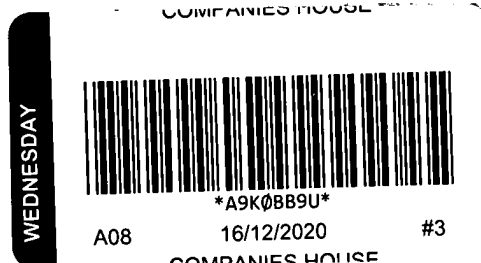


BlueCrest Capital Management Global Holdings Limited

Registered number: 8189739

Report and Audited Consolidated Financial Statements

For the year ended 31 December 2019



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Registered number: 8189739

Administrative information

Directors

P A Cox

P J Dehadray

Auditor

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London

SW1E 5BY

Directors' report

The Directors present their annual report of BlueCrest Capital Management Global Holdings Limited (the "Company") and its subsidiary (collectively the "Group") together with the Group and Company financial statements for the year ended 31 December 2019.

Principal activity and review of the business

The Company was incorporated on 23 August 2012.

The Company's principal activity is to hold an investment in BlueCrest USA Holdings Limited ("BCUSAHL" or the "Subsidiary"), a Company incorporated in England. BCUSAHL holds an indirect interest in BlueCrest Capital Management (New York) LP ("BCM New York") and BlueCrest Capital Management (Boston) LP ("BCM Boston") (collectively, the "Partnerships") through its direct partnership interest in BlueCrest USA Limited Partnership ("BC USA LP").

Prior to 2 January 2018, the Partnerships provided investment management services under sub-investment management agreements with BlueCrest Capital Management Limited ("BCML"), in its capacity as general partner of BlueCrest Capital Management LP ("BCMLP").

On 2 January 2018, BC Capital Management Services Limited ("BCMSL") sold its interest in the Company to BS Investment Fund Limited ("BSIF"), an affiliated fund managed by BCML as general partner of BCMLP. BSIF later transferred its interest in the Company to its master fund BSMA Limited ("BSMA"), a Cayman Islands registered fund also managed by BCML as general partner of BCMLP.

On 2 January 2018, the sub-investment management agreement with BCM New York was terminated and BSMA directly appointed BCM New York to provide investment management services.

On 4 January 2018, BS Strategic Investments Limited became the managing member of BC USA GP, LLC ("BC USA GP"), a direct subsidiary of the Company. On this date, the Company ceased to control BC USA GP and its indirect subsidiaries BC USA LP, BCM New York and BCM Boston (together, the "US Group"). A loss on disposal of US\$267,000 has been recognised in the prior year Group Statement of Comprehensive Income.

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors, each Director has taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors

The Directors of the Company during the year and up to the date of this report are disclosed on page 1.

Auditors

KPMG LLP has been appointed as auditor of the Company. There is no requirement for the annual reappointment of an auditor.

On behalf of the board



P A Cox
Director

19 November 2020

Group strategic report

Results and dividends

The Group loss for the year after tax is US\$638,000 (2018: loss of US\$294,000).

The Directors do not recommend the payment of a dividend and no dividend was paid in the prior year.

Principal risks and uncertainties

The risks and uncertainties the Group faces relate to the performance of the Partnerships. Risk is an inherent component of the Partnerships' business and their ability to earn a return on capital in respect of the funds they manage under the sub-investment management agreements derives from taking risks. Their ability to identify and manage these risks effectively is critical to their continued success. The principal risks facing the Partnerships include:

- **Business risk:** the risk that the market position of the funds managed under the sub-investment management agreements may be adversely impacted resulting in a reduction to the future profitability of the business.
- **Foreign exchange ("FX") risk:** the Partnerships are exposed to FX risk as a result of the foreign currency denominated assets held.
- **Credit risk:** the Partnerships are exposed to credit risk in respect of fees receivable from BSMA (through a sub-investment management and services agreement) which, in turn, is exposed to credit risks in respect of a counterparty or fund failing to meet their contractual obligations.
- **Operational risk:** the Partnerships are exposed to most of the operational risks normally found within asset management businesses, examples of significant risks include: fraud, mis-selling of products or errors in fund prospectuses, breach of investment mandate, technology failures and fund valuation errors.
- **Liquidity risk:** the risk of not having sufficient liquid resources to meet obligations as they fall due.

The Partnerships address these risks through:

- Utilisation of capital to optimise the risk and return profile. High levels of unencumbered cash balances are generally held by the funds.
- Active management which reviews and assesses exposures within the portfolio, enforcing a reduction in exposures where appropriate.

