resilient local economies worldwide.

We believe that the best way to reduce poverty and strengthen local communities is through sustained economic growth. We believe that private capital, when invested well, is a powerful force for good. We also believe that socioeconomic justice starts with inclusive financial services. We strive to be ethical, honest, and responsible business partners that leave the world better than the way we found it.

ADVANCE GLOBAL CAPITAL LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

The Company published its 2nd Annual Impact Report in July 2019 – This report evaluates the progress of the Company towards meeting our impact objectives and evaluates and informs management of the business. A summary of our findings was shared with the Board of Directors, investors, factoring partners and other stakeholders.

We recognise that the implementation of our social impact objectives and ethical and ESGI considerations can be complex. If any employee, contractor or factoring partner has a question or considers that the policy has not been followed in respect of the Company's objectives, a framework has been created to allow such a person to escalate the matter directly to the Board of Directors.

The Company is a woman-owned business regulated by the FCA and SEC. It operates within the UK's comprehensive, progressive corporate policies environment and conducts itself with fair, ethical business practices that provide leadership and a role model for its factoring partners around the world.

The selection of local factoring partners provides the Company with efficient ways to promote better business practices globally while addressing local market needs.

The company has a comprehensive suite of policies which have been approved by the Board of Directors. These policies provide guidance on how potential disputes can be resolved and provides a framework for how grievances can be reported if employees, investors or financial partners are not satisfied with how the Company goes about its business.

Future Group prospects

The Directors are satisfied with the results for the year and the financial position at the balance sheet date of the Group.

The Company has seen good progress of its business development in the year ended December 2019 and the Directors are confident that while 2020 may be a tough year due to the global economic climate, the Company will navigate the challenges and achieve the goals set for the year ending 31 December 2020. The Directors do not foresee any changes to the nature of the Company's activity going forward.

At 31 December 2019, the Directors feel that the Company is adequately capitalised to meet all financial obligations and to continue as a going concern for the foreseeable future.

This report was approved by the board and signed on its behalf.



Daniel J. Kreps

Non-executive Director & Chairman of the Board

Date: 24 June 2020

ADVANCE GLOBAL CAPITAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Directors

The Directors who served during the year were:

Daniel J. Kreps (non-executive)
Janet McKinley (non-executive)
Nathaniel H. Hartley (executive)

Results and dividends

The loss for the year, after taxation and minority interests, amounted to £1,503,513 (2018 - loss £1,997,538).

There were no dividends paid, recommended or declared during the current or previous financial year.

Matters subsequent to the end of the financial year

The voluntary liquidation of the subsidiary undertaking, AGC Faktor LLC, which is located in Kosovo was commenced on 31 July 2019. The liquidation process is expected to continue until 31 December 2020.

As of the date these financial statements were available to be issued, the outbreak of the novel coronavirus ("Covid-19") in many countries continues to adversely impact global commercial activity, and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel. Such measures, as well as the general uncertainty surrounding the dangers and impact of Covid-19, are creating significant disruption in economic activity. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of Covid-19.

Likely future developments

Information on likely future developments of the consolidated entity are disclosed in the strategic report.

Financial instruments

Information on the consolidated entity's financial instruments are disclosed in the strategic report.

Qualifying third party indemnity provisions

The Company has indemnified the Directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

ADVANCE GLOBAL CAPITAL LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Auditors

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



Daniel J. Kreps
Non-executive Director & Chairman of the Board

Date: 24 June 2020

ADVANCE GLOBAL CAPITAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors are responsible for preparing the Group Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Group's financial statements 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 Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ADVANCE GLOBAL CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVANCE GLOBAL CAPITAL LIMITED

Opinion

We have audited the financial statements of Advance Global Capital Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council'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 or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

ADVANCE GLOBAL CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVANCE GLOBAL CAPITAL LIMITED (CONTINUED)

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report 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 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 Directors' Responsibilities Statement on page 9, 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.

ADVANCE GLOBAL CAPITAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ADVANCE GLOBAL CAPITAL LIMITED (CONTINUED)

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

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

Use of our report

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



Timothy West (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

Date: 24 June 2020

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

ADVANCE GLOBAL CAPITAL LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	1,484,319	826,560
Gross profit		1,484,319	826,560
Administrative expenses		(2,961,330)	(2,863,589)
Other operating income	5	-	111,206
Operating loss	6	(1,477,011)	(1,925,823)
Interest payable and similar expenses		(31,394)	(76,237)
Loss before taxation		(1,508,405)	(2,002,060)
Loss for the financial year		(1,508,405)	(2,002,060)
Currency translation differences		1,343	191
Other comprehensive income for the year		1,343	191
Total comprehensive income for the year		(1,507,062)	(2,001,869)
Loss for the year attributable to:			
Non-controlling interests		(4,892)	(4,522)
Owners of the parent Company		(1,503,513)	(1,997,538)
		(1,508,405)	(2,002,060)
Total comprehensive income for the year attributable to:			
Non-controlling interest		(4,892)	(4,522)
Owners of the parent Company		(1,502,170)	(1,997,347)
		(1,507,062)	(2,001,869)

The notes on pages 19 to 34 form part of these financial statements.

