

Company Registration No. 09448185 (England and Wales)

APOLLO COMMERCIAL PROPERTY PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 FEBRUARY 2016

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APOLLO COMMERCIAL PROPERTY PLC

COMPANY INFORMATION

Directors	Martin Myers David Anderson Sebastian Whitton
Secretary	International Registrars Limited
Company number	09448185
Registered office	13 David Mews London W1U 6EQ
Auditors	Jeffreys Henry LLP Finsgate, 5-7 Cranwood Street London EC1V 9EE
Bankers	Metro Bank PLC One Southampton Row London WC1B 5HA

APOLLO COMMERCIAL PROPERTY PLC

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APOLLO COMMERCIAL PROPERTY PLC

CHAIRMAN'S STATEMENT

FOR THE PERIOD ENDED 29 FEBRUARY 2016

I am pleased to present the results of Apollo Commercial Property Plc ("Company") for the period from incorporation on 19 February 2015 to 29 February 2016.

These are the first annual financial statements prepared for the Company. During the year, the Company has successfully issued £1,598,190 of fixed term bonds (prior to redemptions) on the Cyprus Stock Exchange. Since the period end, the Company has successfully raised a further £287,892 of these fixed term bonds.

The loss for the period was £145,357. This loss reflected the fact that the Company is in its initial phase and has incurred administrative expenses and finance costs in advance of future income being generated. The Company made an initial loan during the period, secured over property, and expects to find further suitable investments over the next 12 months as relevant opportunities arise.

The Company continues to work towards the business plan and expect the returns to support the coupon payable on the bonds.



Martin Myers

Chairman

30 June 2016

APOLLO COMMERCIAL PROPERTY PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 29 FEBRUARY 2016

Principal activities and fair review of the business

The Company was incorporated on 19 February 2015 in order to generate revenue from trading property, asset management, lending to real estate SPV companies, and change of use planning applications. During the period, the Company made its first loan to a real estate SPV company.

The Company has made a loss of £145,357 for the period. The loss is due to expenses of incorporating the company and commencing business.

Principal risks and uncertainties

The business is at an early stage of income generation and as a result, aspects of its business strategy are not proven. At this stage the Company cannot with certainty say that it will generate the returns to the extent it has projected.

Further discussion on risk and sensitivity analysis is discussed within note 4.

Key performance indicators

The performance indicators relate to revenue, cash and investments/loans made. Salient points are:

	2016 £
Loss for the period	(145,357)
Cash and cash equivalents	977,046
Secured loans	375,000

The reasons behind the exceptional loss for the period have been explained above and as this is the first period of operation, this does not reflect the expected performance of the Company.

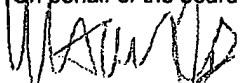
Dependence on key personnel

Whilst the Company's intends to enter into contractual arrangements with the aim of securing the services of its executive Directors, the retention of their services cannot be guaranteed.

Future developments

The Company continues to investigate opportunities in its core market being to provide other business support services not elsewhere classified.

On behalf of the board



Martin Myers
Director
30 June 2016

APOLLO COMMERCIAL PROPERTY PLC

DIRECTORS' REPORT FOR THE PERIOD ENDED 29 FEBRUARY 2016

The Directors present their report and financial statements for the period ended 29 February 2016.

Principal activities

The principal activity of the Company is to acquire distressed UK property, with profits derived from trading property, asset management, redevelopment and lending to real estate companies. Please refer to the Strategic Report for further details.

Results and dividends

The results for the period are set out on page 8.

Future developments

These are detailed in the Strategic Report above.

Directors

The following Directors have held office during the period:

Mark Stephen (appointed 19 February 2015, resigned 8 March 2016)
James King (appointed 8 April 2015, resigned 8 March 2016)
David Anderson (appointed 8 April 2015, resigned 8 March 2016, reappointed 26 May 2016)
Michael Horsford (appointed 8 March 2016, resigned 26 May 2016)
Martin Myers (appointed 25 May 2016)
Sebastian Whitton (appointed 26 May 2016)

Directors' interest

At the date of this report the Directors held the following beneficial interest in the ordinary share capital of the Company:

	2016
Martin Myers	50,000

Substantial interests

As at 29 February 2016 the following investors had an interest of 3% or more in the ordinary share capital of the Company:

	Ordinary shares No.	Percentage
Mark Stephen	50,000	100%

Post period-end, the shares of the Company were sold by Mark Stephen to Hawnbrook Commercial Holdings Limited, wholly owned by Martin Myers.

Creditor payment policy

The Company's policy is to pay creditors within the agreed terms which are generally no more than 30 days.