The Partnerships and BlueCrest group entities that perform any outsourced activities mitigate operational risks through:

- Effective risk management, strong internal controls, sound governance and a clear understanding of operational risk management processes.
- The recruitment, retention and motivation of high calibre professionals across portfolio management, infrastructure and operations functions.
- The design, implementation and effective operation of the firm-wide risk management framework which outlines responsibilities and escalation procedures for the identification and management of operational risks and operational risk losses.
- Regular review of the integrity and robustness of information technology systems including significant resources committed to protecting the resilience of these systems, formal business continuity plans, appropriate remote data back-up and disaster recovery facilities.

Future developments

The Directors aim to continue the activities of the Group which is to hold investments in the US Group.

Group strategic report

Going concern

The Company's principal activity is to act as a holding company to BCUSAHL which holds an investment in BC USA LP. The Directors have no current intention to change this structure within the next 12 months. The Group has minimal on-going expenditure and sufficient resources to meet its working capital requirements, including an amount receivable from BCM New York which is considered to be fully recoverable. Taking this into account, the Directors have a reasonable expectation that the Group has adequate support and resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

Since March 2020, the outbreak of Covid-19 has adversely impacted global commercial activities. The rapid development and fluidity of this situation precludes any prediction as to its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The Directors have considered the impact of the Covid-19 pandemic on the Group, the Company and the investments that it holds and do not have any concern over the ability of the Company and the Group to continue operating for the foreseeable future.

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors, each Director has taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors

The Directors of the Company during the year and up to the date of this report are disclosed on page 1.

Auditors

KPMG LLP has been appointed as auditor of the Company. There is no requirement for the annual reappointment of an auditor.

On behalf of the board



P A Cox
Director
19 November 2020

Statement of Directors' responsibilities

in respect of the Strategic report, the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' Report 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditors' report

to the Shareholder of BlueCrest Capital Management Global Holdings Limited

Opinion

We have audited the financial statements of BlueCrest Capital Management Global Holdings Limited ("the Parent Company" and the "Group") for the year ended 31 December 2019 which comprise the Group statement of comprehensive income, the Parent Company statement of comprehensive income, the Group statement of financial position, the Parent Company statement of financial position, the Group statement of changes in equity, the Parent Company statement of changes in equity, the Group statement of cash flows and related notes, including the accounting policies in note 1.

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 UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Parent Company and the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Parent Company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

Independent auditors' report

to the Shareholder of BlueCrest Capital Management Global Holdings Limited

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditors' report

to the Shareholder of BlueCrest Capital Management Global Holdings Limited

The purpose of our audit work and to whom we owe our responsibilities

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sinead O Reilly

**Sinead O Reilly (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square
Canary Wharf
London, E14 5GL

20 November 2020

Group statement of comprehensive income

for the year ended 31 December 2019

	<i>Notes</i>	<i>2019 \$000's</i>	<i>2018 \$000's</i>
Administrative expenses		(25)	(25)
Operating loss	2	(25)	(25)
Interest payable and similar expenses		(125)	-
Net foreign exchange loss		-	(2)
Loss on disposal of subsidiaries		-	(267)
Loss on ordinary activities before tax		(150)	(294)
Tax on loss on ordinary activities	3	(488)	-
Loss on ordinary activities after tax		(638)	(294)
Total comprehensive loss		(638)	(294)

All amounts relate to continuing operations.

There was no other comprehensive income in current and prior year.

The notes on pages 16 to 22 form an integral part of these consolidated financial statements.

Parent company statement of comprehensive income
for the year ended 31 December 2019

	<i>Notes</i>	<i>2019 \$000's</i>	<i>2018 \$000's</i>
Administrative expenses		(12)	(14)
<i>Operating loss</i>	2	<u>(12)</u>	<u>(14)</u>
Interest payable and similar expenses		(125)	-
Net foreign exchange gain/(loss)		1	(2)
<i>Loss on ordinary activities before tax</i>		<u>(136)</u>	<u>(16)</u>
Tax on loss on ordinary activities	3	(488)	-
<i>Loss on ordinary activities after tax</i>		<u>(624)</u>	<u>(16)</u>
<i>Total comprehensive loss</i>		<u>(624)</u>	<u>(16)</u>

All amounts relate to continuing operations.

There was no other comprehensive income in current and prior year.

The notes on pages 16 to 22 form an integral part of these consolidated financial statements.