ADVANCE GLOBAL CAPITAL LIMITED

REGISTERED NUMBER:08179304

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	5,870	8,285
		<u>5,870</u>	<u>8,285</u>
Current assets			
Debtors: amounts falling due within one year	12	1,751,031	3,200,156
Cash at bank and in hand	13	1,183,356	147,992
		<u>2,934,387</u>	<u>3,348,148</u>
Current Liabilities			
Current liabilities: amounts falling due within one year	14	(997,496)	(1,510,017)
Net current assets		<u>1,936,891</u>	<u>1,838,131</u>
Net assets		<u><u>1,942,761</u></u>	<u><u>1,846,416</u></u>
Equity			
Share capital	15	132,772	131,169
Share premium account	17	13,376,607	11,774,803
Translation reserve	17	27,854	26,511
Profit and loss account	17	(11,590,939)	(10,087,426)
Non-controlling interests		(3,533)	1,359
		<u><u>1,942,761</u></u>	<u><u>1,846,416</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Daniel J. Kreps
Director

Date: 24 June 2020

The notes on pages 19 to 34 form part of these financial statements.

ADVANCE GLOBAL CAPITAL LIMITED

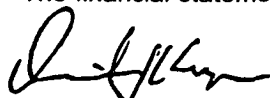
REGISTERED NUMBER:08179304

**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	11	5,870	5,443
Investment in subsidiary	10	-	66,002
		<u>5,870</u>	<u>71,445</u>
Current assets			
Debtors: amounts falling due within one year	12	1,309,076	2,379,980
Cash at bank and in hand	13	1,136,810	91,354
		<u>2,445,886</u>	<u>2,471,334</u>
Current Liabilities			
Creditors: amounts falling due within one year	14	(435,907)	(696,308)
Net current assets		<u>2,009,979</u>	<u>1,775,026</u>
Net assets		<u>2,015,849</u>	<u>1,846,471</u>
Equity			
Share capital	15	132,772	131,169
Share premium account	17	13,376,607	11,774,803
Profit and loss account	17	(11,493,530)	(10,059,501)
		<u>2,015,849</u>	<u>1,846,471</u>

As permitted by section 408 of the Companies Act 2006; the profit or loss account of the Company is not presented as part of these financial statements. The Company's total comprehensive income for the financial year was a loss of £1,434,029 (2018: £1,997,241).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



Daniel J. Kreps
Director

The notes on pages 19 to 34 form part of these financial statements.

ADVANCE GLOBAL CAPITAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital £	Share Premium £	Translation Reserve £	Retained losses £	Equity attributable to owners of parent Company £	Non- controlling Interests £	Total equity £
At 1st January 2018	128,261	8,869,643	26,320	(8,087,917)	936,307	3,910	940,217
Loss after tax expense for the year	-	-	-	(1,997,538)	(1,997,538)	(4,522)	(2,002,060)
Other comprehensive income for the year, net of tax	-	-	191	-	191	-	191
Change in non-controlling interest	-	-	-	(1,971)	(1,971)	1,971	-
Transactions with owners in their capacity as owners:	-	-	191	(1,999,509)	(1,999,318)	(2,551)	(2,001,869)
Proceeds from Issue of Shares	2,908	2,905,160	-	-	2,908,068	-	2,908,068
At 1st January 2019	131,169	11,774,803	26,511	(10,087,426)	1,845,057	1,359	1,846,416
Loss after tax expense for the year	-	-	-	(1,503,513)	(1,503,513)	(4,892)	(1,508,405)
Other comprehensive income for the year, net of tax	-	-	1,343	-	1,343	-	1,343
Transactions with owners in their capacity as owners:	-	-	1,343	(1,503,513)	(1,502,170)	(4,892)	(1,507,062)
Proceeds from Issue of Shares	1,603	1,601,804	-	-	1,603,407	-	1,603,407
At 31st December 2019	132,772	13,376,607	27,854	(11,590,939)	1,946,294	(3,533)	1,942,761

The notes on pages 19 to 34 form part of these financial statements.

ADVANCE GLOBAL CAPITAL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital £	Share Premium £	Retained losses £	Total equity £
At 1st January 2018	128,261	8,869,643	(8,062,260)	935,644
Loss after tax expense for the year	-	-	(1,997,241)	(1,997,241)
Proceeds from issue of shares	2,908	2,905,160	-	2,908,068
At 1st January 2019	131,169	11,774,803	(10,059,501)	1,846,471
Loss after tax expense for the year	-	-	(1,434,029)	(1,434,029)
Proceeds from issue of shares	1,603	1,601,804	-	1,603,407
At 31st December 2019	132,772	13,376,607	(11,493,530)	2,015,849

The notes on pages 19 to 34 form part of these financial statements.