Financial risk and management of capital

The major balances and financial risks to which the Company is exposed to and the controls in place to minimise those risks are disclosed in Note 4. The principal current asset of the business is cash. Therefore the principal financial instruments employed by the Company are cash or cash equivalents and the Directors ensure that the business maintains surplus cash reserves to minimise liquidity risk.

A description of how the Company manages its capital is also disclosed in Note 4.

The Board considers and reviews these risks on a strategic and day-to-day basis in order to minimise any potential exposure.

APOLLO COMMERCIAL PROPERTY PLC

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 29 FEBRUARY 2016

Financial Instruments

During the period, the Company has issued £1,598,190 fixed term bonds with a maturity date of 31 December 2025. The bonds have a coupon rate of 5% per annum, with coupons payable annually at 30 June.

Auditors

Jeffreys Henry LLP were appointed auditors to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to a General Meeting.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the Company's financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare the Company's financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

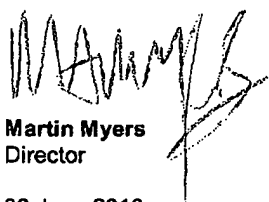
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company hence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

Statement of disclosure to auditors

Each person who is a Director at the date of approval of this Annual Report confirms that:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board



Martin Myers
Director

30 June 2016

APOLLO COMMERCIAL PROPERTY PLC

CORPORATE GOVERNANCE STATEMENT FOR THE PERIOD ENDED 29 FEBRUARY 2016

The board has sought to comply with a number of the provisions of the 2014 UK Corporate Governance Code ("the Code") in so far as it considers them to be appropriate to a Company of their size and nature. They make no statement of compliance with the Code overall and do not 'explain' in detail any aspect of the Code with which they do not comply.

Internal controls

The board is responsible for maintaining a sound system of internal controls to safeguard shareholders' investment and the Company's assets. The Directors monitor the operation of internal controls. The objective of the system is to safeguard the Company's assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is reliable. Any such system of internal control can only provide reasonable, but not absolute assurance against material misstatement or loss.

Internal financial control procedures undertaken by the board include:

- Review of biannual financial reports and monitoring performance; and
- Prior approval of all significant expenditure/loans including all major investment decisions.

The board has reviewed the operation and effectiveness of the Company's system of internal control for the financial period and the period up to the date of approval of the financial statements.

APOLLO COMMERCIAL PROPERTY PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APOLLO COMMERCIAL PROPERTY PLC

We have audited the financial statements of Apollo Commercial Property Plc for the period ended 29 February 2016, which comprises the statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes of equity, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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.

Respective responsibilities of Directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the Company's financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Chairman's Statement, Strategic Report and Directors Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the Company's financial statements:

- give a true and fair view of the state of the Company's affairs as at 29 February 2016 and of the Company's loss and the Company's cash flows for the period then ended;
- The Company's financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors Report and the Strategic Report for the financial period for which the Company's financial statements are prepared is consistent with the Company's financial statements.

APOLLO COMMERCIAL PROPERTY PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF APOLLO COMMERCIAL PROPERTY PLC

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



Sanjay Parmar
Senior Statutory Auditor

For and on behalf of
Jeffreys Henry LLP (Statutory Auditors)
Finsgate 5-7 Cranwood Street
London
EC1V 9EE

Date: 30 June 2016

APOLLO COMMERCIAL PROPERTY PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 29 FEBRUARY 2016

		Period of Incorporation from 15 February 2015 to 29 February 2016
	Notes	£
Continuing operations		
Revenue		-
Administrative expenses		(120,288)
Operating loss	6	<u>(120,288)</u>
Finance income	8	277
Finance costs	8	(25,346)
Loss on ordinary activities before taxation		<u>(145,357)</u>
Income tax expense	9	-
Loss for the period		<u><u>(145,357)</u></u>
Loss per share (expressed in pence per share)	10	(291)p

The notes on pages 12 to 21 form part of these financial statements.

APOLLO COMMERCIAL PROPERTY PLC

STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2016

	Notes	As at 29 February 2016 £
Assets		
Current assets		
Secured loan	14	375,000
Other receivables	12	104,922
Cash and cash equivalents	13	977,046
Total assets		<u>1,456,968</u>
Equity and liabilities		
Equity attributable to owners of the Company		
Ordinary shares	15	50,000
Accumulated losses	16	(145,357)
Total equity		<u>(95,357)</u>
Liabilities		
Non-current liabilities		
Borrowings	18	1,526,483
Current liabilities		
Trade and other payables	17	25,842
Total liabilities		<u>1,552,325</u>
Total equity and liabilities		<u>1,456,968</u>

The notes on pages 12 to 21 form part of these financial statements.

