

Registered number: 08868101

**BROWN ARGUS TRADING LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**



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**BROWN ARGUS TRADING LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	G Krempels (resigned 31 January 2020) External Officer Limited UK Officer Ltd (resigned 31 January 2020) T Moore (appointed 31 January 2020) D Strothers (appointed 31 January 2020) M Swanson (appointed 31 January 2020) Thames Street Services Limited (appointed 31 January 2020)
<b>Company secretary</b>	External Officer Limited
<b>Registered number</b>	08868101
<b>Registered office</b>	6th Floor St Magnus House 3 Lower Thames Street London EC3R 6HD
<b>Bankers</b>	HSBC Bank Plc 65 Cornmarket Street Oxford OX1 3HY
<b>Solicitors</b>	Osbourne Clarke Legal Services Limited 2 Temple Back East Temple Quay Bristol BS1 6EG

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**BROWN ARGUS TRADING LIMITED**

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## **BROWN ARGUS TRADING LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020**

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The directors present their report and the financial statements for the year ended 31 March 2020.

#### **Directors**

The directors who served during the year were:

G Krempels (resigned 31 January 2020)  
External Officer Limited  
UK Officer Ltd (resigned 31 January 2020)  
T Moore (appointed 31 January 2020)  
D Strothers (appointed 31 January 2020)  
M Swanson (appointed 31 January 2020)  
Thames Street Services Limited (appointed 31 January 2020)

#### **Directors' responsibilities statement**

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

#### **Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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**BROWN ARGUS TRADING LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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**Going concern**

The accounts have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the directors have taken into account all relevant information about the future. The directors have prepared forecasts and reviewed capital requirements for twelve months from the date of approving these financial statements.

Brown Argus Trading Limited has suffered losses due to a large debtor going into administration and another becoming insolvent. All unrecoverable balances at the date of signing have been provided for in the March 2020 figures. Brown Argus Trading Limited has minimal overheads, cash reserves and continues to be supported by its parent Chalkhill Life Holdings Ltd.

The ongoing support of the parent company has been confirmed, and the directors are comfortable that the company can continue to trade for at least twelve months from the date of sign-off of the financials to March 2022.

**Post balance sheet events**

There have been no significant events affecting the company since the year end. The directors are satisfied there are no adjustments required to the balance sheet as a result of Covid 19, as no provisions are required against outstanding debtors and creditors.

**Auditor**

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

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

*Tom Moore*

**T Moore**  
Director

Date: 31/3/2021



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROWN ARGUS TRADING LIMITED

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### Opinion

We have audited the financial statements of Brown Argus Trading Limited (the 'company') for the year ended 31 March 2020, which comprise the Statement of comprehensive income, the Balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as COVID-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

COVID-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROWN ARGUS TRADING LIMITED  
(CONTINUED)**

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**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 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.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as COVID-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, 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 company will continue in operation.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROWN ARGUS TRADING LIMITED  
(CONTINUED)**

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

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

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

**Matter on which we are required to report under the Companies Act 2006**

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

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

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

**Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 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 company or to cease operations, or have no realistic alternative but to do so.





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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BROWN ARGUS TRADING LIMITED  
(CONTINUED)**

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Use of our report**

This report is made solely to the 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.

A handwritten signature in black ink, appearing to read 'Amanda James'.

Amanda James  
Senior statutory auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Oxford  
Date: 31/3/2021

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**BROWN ARGUS TRADING LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2020**

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	Note	2020 £	2019 £
Turnover		2,560,899	288,095
Administrative expenses		(54,962)	(445,110)
Exceptional administrative expenses	5	(3,734,226)	(5,754,614)
<b>Operating loss</b>		<u>(1,228,289)</u>	<u>(5,911,629)</u>
Interest receivable and similar income		-	1,850,640
<b>Loss before tax</b>		<u>(1,228,289)</u>	<u>(4,060,989)</u>
Tax on loss		-	-
<b>Loss for the financial year</b>		<u><u>(1,228,289)</u></u>	<u><u>(4,060,989)</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of comprehensive income.

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 9 to 13 form part of these financial statements.

Turnover and operating loss derive wholly from continuing operations.

