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Capital Dynamics SSCP Limited

Unaudited financial statements for the period July 29, 2019 to December 31, 2019

Company Number 12128145

Capital Dynamics SSCP Limited

Contents

Business of the Company

Capital Dynamics SSCP Limited ("the Company") was incorporated on July 29, 2019 with the aim of providing its investor with high quality co-investments alongside top tier private equity funds. The prime objective is to generate an attractive rate of return for its investor.

At December 31, 2019 the Company had invested GBP 1.7m in one company.

Business review and results

The results of the Company for the period ended December 31, 2019 are set out in the attached financial statements. The result for the period has been taken to retained earnings.

COVID-19 was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. The long-term effects of the increased volatility in the markets and the magnitude of the potential impact of the pandemic on the activities of the Company and the valuation of its investment remain largely uncertain. The Director has conducted a comprehensive review of the likely impact of COVID-19 on the Company's underlying holding using eight discrete evaluation criteria. The Director will continue to monitor the potential effects of COVID-19 on the activities of the Company closely. Further details of the Director's review and evaluation have been provided in the notes to the financial statements.

The business risks faced by the Company are disclosed in note 13.

Dividends

No dividends were paid during the period.

Small Companies Regime

These financial statements have been prepared taking advantage of the exemptions for small companies provided by section 415A of the Companies Act 2006.

Strategic report

The Company has taken an exemption from preparing the Strategic Report in accordance with Section 414B of the Companies Act 2016.

Future developments

The objective and the operations of the Company are expected to remain the same in the foreseeable future.

Director

The following served during the period and up to the date of this report as director of Capital Dynamics SSCP Limited:

David Smith (appointed July 29, 2019)

Directors' Insurance and Indemnities

The Director has the benefit of the indemnity provisions contained in the Company's Articles of Association and the Company has maintained throughout the period Directors' and officers' liability insurance for the benefit of the Company, the Director and its officers. The Company has entered into qualifying third party indemnity arrangements for its Director in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the period and remain in force.

Statement of Director's responsibilities in respect of the financial statements

The Director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial period. The Director is responsible for preparing the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The financial reporting standard applicable in the UK and Republic of Ireland" (FRS 102).

Under Company Law the Director must not approve the financial statements unless he is satisfied that the financial statements 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 the financial statements, the Director is responsible for:

- Selecting suitable accounting policies and then applying them consistently;
- Stating whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- Making judgements and accounting estimates that are reasonable and prudent; and
- Preparing the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is 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 to ensure that the financial statements comply with the Companies Act 2006.

The Director is 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.

On behalf of the Director:

D A Smith

David Smith
Director
Capital Dynamics SSCP Limited
August 19, 2020

Capital Dynamics SSCP Limited

Statement of Comprehensive Income

For the period ended December 31, 2019

	Note		Jul 29, 2019 to Dec 31 2019 GBP
Administrative expenses			
Professional fees		(42,314)	
Other expenses		(4,499)	
	3		(46,813)
Net loss from operating activities			(46,813)
Operating loss			(46,813)
Total unrealised investment loss for the period	4	(124,567)	
Total investment loss for the period			(124,567)
Loss before Income tax			(171,380)
Income tax	11		-
Total Comprehensive Loss for the period			(171,380)
Total Comprehensive Loss for the period attributable to Owners			(171,380)

The result for the period arises solely from continuing activities and includes all recognised gains and losses for the period ended December 31, 2019.

The notes on pages 7 to 17 form an integral part of the financial statements.

Capital Dynamics SSCP Limited
Statement of Financial Position
as at December 31, 2019

	Notes		Dec 31 2019 GBP
Non-current assets:			
Investments - Financial assets at fair value through Statement of Comprehensive Income	4,7		1,579,989
(cost: 2019: GBP 1,704,556)			
Current assets			
Trade and other receivables - amounts falling due within one year	6	111,630	
Total current assets			111,630
Total assets			1,691,619
Current liabilities			
Trade and other payables - amounts falling due within one year		(39,698)	
Total liabilities	5		(39,698)
Net assets			1,651,921
Capital and reserves			
Called up share capital			182,339
Share premium			1,640,962
Revaluation reserve			(124,567)
Retained earnings			(46,813)
Total equity			1,651,921

For the period ending December 31, 2019, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476.

The Director acknowledges his responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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

The notes on pages 7 to 17 form an integral part of the financial statements.

The financial statements on pages 3 to 17 were approved and authorised for issue by the Director on August 19, 2020 and were signed on its behalf by

David Smith
Capital Dynamics SSCP Limited
August 19, 2020

Capital Dynamics SSCP Limited

Statement of Changes in Equity

for the period ended December 31, 2019

	Called-up SSCP A Ordinary share capital GBP	SSCP A Ordinary share premium GBP	Revaluation reserve GBP	Retained earnings GBP	Total GBP
Balance as at July 29, 2019	-	-	-	-	-
Proceeds from shares issued	182,339	1,640,962	-	-	1,823,301
Operating loss for the period	-	-	-	(46,813)	(46,813)
Total unrealised investment loss for the period	-	-	(124,567)	-	(124,567)
Balance as at December 31, 2019	182,339	1,640,962	(124,567)	(46,813)	1,651,921

The notes on pages 7 to 17 form an integral part of the financial statements.