ADVANCE GLOBAL CAPITAL LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	(1,508,405)	(2,002,060)
Adjustments for:		
Depreciation of tangible assets	6,417	8,358
Loss on disposal of tangible assets	969	-
Decrease/(increase) in debtors	1,449,125	(1,315,328)
(Decrease) in creditors	(512,521)	(188,206)
Foreign exchange	1,343	191
Interest paid	31,394	76,237
Net cash generated from operating activities	(531,678)	(3,420,808)
Cash flows from investing activities		
Purchase of tangible fixed assets	(4,971)	(4,243)
Interest paid	(31,394)	(76,237)
Net cash from investing activities	(36,365)	(80,480)
Cash flows from financing activities		
Issue of ordinary shares	1,603,407	2,908,068
Net cash used in financing activities	1,603,407	2,908,068
Net increase/(decrease) in cash and cash equivalents	1,035,364	(593,220)
Cash and cash equivalents at beginning of year	147,992	741,212
Cash and cash equivalents at the end of year	1,183,356	147,992
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,183,356	147,992
	1,183,356	147,992

The notes on pages 19 to 34 form part of these financial statements.

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

The financial statements cover both Advance Global Capital Limited as an individual entity and the consolidated entity consisting of Advance Global Capital Limited and the entity it controlled during the year. The financial statements are presented in GBP, which is Advance Global Capital Limited's functional and presentational currency.

The Company is a private company limited by shares. It is both incorporated and domiciled in England and Wales. Its principal place of business is:

No 1 Poultry
London EC2R 8EJ
United Kingdom

The registered office of the subsidiary, AGC Faktor LLC, is Ahmet Krasniqi, Pristina, 10000, Kosovo.

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available:

- Under Section 408 of the Companies Act 2006

The parent company has taken advantage of the exemption from the requirement to publish its own Income Statement.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiary ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.2 Basis of consolidation (continued)

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

As of the date these financial statements were available to be issued the COVID-19 pandemic is ongoing. The impact on global economies and the timing of when the United Kingdom and other global economies will fully reopen remains uncertain.

Management of Company have thoroughly considered the potential effects of the COVID-19 pandemic and the effect it may have on the Company's ability to continue as a going concern. This assessment included, among other things:

- Growth forecasts of Assets Under Management which directly affect the revenue forecasts of the Company - These forecasts were already set very conservatively prior to the COVID-19 crisis but have been revised to a zero-growth forecast for the coming year;
- Fund Redemptions: Actual redemptions have remained below expectations and the Company has the necessary legal protections in place should redemptions accelerate to unmanageable levels;
- Investor base of the Funds: A sufficiently diverse investor base without reliance on any single investor;
- FX Rates: The weakening GBP exchange rate against USD is to the benefit of the Company. These gains can be locked-in using forward exchange contracts if deemed appropriate;
- Budgets: Income target have been broadly met while actual expenses are currently below budget. Further cost cutting initiatives can be undertaken relatively quickly if deemed necessary;
- Shareholder Support: The ultimate controlling parent of the Company has confirmed it will continue to provide financial support to the Company, if required, for at least 12 months following the approval of the financial statements; and
- Capital Levels: Actual capital levels are significantly higher than required by the Company's regulator, the Financial Conduct Authority, and sufficient to cover an extended period of operating expenses if required.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and continues to receive the full support of its ultimate controlling parent, Money In Motion LLC.

At the date of approving the financial statements Management believe there is nothing to suggest the Company is unable to continue as a going concern. The Directors therefore believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Foreign currency translation

The financial statements are presented in GBP, which is Advance Global Capital Limited's functional and presentational currency.

Foreign currency transactions

Foreign currency transactions are translated into GBP using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into GBP using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into GBP using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

2.5 Turnover

Turnover of the Company, which is stated net of any value added tax, represents fees arising from fund management i.e. management fees. The turnover of AGC Faktor LLC, also stated net of any value added tax, represents income from supply chain financing.

Management fees are generated through investment management agreements and are generally based on an agreed percentage of the valuation of AUM. The fees are recognised as the service is provided and it is probable that the fee will be received.

Supply chain financing income is recognised using the effective interest method.

Turnover from both sources is recognised as earned in accordance with the underlying agreements.

2.6 Corporation tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.6 Corporation tax (continued)

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.7 Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

2.8 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.9 Investments in subsidiary

Investments in subsidiary are initially recognised at cost. Any transaction costs are taken to profit or loss. Subsequent measurement of fixed assets investments is at cost less impairment.

