

Nucleus Property Finance Limited

Annual Report and Financial Statements

For the year ended 31 March 2018



Company Registration No. 09747438 (England and Wales)

Nucleus Property Finance Limited

Company Information

Directors	S Willmet C Shah M Goldman
Secretary	G May
Company number	09747438
Registered office	2 Gees Court London United Kingdom W1U 1JA
Auditor	Kingston Smith LLP Devonshire House 60 Goswell Road London United Kingdom EC1M 7AD

Nucleus Property Finance Limited

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 10

Nucleus Property Finance Limited

Directors' Report

For the year ended 31 March 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the company continued to be the provision of alternative business financing.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S Willmet
C Shah
M Goldman

Auditor

The auditor, Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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). 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;
- 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.

Nucleus Property Finance Limited

Directors' Report (Continued)

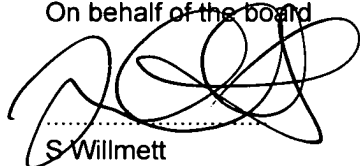
For the year ended 31 March 2018

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



S Willmet

Director

19/12/2018

Nucleus Property Finance Limited

Independent Auditor's Report

To the Members of Nucleus Property Finance Limited

Opinion

We have audited the financial statements of Nucleus Property Finance Limited (the 'company') for the year ended 31 March 2018 which comprise the Profit And Loss Account, 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 FRS 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 2018 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.

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

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.

Nucleus Property Finance Limited

Independent Auditor's Report (Continued)

To the Members of Nucleus Property Finance Limited

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.

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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.

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, 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' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, 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.

Nucleus Property Finance Limited

Independent Auditor's Report (Continued)

To the Members of Nucleus Property Finance Limited

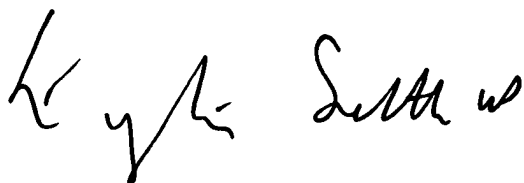
Auditor's responsibilities for the audit of the financial statements

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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Martin Muirhead (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

20/12/19

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
United Kingdom
EC1M 7AD

Nucleus Property Finance Limited

Profit and loss account

For the year ended 31 March 2018

	Notes	2018 £	2017 £
Turnover		2,076,184	592,630
Cost of sales		(452,200)	(122,141)
Gross profit		<u>1,623,984</u>	<u>470,489</u>
Administrative expenses		(588,690)	(103,602)
Operating profit		<u>1,035,294</u>	<u>366,887</u>
Interest payable and similar expenses	3	(1,154,767)	(206,113)
(Loss)/profit before taxation		<u>(119,473)</u>	<u>160,774</u>
Taxation		-	-
(Loss)/profit for the financial year		<u><u>(119,473)</u></u>	<u><u>160,774</u></u>

Nucleus Property Finance Limited

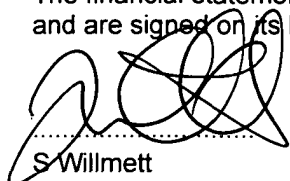
Balance Sheet

As at 31 March 2018

	Notes	2018 £	£	2017 £	£
Current assets					
Debtors	4	15,089,439		8,279,274	
Cash at bank and in hand		753,589		645,946	
		<u>15,843,028</u>		<u>8,925,220</u>	
Creditors: amounts falling due within one year	5	<u>(1,801,626)</u>		<u>(264,346)</u>	
Net current assets			14,041,402		8,660,874
Creditors: amounts falling due after more than one year	6		(14,000,000)		(8,500,000)
Net assets			<u>41,402</u>		<u>160,874</u>
Capital and reserves					
Called up share capital	7		100		100
Profit and loss reserves			41,302		160,774
Total equity			<u>41,402</u>		<u>160,874</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 19/12/2018 and are signed on its behalf by:


S Willmet
Director

Company Registration No. 09747438

Nucleus Property Finance Limited

Notes to the Financial Statements

For the year ended 31 March 2018

1 Accounting policies

Company information

Nucleus Property Finance Limited is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is 2 Gees Court, London, United Kingdom, W1U 1JA.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

As at 31 March 2018, the group had net assets of £226,699 and incurred a loss of £973,505 for the year ended 31 March 2018. The group is funded through long-term credit facilities with third party lenders and the amount owed at 31 March 2018 was £69,070,856. The Directors have confirmed that the profitable entities generating surplus cash will continue to support the loss-making entities within the group, for at least one year from the date of approval of the accounts. Two substantial contracted fees were generated in the period to 31 October 2018 which when taken into account in the forecasts for the year, will generate sufficient cash and profit for the group to continue as a going concern. The Directors have obtained £40,000,000 of alternative funding which will reduce the service costs of the group loans, increasing profitability and enable them to grow the business. As such the accounts have been prepared on a going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT.

Interest received is recognised on a monthly basis. Take on fees are accrued at the point of the start of the contract with the client. Commitment fees relate to preliminary work carried out to establish the risk profile of the client which are then recharged and are accrued as invoiced.

1.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1.5 Financial instruments

Basic financial instruments are measured at cost. The company has no other financial instruments of basic financial instruments measured at fair value.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Nucleus Property Finance Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2018

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was nil (2017: nil).

3 Interest payable and similar expenses

	2018 £	2017 £
Interest payable and similar expenses includes the following:		
Interest payable to group undertakings	115,905	-

4 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	14,672,556	8,239,938
Amounts due from group undertakings	409,110	39,336
Other debtors	7,773	-
	15,089,439	8,279,274

Included within trade debtors is a balance of £7,842,171 due in more than one year.

5 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	51,499	13,138
Amounts due to group undertakings	1,622,562	144,585
Other taxation and social security	-	24,625
Other creditors	127,565	81,998
	1,801,626	264,346

6 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	14,000,000	8,500,000

The long-term loan is secured by a fixed and floating charge over the company's assets.

Nucleus Property Finance Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2018

7 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

8 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 section 33 'Related Party Disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group with which it is party to the transactions.

Included in other debtors is an amount of £500 (2017: £nil) owed by Nucleus Property Finance2 Limited, a company wholly owned by Simon Willmetts.

9 Control

The parent company of Nucleus Property Finance Limited is Nucleus Commercial Holdings Limited, a company incorporated in England and Wales who prepare consolidated accounts for the group. Copies of the consolidated accounts are available from 2 Gees Court, London, W1U 1JA.

The ultimate parent undertaking is Nucleus Holdings Limited, a company incorporated in Isle of Man.