Approved by the Board and authorised for issue on 30 June 2016.


Martin Myers
Director

Company Registration No. 09448185

APOLLO COMMERCIAL PROPERTY PLC

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 29 FEBRUARY 2016

		Period of Incorporation from 15 February 2015 to 29 February 2016
	Notes	£
Cash flows from operating activities		
Cash generated from operations	19	(177,863)
Finance costs paid		(9,074)
Net cash utilised in operating activities		<u>(186,937)</u>
Cash flows from investing activities		
Loans advanced		(375,000)
Net cash utilised in investing activities		<u>(375,000)</u>
Cash flows from financing activities		
Issue of ordinary share capital		12,500
Proceeds from issue of debenture loans		1,526,483
Net cash generated from financing activities		<u>1,538,983</u>
Net increase in cash and cash equivalents		<u>977,046</u>
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at end of period		<u><u>977,046</u></u>

The notes on pages 12 to 21 form part of these financial statements.

APOLLO COMMERCIAL PROPERTY PLC

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 29 FEBRUARY 2016

	Notes	Share capital £	Accumulated losses £	Total £
On incorporation		50,000	-	50,000
Loss for the period		-	(145,357)	(145,357)
As at 29 February 2016		50,000	(145,357)	(95,357)

Share capital is the amount subscribed for shares at nominal value.

Accumulated losses represent the cumulative loss of the Company attributable to equity shareholders.

The notes on pages 12 to 21 form part of these financial statements.

APOLLO COMMERCIAL PROPERTY PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 FEBRUARY 2016

1 General information

The principal activities of the Company are disclosed in the Strategic Report. The Company is both based and has been incorporated in the United Kingdom. The address of the registered office is disclosed on the Company information page at the front of the Annual Report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the year presented unless otherwise stated.

2.1 Basis of preparation

The statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Preparation of financial statements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

New and amended standards adopted by the Company

The Company has adopted the following new and amended IFRSs as of 29 February 2016. This is the Company's first financial period end, so all accounting standards are being applied for the first time.

Standards, interpretations and amendments to published standards that are not yet effective

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial period beginning 15 February 2015 and have not been early adopted:

Reference	Title	Summary	Application date of standard (Periods commencing on or after)
IFRS 14	Regulatory deferral accounts	Aims to enhance the comparability of financial reporting by entities subject to rate-regulations	1 January 2016
IFRS 15	Revenue from contracts with customers	Specifies how and when to recognise revenue from contracts as well as requiring more information and relevant disclosures.	1 January 2017
Amendments to IFRS 11	Joint arrangements	On acquisitions of interest in joint operations	1 January 2016
Amendments to IAS 16 and IAS 41	IAS 16: Property plant and equipment and IAS 41: Agriculture	On Bearer plants	1 January 2016
Amendments to IAS 16 and IAS 38	Intangible Assets	Clarification of acceptable methods of depreciation and amortisation	1 January 2016

APOLLO COMMERCIAL PROPERTY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 FEBRUARY 2016

2.1 Basis of preparation (Continued)

Reference	Title	Summary	Application date of standard (Periods commencing on or after)
Amendments to IAS 27	Separate financial statements	Equity method in separate financial statements	1 January 2016
Amendments to IFRS 10 and IAS 28	IFRS 10: Consolidated financial and IAS 28: Investments in Associates	Investment entities: Applying the consolidation exception	1 January 2016
Amendments to IFRS 10 and IAS 28	IFRS 10: Consolidated financial and IAS 28: Investments in Associates	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
Amendments to IAS 1	Presentation of Financial statements	Disclosure initiative	1 January 2016
Improvements to IFRS 5	Non-current assets held for sale and discontinued operations	Methods of disposal	1 January 2016
Improvements to IFRS 7	Financial instruments	Disclosures on servicing contracts and interim financial statements	1 January 2016
Improvements to IAS 19	Employee benefits	Determining the discount rates for post-employment obligations	1 January 2016
Improvements to IAS 34	Interim financial reporting	Information disclosed elsewhere in the interim financial report	1 January 2016
IFRS 9	Financial instruments	Requirements on the classification and measurement of financial assets and liabilities and includes an expected credit losses model which replaces the current incurred loss impairment model. Also includes the hedging amendment that was issued in 2013	1 January 2018

The Directors anticipate that the adoption of these standards and the interpretations in future period will have no material impact on the financial statements of the Company.