2.10 Tangible fixed assets

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Vehicles	- 5 years
Furniture, fixtures and IT equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.11 Creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Financial instruments

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. The Group also enters into other financial instrument transactions in the form of derivatives held at fair value.

Classification

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapters 11 and 12 of FRS 102.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially at transaction price and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

The Group uses derivative financial instruments to manage exposures to interest rate and foreign currency risks, including exposures arising from forecast transactions.

The Group's derivative financial instruments are measured at fair value.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.14 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Critical judgements and estimation uncertainty

The Group makes a number of assessments which require judgement in preparing the accounts and can have a significant effect upon the financial statements.

Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates may by definition, differ from the actual results.

Estimated impairment of receivables

The Group assesses whether receivables have suffered any impairment by evaluating conditions present at each reporting date. If it is determined that an impairment exists, an appropriate provision against the relevant asset is recognised.

Impairment of investment in subsidiary

The consolidated entity assesses impairment of investments in subsidiaries at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Fund management fees	1,466,602	742,906
Supply chain financing fees	17,717	83,654
	<u>1,484,319</u>	<u>826,560</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	1,466,602	742,906
Rest of the world	17,717	83,654
	<u>1,484,319</u>	<u>826,560</u>

5. Other income

	2019 £	2018 £
Research and development reclaim	-	111,206
	<u>-</u>	<u>111,206</u>

6. Operating loss

The operating loss is stated after charging/(crediting):

	2019 £	2018 £
Auditor's remuneration:		
- Audit fee for current year	25,000	23,009
- Other non-audit services	46,996	46,631
- Taxation compliance services	-	3,275
Depreciation	6,417	8,358
Foreign exchange differences	48,999	(64,760)
Other operating lease rentals	102,319	136,467
	<u>102,319</u>	<u>136,467</u>

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7. Average number of employees and employee benefits expense

The average monthly number of employees, including the Directors, during the year was as follows:

	2019 No.	2018 No.
Professional staff	16	10
Administrative staff	4	6
	<u>20</u>	<u>16</u>

The aggregate payroll costs of staff were:

	2019 £	2018 £
Wages and salaries *	1,306,177	1,523,221
Social security costs	109,633	148,222
Cost of defined contribution scheme	25,161	16,216
	<u>1,440,971</u>	<u>1,687,659</u>

Wages and salaries include amounts paid to executive directors as detailed in note 8 - Directors' remuneration.

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	232,200	349,351
Company contributions to defined contribution pension schemes	4,191	3,000
	<u>236,391</u>	<u>352,351</u>

Only executive directors are entitled to remuneration.

The aggregate emoluments of the highest paid Director were £232,200 (2018: £349,351).

During the year retirement benefits were accruing to 1 director (2018: 1) in respect of defined contribution pension schemes.

Directors' emoluments includes all amounts paid to executive directors in both their capacity as employees of the Company and as executive directors of the Company.

Directors' emoluments are included in 'Wages and Salaries' in note 7.

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

9. Taxation

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(1,508,405)	(2,002,060)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(286,597)	(380,391)
Effects of:		
Losses carried forward	285,213	356,135
Disallowable expenses	1,465	1,708
Capital allowances for year in excess of depreciation	(81)	193
Bad debts and impairment losses	-	22,355
Total tax charge for the year	-	-

The Company has an unrecognised deferred tax asset of £936,355 (2018: £1,803,431) comprising unutilised losses of £5,507,790 (2018: £9,491,744). The deferred tax asset has not been recognised due to the uncertainty over the timing of its recoverability.

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. Investment in Subsidiary

Company

	Unlisted investments £
Cost or valuation	
At 1 January 2019	398,507
At 31 December 2019	398,507
Impairment	
At 1 January 2019	332,505
Charge for the period	66,002
At 31 December 2019	398,507

The investment represents the company's 97% voting interest in its subsidiary undertaking, AGC Faktor LLC, which is located in Kosovo. The nature of the subsidiary business is that of providing working capital finance.

The financial performance of AGC Faktor LLC for the year under review was below expectations. The business continued to run at a loss and required additional equity during the year to support its working capital and regulatory capital requirements. The directors have decided to wind up the subsidiary undertaking and therefore the investment has been impaired to nil.