Group statement of financial position

at 31 December 2019

	Notes	2019 \$000's	2018 \$000's
Current assets			
Debtors	5	3,238	2,320
Cash and cash equivalents		26	1,520
		<u>3,264</u>	<u>3,840</u>
Creditors: amounts falling due within one year	6	(430)	(368)
Net current assets		<u>2,834</u>	<u>3,472</u>
Total assets less current liabilities		<u>2,834</u>	<u>3,472</u>
Net assets		<u>2,834</u>	<u>3,472</u>
Capital and reserves			
Called up share capital	8	45,000	45,000
Contribution to capital		105,000	105,000
Profit and loss account		(147,166)	(146,528)
Total capital and reserves		<u>2,834</u>	<u>3,472</u>

Signed on behalf of the Board



P A Cox
Director
19 November 2020

The notes on pages 16 to 22 form an integral part of these consolidated financial statements.

Parent company statement of financial position
at 31 December 2019

	<i>Notes</i>	<i>2019</i> <i>\$000's</i>	<i>2018</i> <i>\$000's</i>
<i>Fixed assets</i>			
Investments in subsidiaries	4	-	-
<i>Current assets</i>			
Debtors	5	3,264	2,365
Cash and cash equivalents		21	1,484
		<u>3,285</u>	<u>3,849</u>
<i>Creditors: amounts falling due within one year</i>	6	(418)	(358)
<i>Net current assets</i>		<u>2,867</u>	<u>3,491</u>
<i>Total assets less current liabilities</i>		<u>2,867</u>	<u>3,491</u>
<i>Net assets</i>		<u>2,867</u>	<u>3,491</u>
<i>Capital and reserves</i>			
Called up share capital	8	45,000	45,000
Contribution to capital		105,000	105,000
Profit and loss account		(147,133)	(146,509)
<i>Total capital and reserves</i>		<u>2,867</u>	<u>3,491</u>

Signed on behalf of the Board



P A Cox
Director
19 November 2020

The notes on pages 16 to 22 form an integral part of these consolidated financial statements.

Group statement of changes in equity

at 31 December 2019

	<i>Called-up share capital \$000's</i>	<i>Profit and loss account \$000's</i>	<i>Contribution to Capital \$000's</i>	<i>Total equity \$000's</i>
<i>Balance at 1 January 2018</i>	45,000	(146,234)	105,000	3,766
Total comprehensive loss	-	(294)	-	(294)
<i>Balance at 31 December 2018</i>	45,000	(146,528)	105,000	3,472
Total comprehensive loss	-	(638)	-	(638)
<i>Balance at 31 December 2019</i>	45,000	(147,166)	105,000	2,834

The notes on pages 16 to 22 form an integral part of these consolidated financial statements.

Parent company statement of changes in equity
at 31 December 2019

	<i>Called-up share capital \$000's</i>	<i>Profit and loss account \$000's</i>	<i>Contribution to Capital \$000's</i>	<i>Total equity \$000's</i>
<i>Balance at 1 January 2018</i>	45,000	(146,493)	105,000	3,507
Total comprehensive loss	-	(16)	-	(16)
<i>Balance at 31 December 2018</i>	45,000	(146,509)	105,000	3,491
Total comprehensive loss	-	(624)	-	(624)
<i>Balance at 31 December 2019</i>	45,000	(147,133)	105,000	2,867

The notes on pages 16 to 22 form an integral part of these consolidated financial statements.

Registered number: 8189739

Group statement of cash flows
at 31 December 2019

	<i>Notes</i>	2019 \$000's	2018 \$000's
Net cash (outflow)/ inflow from operating activities	11	(1,494)	305
(Decrease)/ Increase in cash and cash equivalents		<u>(1,494)</u>	<u>305</u>
Cash and cash equivalents at 1 January		1,520	5,912
Derecognition of cash within US Group		-	(4,697)
Cash and cash equivalents at 31 December		<u>26</u>	<u>1,520</u>

The notes on pages 16 to 22 form an integral part of these consolidated financial statements.

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting policies

Statement of compliance

BlueCrest Capital Management Global Holdings Limited (the "Company") is a limited liability company incorporated in England. The registered office address is Nova North, 11 Bressenden Place, London, SW1E 5BY.

The financial statements of the Group have been prepared in compliance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and in accordance with the requirements of the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets measured at fair value through profit and loss and in accordance with applicable accounting standards.