**BROWN ARGUS TRADING LIMITED**  
**REGISTERED NUMBER:08868101**

**BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	3,150,519	5,826,011
Cash at bank and in hand	7	255,069	1,893
		<u>3,405,588</u>	<u>5,827,904</u>
Creditors: amounts falling due within one year	8	(21,079,375)	(22,273,402)
<b>Net current liabilities</b>		<u>(17,673,787)</u>	<u>(16,445,498)</u>
<b>Total assets less current liabilities</b>		<u>(17,673,787)</u>	<u>(16,445,498)</u>
<b>Net liabilities</b>		<u><u>(17,673,787)</u></u>	<u><u>(16,445,498)</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account		(17,673,788)	(16,445,499)
		<u><u>(17,673,787)</u></u>	<u><u>(16,445,498)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31/3/2021

*Tom Moore*

**T Moore**  
 Director

The notes on pages 9 to 13 form part of these financial statements.

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**BROWN ARGUS TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**1. General information**

Brown Argus Trading Limited is a private company limited by shares & incorporated in England and Wales. Registered number 08868101. Its registered head office is located at 6th Floor, St Magnus House, 3 Lower Thames Street, London, England, EC3R 6HD.

**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 Section 1A of 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 management to exercise judgement in applying the company's accounting policies (see note 3).

The functional and presentational currency of the company is Sterling (£).

The following principal accounting policies have been applied:

**2.2 Going concern**

The accounts have been prepared on a going concern basis. In assessing whether the going concern assumption is appropriate, the directors have taken into account all relevant information about the future.

The directors have prepared forecasts and reviewed capital requirements for twelve months from the date of approving these financial statements.

Brown Argus Trading Limited has suffered losses due to a large debtor going into administration and another becoming insolvent. All unrecoverable balances at the date of signing have been provided for in the March 2020 figures. Brown Argus Trading Limited has minimal overheads, cash reserves and continues to be supported by its parent Chalkhill Life Holdings Ltd.

The ongoing support of the parent company has been confirmed, and the directors are comfortable that the company can continue to trade for at least twelve months from the date of sign-off of the financials to March 2022.

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the Revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents amounts receivable for interest and similar amounts generated in the year net of any applicable value added tax. Any uninvoiced income is accrued in the period in which it has been generated.

**2.4 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

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**BROWN ARGUS TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)****2.5 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

**2.6 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.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.9 Financial instruments**

The company only enters into basic financial instrument 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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**BROWN ARGUS TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)****2.9 Financial instruments (continued)**

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 the Statement of comprehensive income.

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. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

**4. Employees**

The average monthly number of employees, including directors, during the year was 2 (2019 - 2).

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**BROWN ARGUS TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**5. Exceptional items**

	2020 £	2019 £
Bad debt write-off	<u>3,734,226</u>	<u>5,754,614</u>

**6. Debtors**

	2020 £	2019 £
Prepayments and accrued income	89,241	366,683
Other debtors	34	-
Loans	2,820,711	5,218,795
Corporation tax recoverable	240,533	240,533
	<u>3,150,519</u>	<u>5,826,011</u>

**7. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	<u>255,069</u>	<u>1,893</u>

**8. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	204	-
Amount due to parent undertaking	21,072,106	21,943,624
Accruals and deferred income	7,065	329,778
	<u>21,079,375</u>	<u>22,273,402</u>

There is a charge against the fixed and floating assets of the company.

The company has no tax liability for the year and there are estimated tax losses of approximately £14,648,561 (2019: £13,420,275) available to carry forward.

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**BROWN ARGUS TRADING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**9. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
100 (2019 - 100) ordinary shares of £0.01 each	1	1
	<u>1</u>	<u>1</u>

There is a single class of ordinary share. There are no restrictions on dividends or the repayment of capital.

**10. Capital commitments**

The company had no capital commitments at 31 March 2020 (2019: £Nil).

**11. Related party transactions**

As a wholly-owned subsidiary, the company is exempt from disclosing transactions with its parent and fellow wholly-owned subsidiaries.

**12. Controlling party**

The immediate parent company is Chalkhill Life Holdings Limited, a company incorporated in England and Wales. The consolidated financial statements of Chalkhill Life Holdings Limited can be obtained from that company's registered office: 6th Floor, St Magnus House, 3 Lower Thames Street, London, England, EC3R 6HD.

There is no ultimate beneficial owner.