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Tangible assets

Group

	Vehicles £	Furniture, fixtures and IT equipment £	Total £
Cost or valuation			
At 1 January 2019	7,313	38,318	45,631
Additions	-	4,971	4,971
Disposals	(7,313)	(7,010)	(14,323)
At 31 December 2019	-	36,279	36,279
Depreciation			
At 1 January 2019	5,369	31,977	37,346
Charge for the year	1,751	4,666	6,417
Disposals	(7,120)	(6,234)	(13,354)
At 31 December 2019	-	30,409	30,409
Net book value			
At 31 December 2019	-	5,870	5,870
At 31 December 2018	1,944	6,341	8,285

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

11. Tangible assets (continued)

Company

	Fixtures and fittings £
Cost or valuation	
At 1 January 2019	32,017
Additions	4,262
At 31 December 2019	<u>36,279</u>
Depreciation	
At 1 January 2019	26,574
Charge for the year	3,835
At 31 December 2019	<u>30,409</u>
Net book value	
At 31 December 2019	<u>5,870</u>
At 31 December 2018	<u>5,443</u>

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accrued income	562,641	279,591	562,641	279,591
Other debtors	1,128,605	2,880,788	686,650	2,061,643
Prepayments	59,785	39,777	59,785	38,746
	<u>1,751,031</u>	<u>3,200,156</u>	<u>1,309,076</u>	<u>2,379,980</u>

Other debtors comprises supply chain finance receivables of £450,857 (2018: £885,553). Also included in Other Debtors is a short-term capital bridge provided to the Fund of £337,579 (2018: £1,764,089). The full amount was repaid shortly after year-end.

13. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank	<u>1,183,356</u>	<u>147,992</u>	<u>1,136,810</u>	<u>91,354</u>

14. Creditors: amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade creditors	22,589	77,239	18,136	76,301
Other taxation and social security	136	35,507	-	34,900
Other creditors	564,493	815,773	7,493	3,609
Accruals and deferred income	410,278	581,498	410,278	581,498
	<u>997,496</u>	<u>1,510,017</u>	<u>435,907</u>	<u>696,308</u>

Refer to note 16 for further information on financial instruments.

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
129,200,057 (2018 - 127,596,650) A Class Shares shares of £0.001 each	129,200	127,597
3,572,475 (2018 - 3,572,475) C Class Shares shares of £0.001 each	3,572	3,572
	<u>132,772</u>	<u>131,169</u>

Ordinary shares

During the year, the Company issued 1,603,407 (2018: 2,908,070) ordinary A shares of £0.001, at a premium totalling £1,601,804 (2018: £2,905,160).

A class shares

A class shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held.

C class shares

C class shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held.

16. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	1,183,356	147,992	1,136,810	91,354
Financial assets measured at amortised cost	1,671,508	3,160,379	1,229,553	2,341,234
	<u>2,854,864</u>	<u>3,308,371</u>	<u>2,366,363</u>	<u>2,432,588</u>
Financial liabilities				
Financial liabilities measured at amortised cost	997,360	1,661,133	435,907	303,328

Financial assets measured at amortised cost are comprised of accrued income and other debtors. Fair value measurements are derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Financial liabilities measured at amortised cost are comprised of trade and other creditors.

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

17. Reserves

Share premium account

Share premium account represents the amount the company received for its shares that exceeded shares' nominal value.

Foreign exchange reserve

This is the gain arising on retranslating the net assets/liabilities of overseas subsidiary into Pounds Sterling.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

18. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £25,161 (2018: £16,216). Contributions totalling £6,049 (2018: £2,946) were payable to the fund at the reporting date.

19. Commitments

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Not later than 1 year	74,700	78,067	74,700	78,067
Later than 1 year and not later than 5 years	6,225	80,925	6,225	80,925
	<u>80,925</u>	<u>158,992</u>	<u>80,925</u>	<u>158,992</u>

Lease payments recognised as an expense in the year were £89,423 (2018: £106,970).

ADVANCE GLOBAL CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

20. Related party transactions

Transactions with related parties

During the year the company incurred no transactions with related parties.

Loans to/from controlling party

The Company has taken advantage of the exemption available under FRS102 paragraph 33.1A, related party transactions, not to disclose transactions with entities which are a part of the same group on the grounds that it is a wholly owned subsidiary.

Key Management Personnel

Total remuneration in respect of key management personnel was £594,513 (2018: £1,052,020). Included within the figure is directors' remuneration of £232,200 (2018: £349,351).

21. Controlling party

Money In Motion LLC is the immediate parent and the ultimate controlling parent of the Company. Money In Motion LLC. is a company registered in United States, whose registered address is 301 11th St, Unit 5, San Francisco, CA 94103.

22. Post balance sheet events

The voluntary liquidation of the subsidiary undertaking, AGC Faktor LLC, which is located in Kosovo was commenced on 31 July 2019. The liquidation process is expected to continue until 31 December 2020.

As of the date these financial statements were available to be issued, the outbreak of the novel coronavirus ("Covid-19") in many countries continues to adversely impact global commercial activity, and has contributed to significant volatility in financial markets. The global impact of the outbreak has been rapidly evolving, and as cases of the virus have continued to be identified in additional countries, many countries have reacted by instituting quarantines and restrictions on travel. Such measures, as well as the general uncertainty surrounding the dangers and impact of Covid-19, are creating significant disruption in economic activity. The outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of Covid-19.