Capital Dynamics SSCP Limited

Statement of Cash Flows

For the period ended December 31, 2019

	Note		Jul 29, 2019 to Dec 31, 2019 GBP
Net cash flow from operating activities	8		-
Cash flow from investing activities			
Purchase of investments		(1,823,301)	
Net cash used in investing activities			(1,823,301)
Net cash outflow before financing			(1,823,301)
Cash flow from financing activities			
Issue of shares			1,823,301
Net cash generated from financing activities			1,823,301
Increase in cash and cash equivalents			-
Cash and cash equivalents at the beginning of the period			-
Cash and cash equivalents at the end of the period			-

The notes on pages 7 to 17 form an integral part of the financial statements.

1 Company information

The Company was incorporated on July 29, 2019, as a private company that is limited by shares under the Companies Act 2006. The purpose of the Company is to provide its investor with high quality co-investments alongside top tier private equity funds. The prime objective is to generate an attractive rate of return for its investor.

The address of the registered office is One Snowhill, Snow Hill Queensway, Birmingham, B4 6GB.

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 periods presented, unless otherwise stated.

(1) Basis of preparation

The financial statements have been prepared on the going concern basis. The Director has prepared the financial statements in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard ("FRS") 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' Section 1A.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the note 2(12) "Critical accounting judgements and estimation uncertainty".

The Company has chosen to apply paragraph 1A(2) of Schedule 1 to the UK Companies Regulations and adapt the Statement of Comprehensive Income format and terminology to comply with Section 5 of FRS 102. The Company has also chosen to apply paragraph 1A(1) of Schedule 1 to adapt the Statement of Financial Position format and terminology to comply with Section 4 of FRS 102. Furthermore the Company has taken the exemption in paragraph 33.1A of FRS 102 in relation to disclosure of related party transactions.

(2) Going concern

On the basis of its assessment of the Company's financial position and resources, the Director believes that the Company is well placed to manage its business risks. Therefore the Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Company continues to adopt the going concern basis of accounting in preparing the annual financial statements.

(3) Revenue

Interest income due to the Company is accounted for on an accruals basis. Dividend income from investments is recognised on an accruals basis when the right to receive it is established. Income is recorded gross of any withholding tax. Distributions (return of capital) received from investments are accounted for as a reduction of cost to that investment. When capital distributions exceed the cost of the investment, any further distribution is recognised as realised gains. Distributions of realised capital gains are recognised in the Statement of Comprehensive Income.

(4) Expenses

Expenses incurred by the Company are recognised on an accruals basis.

(5) Dividends

As described in section 13 of the Articles of Association, all dividends must be:

(i) declared and paid according to the amounts paid up on the shares on which the dividend is paid; and

(ii) apportioned and paid proportionately to the amounts paid up on the shares during any portion or portions of the year in respect of which the dividend is paid.

If any share is issued on terms providing that it ranks for dividend as from a particular date, that share ranks for dividend accordingly.

For the purpose of calculating dividends, no account is to be taken of any amount which has been paid up on a share in advance of the due date for payment of that amount.

2 Summary of significant accounting policies (continued)

(6) Capitalisation of profits

As described in section 14 of the Articles of Association, a capitalised sum which was appropriated from profits available for distribution may be applied:

(a) in or towards paying up any amounts unpaid on any existing nil or partly paid shares held by the persons entitled; or

(b) in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

(7) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

The Director periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. He establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain circumstances. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and are expected to apply to the reversal of the timing difference.

(8) Foreign currency

(i) Functional and presentation currency

The functional and presentational currency of the Company is the British Pound.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each reporting period monetary assets and liabilities denominated in foreign currencies are translated into British Pounds at the rate of exchange ruling at the reporting date. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Exchange gains and losses are recognised in the Statement of Comprehensive Income.

2 Summary of significant accounting policies (continued)

(9) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, loans and advances to banks repayable on demand, money market deposits and securities, customers' deposits and bank overdrafts.

(10) Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, loans and cash and cash equivalents are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

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

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

The investments of the Company are all non-public investments. These investments are included initially in the financial statements at fair value and are also subsequently carried at fair value. The changes in fair value are recognised in the Statement of Comprehensive Income, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

The valuation of these investments requires significant judgement by the Director due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of such assets. The fair value is as determined by the Director, and typically on the basis of the price of recent investment or on a benchmarking of public market comparable earnings multiples, but other factors are also considered. The methodologies are considered to be consistent with the International Private Equity and Venture Capital Valuation Guidelines. The Director also considers the valuations provided by the lead private equity funds, however in the case of a significant difference the Director will apply its own valuation of the underlying investment. Gains or losses on investments are recognised in the Statement of Comprehensive Income.