The Company's principal activity is to act as a holding company to BCUSAHL which holds an investment in BC USA LP. The directors have no current intention to change this structure within the next 12 months. The Group has minimal on-going expenditure and sufficient resources to meet its working capital requirements, including an amount receivable from BCM New York which is considered to be fully recoverable. Taking this into account, the Directors have a reasonable expectation that the Group has adequate support and resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the report and financial statements.

Since March 2020, the outbreak of Covid-19 has adversely impacted global commercial activities. The rapid development and fluidity of this situation precludes any prediction as to its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The Directors have considered the impact of the Covid-19 pandemic on the Group, the Company and the investments that it holds and do not have any concern over the ability of the Company and the Group to continue operating for the foreseeable future.

The financial statements are presented in United States Dollars ("USD") and are rounded to the nearest thousand dollars (\$000).

Basis of consolidation

The Group financial statements consolidate the financial statements of BlueCrest Capital Management Global Holdings Limited and its subsidiary (collectively the "Group").

On 2 January 2018, BC Capital Management Services Limited ("BCMSL"), a UK limited liability company, sold its interest in the Company to BS Investment Fund Limited ("BSIF"), an affiliated fund managed by BlueCrest Capital Management Limited ("BCML") as general partner of BlueCrest Capital Management LP ("BCMLP"). BSIF later transferred its interest in the Company to its master fund BSMA, a Cayman Islands registered fund also managed by BCML as general partner of BCMLP.

Following the sale, the Company was no longer exempt from preparing consolidated financial statements and therefore, consolidated financial statements have been prepared for the years ended 31 December 2018 and 31 December 2019.

On 4 January 2018, BS Strategic Investments Limited ("BSSIL") became the managing member of BC USA GP, LLC ("BC USA GP"), a direct subsidiary of the Company. On this date, the Company ceased to control BC USA GP and its indirect subsidiaries BC USA LP, BCM New York and BCM Boston (together, the "US Group").

All intercompany transactions and balances have been eliminated in the Group accounts.

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting policies (cont'd)

Judgements, assumptions and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Management is of the opinion that there were no key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Expenses

Expenses are recognised on an accruals basis.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses.

Interest expense

Interest expense comprises of interest on tax obligations and is recognised as interest payable and similar expenses within the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and cash in hand and short term deposits with an original maturity date of three months or less.

Financial Instruments

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from fellow group companies are initially recognised at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the financial statements

For the year ended 31 December 2019

1. Accounting policies (cont'd)

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred taxation

The current tax charge is calculated on the basis of UK tax law enacted or substantively enacted at the balance sheet date. The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

Foreign currencies

The Company's functional and presentational currency is United States dollars (USD). Transactions in foreign currencies are initially recorded in the Company's functional currency by applying the spot exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

2. Group operating loss

Operating loss is stated after charging:

	2019	2018
	\$000's	\$000's
Auditors' remuneration	24	25
Fees payable to the Company's auditors for the audit of the Group and Company financial statements	24	25

The Company had no employees during 2019 (2018: Nil).

The Company did not pay directors' fees during 2019 (2018: \$Nil).

3. Tax on loss on ordinary activities

a) Analysis of tax charge for the year

Group and Company

	2019	2018
	\$000's	\$000's
Current tax:		
Adjustment in respect of prior years	488	-
Total tax charge for the year	488	-

Notes to the financial statements

For the year ended 31 December 2019

3. Tax on loss on ordinary activities (cont'd)

b) Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

Group

	2019 \$000's	2018 \$000's
Loss on ordinary activities before tax	(150)	(294)
Loss on ordinary activities multiplied by the UK corporate tax rate of 19% (2018: 19%)	(29)	(56)
Effects of:		
Tax losses not recognised	29	56
Adjustment in respect of prior years	488	-
Total tax charge for the year	488	-

Company

	2019 \$000's	2018 \$000's
Loss on ordinary activities before tax	(136)	(16)
Loss on ordinary activities multiplied by the UK corporate tax rate of 19% (2018: 19%)	(26)	(3)
Effects of:		
Tax losses not recognised	26	3
Adjustment in respect of prior years	488	-
Total tax charge for the year	488	-

4. Investments

a) Investments in subsidiaries

Company

Details of subsidiary undertakings are as follows:

Name of company	Proportion of voting rights	Country of registration and operation
BlueCrest USA Holdings Limited*	100%	England
* Direct holdings of ordinary shares		

Notes to the financial statements

For the year ended 31 December 2019

4. Investments (cont'd)*b) Other investments**Group*

	2019	2018
	\$000's	\$000's
Balance at 1 January	-	8
Disposal	-	(8)
Balance at 31 December	-	-

During the year ended 31 December 2018, the Group derecognised other investments with a carrying value of \$8,000 following the loss of control of the US Group.