The Company has issued no shares post reporting date.

Advance Global Capital Ltd
Pillar 3 Disclosure – financial year ended 31 December 2019

Advance Global Capital Ltd ('AGC' or 'the Firm') is authorised and regulated by the Financial Conduct Authority ('FCA') and is subject to prudential requirements and disclosure obligations.

The Firm is authorised to conduct MiFID activities as well as the activity of Managing an unauthorised AIF, and as such is subject to the Capital Requirements Directive ('CRD III') and the rules in the General Prudential Sourcebook ('GENPRU') and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ('BIPRU') of the FCA Handbook.

The Firm is regarded as a Small Authorised UK AIFM. According to its current permission profile the Firm is categorised as a BIPRU Firm for prudential purposes and is therefore subject to the disclosure requirements stipulated in BIPRU 11.

Due to the amount of assets under management exceeding the sub-threshold limit thresholds of article 3 AIFMD, the Firm is required to apply for a variation of permissions to become a full-scope UK AIFM. The variation of permission application was submitted on 23 September 2019 but at the date of this report had not yet been approved. As such the firm continues to report as a Small Authorised UK AIFM.

The CRD is a EU Directive that establishes a regulatory capital framework across Europe governing the amount and nature of capital that credit institutions and investment firms must maintain, and is based on three 'Pillars':

- Pillar 1 sets the minimum capital requirement calculated for the firm's credit and market risk components;
- Pillar 2 requires the firm to assess whether its Pillar 1 capital is adequate and to evaluate the impact that any other risk types may have on the Firm's capital; and
- Pillar 3 requires the disclosure of specific information about the firm's risk management controls, capital adequacy and remuneration.

This Pillar 3 disclosure has been prepared by AGC in accordance with the requirements in BIPRU 11 and is verified and approved by the Board.

As required according to GENPRU 1.2 and the Pillar 2 rule, the Firm maintains an Internal Capital Adequacy Assessment Process document ('ICAAP') to establish whether the Firm is required to hold any additional capital to cover any risks the Firm is exposed to which are not fully captured under the Pillar 1 requirements.

Unless otherwise stated, all figures are as at the 31 December 2019 financial year-end. Pillar 3 disclosures will be issued on an annual basis after the year end and enclosed to the annual audited accounts.

We are permitted to omit required disclosures if we believe that the information is immaterial such that omission would be unlikely to change or influence the decision of a reader relying on that information for the purpose of making economic decisions about the Firm.

In addition, we may omit required disclosures where we believe that the information is regarded as proprietary or confidential. In our view, proprietary information is that which, if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers, suppliers and counterparties.

We have made certain omissions in the disclosure of risk data such as business risk, operational risk and market risk on the grounds that it is immaterial.

Scope of business

AGC is an investment management firm and as such has no trading book exposures. The Firm's parent undertaking is Money in Motion LLC as the US based majority shareholder.

The Firm had a subsidiary undertaking based in Kosovo, AGC Faktor LLC, an international factoring company that specialized in supply chain finance. This company has been placed into voluntary liquidation effective 31 July 2019. It is expected that the liquidation will take 12 months from the date of this report.

The Firm is not a member of a UK consolidation group and so is not required to prepare consolidated reports for prudential purposes. Although consolidated accounts have been prepared, the firm is managed on a standalone basis for capital and liquidity purposes and we do not foresee any impediment to the prompt transfer of capital between group entities should the need arise. There are no differences in the basis of consolidation for accounting and prudential purposes.

The investment strategy of the Firm will be carried out through a mini-master fund structure with one mini-master fund and one feeder fund:

- Global SME Fund LP, the mini-master fund, based in Delaware.
- Advance Trade Growth Offshore Fund Ltd, the feeder fund, an exempted company established in the Cayman Island;

AGC's investment strategy includes providing wholesale funding directly to SMEs via domestic factoring, export factoring and supply chain finance. Funding is provided to suppliers using invoice management platforms which connect large buyers and suppliers seeking short-term working capital.

The funds will purchase receivables originated by third parties who are typically large, international commercial banks and specialty lenders who syndicate exposures on their balance sheets to free up additional capital and raise new funds for additional financing. The strategy also includes investing in third-party funds.

The Firm's Senior Management in charge of the governance of the Firm is constituted by the following Directors who are currently appointed in the SMF3 Executive Director controlled function:

- Nathaniel Hartley
- Hendrik Van Deventer
- Etchekan Sablin.
- Janet McKinley
- Daniel Kreps

Senior Management have established and maintain the Firm's governance arrangements and have designed, implemented and operate a risk management framework to identify and manage the risks that the business is exposed to.