2.2 Financial assets and liabilities

The Company classifies its financial assets at fair value through profit and loss or as loans and receivables and classifies its financial liabilities as other financial liabilities. Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value. At inception transaction costs that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, is added to the fair value of the financial asset and deducted from the fair value of the financial liability.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans are recognised when the funds are advanced to customers. Loans and receivables are carried at amortised cost using the effective interest method (see below).

(b) Other financial liabilities

Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments. Other financial liabilities are recognised when cash is received from the depositors. Other financial liabilities are carried at amortised cost using the effective interest method. The fair value of other liabilities repayable on demand is assumed to be the amount payable on demand at the Statement of Financial Position date.

APOLLO COMMERCIAL PROPERTY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 FEBRUARY 2016

2.2 Financial assets and liabilities (Continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all of the risks and rewards of ownership. In transactions in which the Company's neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company's continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. There have not been any instances where assets have only been partly derecognised. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment.

Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities in active markets are based on current bid and offer prices respectively. If the market is not active the Company establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

2.3 Revenue

While in the current financial period no revenue has been earned by the Company, we have included a description of the Revenue accounting policy to be used for future accounting periods. Revenue will comprise interest income using the effective interest method. The effective interest method calculates the amortised cost of a financial asset and allocated the interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company takes into account all contractual terms of the financial instrument but does not consider future credit losses.

2.4 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.5 Investments

Investments represent shares available for sale and are of a liquid nature in accordance with the investment mandate of the Company. They are valued at the relevant public market bid price and are held as current assets.

APOLLO COMMERCIAL PROPERTY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 FEBRUARY 2016

2.6 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.7 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

2.8 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings consist of interest bearing debentures, which are quoted.

2.9 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.10 Income tax expense

Current income tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

APOLLO COMMERCIAL PROPERTY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 FEBRUARY 2016

2.10 Income tax expense (cont'd)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3 Critical accounting estimates and judgments

The Company makes certain judgements and estimates that affect the reported amount of assets and liabilities. Critical judgements and the assumptions used in calculating estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company assets include loans made to related and third party companies. The Directors do not believe the loans require any provisions against recovery of the principal or interest at the period end.

4 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

4.1 Financial risk factors

The Company's activities may expose it to a variety of financial risks and credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

a) Credit risk

The Company's take on exposure to credit risk, which is this risk that the counterparty will be unable to pay amounts in full when due. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is also maintained by obtaining collateral, the loans to customers include debentures and personal guarantees and the Directors therefore believe there is a low risk of customer default.

The maximum exposure to credit risk for the Company's was as follows:

Credit risk exposure relating to on-balance sheet assets are as follows:	2016 £
Other receivables	104,922
Secured loan	375,000
At 29 February 2016	479,922

b) Cash flow and Interest rate risk

The Company's borrowings are at a fixed rate of interest exposing the Company to fair value interest rate risk. The Company does not manage any cash flow interest rate risk.

APOLLO COMMERCIAL PROPERTY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 FEBRUARY 2016

4.1 Financial risk factors (Continued)

c) Liquidity risk

The Company is careful to ensure that its loans and investments can be realised prior to the due date for the repayment of the debentures. This applies equally to the underlying investments of the companies or projects in which the Company invests.

d) Capital risk

The Company takes great care to protect its capital investments. Significant due diligence is undertaken prior to making any investment. The investments are closely monitored.

e) Market risk

A general economic downturn at a global level, or in one of the world's leading economies, could impact on the Company. In addition, terrorism and other hostilities, as well as disturbances in worldwide financial markets, could have a negative effect on the Company. Regulatory requirements, taxes, tariffs and other trade barriers, price or exchange controls or other governmental policies could also limit the Company's operations. These risks are also applicable to most companies and the risk that the Company will be more affected than the majority of companies is assessed as small.

f) Price risk

The Company's principal activity is short-term business loans. The Company does not have a diversified portfolio of assets and is therefore at risk.

4.2 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure appropriate for its growth plans.

In order to maintain or adjust the capital structure the Company may issue new shares or alter debt levels.

5 Segment information

The Company's single line of business is investing in liquid assets.

6 Operating loss

	2016 £
Operating loss is stated after charging:	
Directors remuneration	-
Audit fees	7,500
Non-audit fees	750
Provision for diminution in value	-

APOLLO COMMERCIAL PROPERTY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 FEBRUARY 2016

7 Staff costs

Employees and Directors	2016 £
Directors' remuneration	2,000
Social security costs	276
	<u>2,276</u>

The average monthly number of employees (including directors) during the period was:

	2016 Number
Directors	3
Staff	-
	<u>3</u>

8 Finance income and costs

	2016 £
Interest received	<u>277</u>
Bank charges	145
Finance cost in relation to debentures	25,201
	<u>25,346</u>

9 Taxation

	2016 £
Total current tax	<u>-</u>
Factors affecting the tax charge for the period	
Loss on ordinary activities before taxation	<u>(145,357)</u>
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20%	(29,071)
Effects of:	
Non-deductible expenses	-
Tax losses carried forward	29,071
Current tax charge for the period	<u>-</u>

The Company has estimated tax losses of £145,357 available for carry forward against future trading profits.