5. Debtors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
Amounts due from related parties (note 10)	3,093	343	3,093	347
Amounts due from group entities	-	-	26	41
Corporation tax receivable	145	1,977	145	1,977
Balance at 31 December	3,238	2,320	3,264	2,365

As at 31 December 2019, there were no debtor amounts falling due after more than one year (2018: \$nil).

6. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2019	2018	2019	2018
	\$000's	\$000's	\$000's	\$000's
Accruals	22	21	10	11
Amounts due to related parties (note 10)	348	347	348	347
Corporation tax payable	45	-	45	-
Interest payable	15	-	15	-
Balance at 31 December	430	368	418	358

As at 31 December 2019, there were no creditor amounts falling due after more than one year (2018: \$nil).

Notes to the financial statements

For the year ended 31 December 2019

7. Financial instruments

<i>Group</i>	<i>2019</i>	<i>2018</i>
	<i>\$000's</i>	<i>\$000's</i>
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Amounts due from related parties	3,093	343
	<u>3,093</u>	<u>343</u>
<i>Financial liabilities that are debt instruments measured at amortised cost</i>		
Amounts due to related parties	348	347
Interest payable	15	-
	<u>363</u>	<u>347</u>
<i>Company</i>		
	<i>2019</i>	<i>2018</i>
	<i>\$000's</i>	<i>\$000's</i>
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Amounts due from related parties	3,093	347
Amounts due from Group entities	26	41
	<u>3,119</u>	<u>388</u>
<i>Financial liabilities at amortised cost</i>		
Amounts due to related parties	348	347
Interest payable	15	-
	<u>363</u>	<u>347</u>

8. Share capital

<i>Company and Group</i>	<i>Authorised 2019 \$000's</i>	<i>Issued and fully paid 2019 \$000's</i>	<i>Authorised 2018 \$000's</i>	<i>Issued and fully paid 2018 \$000's</i>
28,358,801 ordinary shares of £1 each	45,000	45,000	45,000	45,000

Notes to the financial statements

For the year ended 31 December 2019

9. Parent and ultimate controlling party

On 2 January 2018, BCMSL sold its interest in the Company to BSIF, an affiliated Cayman Islands registered fund managed by BCML, for US\$1. On the same day, BSIF transferred its interest in the Company to its master fund, BSMA Limited, a Cayman Islands registered fund also managed by BCML. Thereby, BSMA is the immediate parent and BC Cayman Charitable Trust is the ultimate controlling party.

10. Related parties

Company and Group

The Company has taken advantage of the exemption from disclosure of transactions with group entities provided by FRS 102 Section 33 "Related Party Disclosures".

BCM New York is a related party to the Company and the Group as it is subject to common control. During the year the Company paid \$2,748,000 to or on behalf of BCM New York. As at 31 December 2019, an amount of \$3,093,000 (2018: \$343,000) was receivable by the Group and an amount of \$3,093,000 (2018: \$347,000) was receivable by the Company from BCM New York.

BC USA GP is a related party to the Company and the Group as it is subject to common control. As at 31 December 2019, an amount of \$348,000 (2018: \$347,000) was payable to BC USA GP by the Company and the Group.

11. Notes to the statement of cash flows

Reconciliation of operating loss to net cash outflow from operating activities

<i>Group</i>	<i>2019</i> <i>\$000's</i>	<i>2018</i> <i>\$000's</i>
Operating loss	(25)	(25)
<i>Adjustments to reconcile operating loss for the year to net cash flow from operating activities</i>		
(Increase)/ Decrease in debtors	(2,659)	51
Increase in creditors	62	83
Other non-cash movements	-	(2)
Tax received	1,741	198
Tax expense for the year	(488)	-
Interest payable and similar charges	(125)	-
Net cash (outflow)/ inflow from operating activities	(1,494)	305

12. Subsequent events

Since March 2020, the outbreak of Covid-19 has adversely impacted global commercial activities. The rapid development and fluidity of this situation precludes any prediction as to its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The Directors have considered the impact of the Covid-19 pandemic on the Company and the investments that it holds. Since the outbreak of Covid-19, BSMA has continued to generate sufficient profits and is expected to do so for the foreseeable future. As such there is no concern over the ability of BSMA to pay investment management fees to the Partnerships.