Risk management objectives and policies

The Firm has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. The risk management process is overseen by Senior Management, with the Senior Management team taking overall responsibility for this process and the fundamental risk appetite of the Firm. The team has responsibility for the implementation and enforcement of the Firm's risk principles.

Senior Management meet on a regular basis and discuss current projections for profitability, cash flow, regulatory capital management, business planning and risk management. Senior Management engage in the Firm's risks through a framework of policy and procedures having regard to the relevant laws, standards, principles and rules (including FCA principles and rules) with the aim of operating a defined and transparent risk management framework. These policies and procedures are updated as required.

The Senior Management team has identified that business, operational, market, credit and liquidity risk are the main areas of risk to which the Firm is exposed. Annually the Senior Management team formally review their risks, controls and other risk mitigation arrangements and assess their effectiveness.

A formal update on operational matters is provided to the Senior Management team on a regular basis. Management accounts demonstrate that the adequacy of the firm's regulatory capital is reviewed on a regular basis.

Appropriate action is taken where risks are identified which fall outside of the Firm's tolerance levels or where the need for remedial action is required in respect of identified weaknesses in the firm's mitigating controls.

Material Risks Identified

The material risks the Firm is exposed to are discussed below:

Credit Risk

The Firm is exposed to credit risk in respect of its debtors, commissions, investment management fees billed and cash held on deposit.

The number of credit exposures relating to the Firm's investment management/broker clients is limited. Management fees are drawn monthly from the funds managed and performance fees are drawn annually where applicable. Commissions are settled promptly at the conclusion of a transaction. The Firm considers that there is little risk of default by its clients. All bank accounts are held with large international credit institutions.

The risks are mitigated by periodic monitoring of the financial strength of the credit institutions where the Firm's cash is held; and the monitoring of payments against agreed payment arrangements and invoices issued.

Market Risk

As an asset management firm, the portfolios managed by AGC are subject to market risk.

The Firm's income is based on management fees and, as such, revenues are directly driven by the amount of assets under management. The exposure to foreign exchange risk is also considered within the assessment of market risk. The market risk capital component is calculated according to the relevant rules in BIPRU under Pillar 1 and no additional Pillar 2 is required.

The Firm is small with a simple operational infrastructure. Its market risk is limited to foreign exchange risk on its accounts receivable in foreign currency, and credit risk from management and performance fees receivable from the funds under its management. The Firm follows the standardised approach to market risk and the simplified standard approach to credit risk.

Liquidity Risk

The Firm is required to maintain sufficient liquidity to ensure that there is no significant risk that its liabilities cannot be met as they fall due or to ensure that it can secure additional financial resources in the event of a stress scenario.

The Firm retains an amount it considers suitable for providing sufficient liquidity to meet the working capital requirements under normal business conditions. The firm has always had sufficient liquidity within the business to meet its obligations and there are no perceived threats to this given the cash deposits it holds and ongoing support from one of its shareholders – Money in Motion LLC ("MIM").

Additionally, it has historically been the case that all management fee debtors are settled promptly, thus ensuring further liquidity resources are available to the firm on a timely basis. The cash position of the firm is monitored by the COO on a regular basis, and the firm would be able to call on its shareholder "MIM" for further capital as required.

The Firm maintains a Liquidity risk policy which formalises this approach.

Remuneration Risk

All decisions in relation to remuneration are made by the Board of Directors of the firm.

Remuneration is based on the performance of the Firm as a whole and not on a single investment strategy. The remuneration relating to the main and only investment management business area for

the financial period ended 31 December 2019 is set out in the Remuneration section below, which also includes the total remuneration awarded to senior managers and staff whose actions could have a material impact on the risk profile of the Firm.

Business Risk. Business risk arises from changes in the Firm's business structure that would prevent it from carrying on its business plan and desired strategy. AGC has a relatively simple business model and any changes, whether caused by external factors or internal restructuring, are under the Board's control. No additional Pillar 2 capital is required to cover business risk.

Operational Risk. Operational risk is the risk of a material loss due to inadequate or failed internal processes, people and systems or from external events. This risk category includes the reputational risk that derives from any events caused by staff behaviour that might affect the credibility and reliability of the Firm overall. AGC mitigates the impact of operational risks by maintaining sufficient financial resources to meet its regulatory capital obligations on an on-going basis, identifying and managing sources of risk with supervision of the operations of the business. No additional Pillar 2 capital is required to cover operational risk.

Regulatory capital

The Firm is a Limited Liability Company and its capital arrangements are established in its Articles of Association. As outlined above the Firm is a BIPRU firm and as such its capital requirements are the highest of:

- €125,000;
- The sum of the credit and market risk component; or
- The Fixed Overhead Requirement ('FOR') which is 25% of the Firm's previous year's fixed operating expenses, as calculated in accordance with FCA rules.