The deferred tax asset at the period end of £29,071 has not been recognised in the financial statements due to the uncertainty of the recoverability of the amount.

APOLLO COMMERCIAL PROPERTY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 FEBRUARY 2016

10 Earnings per share

	2016
Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:	
Loss after tax attributable to equity holders of the Company	(145,357)
Weighted average number of ordinary shares	50,000
Basic and diluted loss per share	<u>(291)p</u>

11 Dividends

No dividends were paid or proposed for the period to 29 February 2016.

12 Other receivables

	2016 £
Other receivables	67,422
Unpaid share capital	37,500
	<u>104,922</u>

13 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at banks and on hand and deposits with banks. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position as follows:

	2016 £
Cash and cash equivalents	<u>977,046</u>

The carrying amount of cash and cash equivalents approximates to its fair value.

14 Secured Loan

	2016 £
Secured Loan	<u>375,000</u>

During the period £375,000 was loaned, secured on the assets of the borrower. This is under a one-year loan facility and is repayable on 25 February 2017 at an interest rate of 6% per annum.

APOLLO COMMERCIAL PROPERTY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 FEBRUARY 2016

15 Share capital

	2016 £
Allotted, called up and partly paid	
50,000 Ordinary shares of £1 each	<u>50,000</u>

Following issue of subscriber shares on 15 February 2015, the Company issued 49,999 additional ordinary shares on 8 April 2015 at £1 each to its shareholders. All 50,000 ordinary shares are paid to 25 pence.

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

16 Accumulated losses

	2016 £
Loss for the period	(145,357)
At 29 February 2016	<u>(145,357)</u>

17 Trade and other payables

	2016 £
Accruals and deferred income	25,842
	<u>25,842</u>

Accruals principally comprise amounts outstanding for on-going expenses and accrued interest on issued debentures and the loan facility. The carrying amount of other payables approximates to its fair value.

APOLLO COMMERCIAL PROPERTY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 29 FEBRUARY 2016

18 Borrowings

	2016 £
Non-current	
Debentures	1,598,190
Introduction to Finance costs	(71,707)
	<u>1,526,483</u>

The debentures are secured by a first floating charge over all of the assets of the Company and bear interest of 5% per annum paid in yearly instalments. The debentures expire on 31 December 2025 and are due for repayment on this date.

The Introduction to Finance costs were incurred upon the placing of bonds and was paid to a related party as detailed in note 21 to the accounts. These amounts are being amortised on a straight line basis over the 10 year life of the bonds. The above balance represents the remaining unamortised amount.

19 Cash generated from operations

	2016 £
Reconciliation to cash generated from operations	
Loss before taxation	(145,357)
Adjustments for:	
Interest expense	9,074
Unrealised loss of investments	-
Changes in working capital:	
- Increase in loans and other receivable	(67,422)
- Increase in trade and other payables	25,842
	<u>(177,863)</u>

20 Control

On 8 March 2016, Mark Stephens sold his 100% shareholding in the Company to Hawnbrook Commercial Holdings Limited, wholly owned by Martin Myers.

21 Related party transactions

During the period, Reditum Capital Limited (previously Hennessy Jones Limited) owed the company £12,500 and charged fees amounting to £28,660 as advisers, as well as being paid financing costs of £77,176 during the accounting period, and were a related party at the year end by virtue of common control by Mark Stephen who wholly owned the company at the period end. Mark Stephen also owed the company £37,500 for unpaid shares as at the period end with the liability passing to Hawnbrook Commercial Holdings Limited following post balance change of ownership.

22 Contingent liabilities

The Company has no contingent liabilities.

APOLLO COMMERCIAL PROPERTY PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE PERIOD ENDED 29 FEBRUARY 2016**

23 Capital commitments

There was no capital expenditure contracted for at the end of the reporting period but not yet incurred.

24 Events after the reporting period

Since the period end a further £287,892 of bonds have been issued with a coupon rate of 5% with a final repayment date of 31 December 2025.

Since the year end the Company has lent £1,270,134 to Affinity Developments plc. This is a related party as Michael Horsford is a Director, and Robert Whitton, the father of Sebastian Whitton is a Director and 100% shareholder.