Its regulatory capital resources and capital requirements are summarised as follows:

Calculations for a BIPRU firm under BIPRU and GENPRU

	£'000
Total Regulatory Capital after deductions	2,016
Capital requirement	
The highest of:	
- Market risk + Credit risk	259
- Fixed Overheads Requirement	466
- Base Capital Resource Requirement (€125k)	106
plus:	
- Pillar 2 additional capital	11
Total capital requirement	477
Surplus/Deficit	1,539

The Firm is subject to the Fixed Overhead Requirement.

Remuneration disclosure and proportionality

The Firm is subject to the Remuneration Code for BIPRU firms as established in SYSC19C. According to BIPRU 11 a BIPRU firm must make a disclosure that is appropriate to the size, internal organisation and the nature, scope and complexity of their activities.

AGC has applied the relevant principles of proportionality in the disclosure made within this statement, according to the BIPRU remuneration principles proportionality rules and the relevant guidance published by the FCA.

The Remuneration Code ('the RemCode') covers an individual's total remuneration, fixed and variable. The Firm incentivises staff through a combination of the two.

The Firm's business is to provide portfolio management services in relation to alternative investment funds.

We are required to disclose certain information on at least an annual basis regarding our Remuneration policy and practices for those staff whose professional activities have a material impact on the risk profile of the firm. Our disclosure is made in accordance with our size, internal organisation and the nature, scope and complexity of our activities. The Firm's full Remuneration Policy is available at the request of investors.

Summary of information on the decision-making process used for determining the Firm's remuneration policy including use of external benchmarking consultants where relevant.

- The Firm's policy has been agreed by the Senior Management in line with the Remuneration principles laid down by the FCA.
- Due to the size, nature and complexity of the Firm, we are not required to appoint an independent remuneration committee.
- The Firm's policy will be reviewed as part of annual process and procedures or following a significant change to the business requiring an update to its internal capital adequacy assessment.
- Investment Management Firm - The Firm's ability to pay bonus is based on the performance of Firm overall and derived after its fund's managed returns have been calculated by client appointed third party administrators.
- There is limited involvement of the Firm in deriving asset prices as the majority of assets held are in liquid securities or [detail the extent to which the firm is involved in the valuation of assets which derive profit and remuneration for staff.
- Individuals are rewarded based on their contribution to the overall strategy of the business:
 - a. Investment Generation
 - b. Investment Trading
 - c. Sales & Marketing
 - d. Operations

Other factors such as performance, reliability, effectiveness of controls, business development and contribution to the business are taken into account when assessing the performance of the senior staff responsible for the infrastructure of the Firm.

Our Remuneration Policy Statement is designed to ensure that we comply with the RemCode and that our compensation arrangements:

1. are consistent with and promote sound and effective risk management;
2. do not encourage risk taking which is excessive or inconsistent with the risk profile and investment strategy of the AIFs they manage;
3. are in line with the Firm's business strategy, objectives, values and long-term interests.

The Firm sets the following financial and non-financial criteria to incentivise staff;

1. Financial goals are set out in the Firm's business plan and deliverables, which are updated annually
2. Non-financial goals are principally oriented towards adherence to regulatory and ethical principles outlined by both the FCA and the Board of the Firm.

Business Area Aggregate compensation for prior remuneration year

Aggregate quantitative information on remuneration awarded in respect of each business line:

Investment Management and Trading £1,030,213

Non-Trading and administration £237,324

Remuneration Code Staff

In the 2019 Remuneration year, AGC had 12 Remuneration Code staff, of which 4 are senior management.

Aggregate quantitative information on remuneration, for senior management and staff whose actions have a material impact on the risk profile of the firm/of those staff of the Firm who are fully or partly involved in the activities of the AIF:

Senior Management: £716,533

Other Staff £551,004

We may omit required disclosures where we believe that the information could be regarded as prejudicial to the UK or other national transposition of Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data.

We have made no omissions on the grounds of data protection.

UK Financial Reporting Council's Stewardship Code

According to COBS2.2.3R of the FCA's Conduct of Business Sourcebook, the Firm is required to include a disclosure about the nature of its commitment to the UK Financial Reporting Council's Stewardship Code (the 'Stewardship Code') or, where it does not commit to the Code, its alternative investment strategy.

The investment strategy of the Firm is carried out through a mini-master fund structure where the feeder fund will invest its assets in the Mini-Master Fund. The investment strategy will focus on factoring, invoice discounting, supply chain finance and trade finance. Consequently, while the Firm supports the objectives that underlie the Code, the provisions of the Code are not relevant to the type of trading currently undertaken by the Firm.

If the Firm's investment strategy changes in such a manner that the provisions of the Code become relevant, then the Firm will amend this disclosure accordingly.

Verification

The information contained in this document has not been audited by the Firm's external auditors and does not constitute any form of financial statement.