The underlying assets comprise unquoted investments and because of the inherent uncertainty of valuing such investments the values which will be ultimately realised through future transactions may differ significantly from the valuation of such investments.

Investments are held with the intention of resale and the actual realised proceeds will depend on the future trading results and conditions existing at the date of sale. The eventual realisation proceeds will inevitably differ from the current estimated fair value amount and these differences could be significant.

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

2 Summary of significant accounting policies (continued)

(10) Financial instruments (continued)

(ii) Financial liabilities

Basic financial liabilities, including trade payables, are classified as debt and are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

(11) Investments in associates

The Company's associate undertakings are held exclusively with a view to subsequent resale i.e. held as investment portfolio, and so are not consolidated into the Company accounts. Such investments are measured at fair value through the statement of comprehensive income as detailed in note 2(10). Details of the associates are given in note 17.

(12) Critical accounting judgements and estimation uncertainty

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

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(i) Investment valuation

The process of valuing investments is inevitably based on inherent uncertainties and the resulting values will differ, perhaps materially, from the amounts ultimately realized. Judgement is used in selecting an appropriate valuation technique for financial instruments that are not quoted in an active market.

3 Administrative expenses

	Jul 29, 2019 to Dec 31, 2019 GBP
Legal fees	42,314
Foreign exchange loss	4,499
	46,813

4 Investments in associates

	Jul 29, 2019 to Dec 31, 2019 GBP
Cost at beginning of the period	-
Purchase of investments	1,704,556
Cost at end of the period	1,704,556
Unrealised depreciation of investments	(124,567)
Fair value at end of the period	1,579,989

Details of the investments and further commitments are shown in note 7.

5 Trade and other payables

	Dec 31, 2019 GBP
Amounts falling due within one year	
Legal fees	39,698
	39,698

6 Trade and other receivables

	Dec 31, 2019 GBP
Amounts due from underlying investments	111,630
	111,630

7 Schedule of investments in associates

		Total committed GBP	Capital invested at Dec 31, 2019 GBP	Net capital invested GBP	Valuation GBP	Unrealised depreciation GBP	Commitments for additional investment GBP
Cumulative unquoted investments							
Moira Capital Desarrollo IOTHA, SICC, S.A (Sipay)	Equity	1,704,556	1,704,556	1,704,556	1,579,989	(124,567)	-
		1,704,556	1,704,556	1,704,556	1,579,989	(124,567)	-

The Director's valuation of unquoted investments is based on the net asset values of the underlying companies at December 31, 2019 as provided by the private equity managers where available.

Analysis of non-GBP Sterling investments in associates

		Total committed EUR	Capital invested at Dec 31, 2019 EUR	Net capital invested EUR	Valuation EUR	Unrealised appreciation EUR	Commitments for additional investment EUR
Cumulative unquoted investments							
Moira Capital Desarrollo IOTHA, SICC, S.A (Sipay)	Equity	1,868,020	1,868,020	1,868,020	1,868,020	-	-
		1,868,020	1,868,020	1,868,020	1,868,020	-	-

8 Note to the statement of cash flows

	Jul 29, 2019 to Dec 31, 2019 GBP
Total loss for the period	(171,380)
Net changes in fair value of financials assets and liabilities	124,567
Operating loss	(46,813)
Foreign exchange loss on settlement of amounts paid or distributed to investments	7,115
Change in operating trade payables	39,698
Net cash flow from operating activities	-

9 Related parties

Capital Dynamics (Cayman Islands) Limited, the General Partner of Capital Dynamics Strategic Small Cap Program LP, and Capital Dynamics Strategic Small Cap LP are related parties to this Company. Allocation and payment is regulated by the terms of the Articles of Association.

In accordance with the exemption allowed in FRS102 "Related Party Disclosures", the Company has not disclosed transactions.

10 Capital and Reserves

	Dec 31, 2019 GBP
Issued, called up and fully paid	
18,233,910 SSCP A ordinary shares of GBP 0.01	182,339
	182,339

All ordinary shares rank equally and have equal rights. The holders of the ordinary shares are entitled to attend and vote at general meetings, vote on written resolutions and receive income distributions in relation to the investment in Moira Capital.

11 Income tax

(i) Tax expense/(income) included in other comprehensive income

	Jul 29, 2019 to Dec 31, 2019 GBP
Current tax:	
UK Corporation tax on profit for the period	-
Total current tax	-
Total tax expense/(income) included in other comprehensive income	-

(ii) Reconciliation of tax charge

Tax assessed for the period is lower than the standard rate of corporation tax in the UK for the period ended December 31, 2019 of 19%. The differences are explained below:

	Jul 29, 2019 to Dec 31, 2019 GBP
Loss before income tax	(171,380)
Loss multiplied by the standard rate of tax in the UK of 19%	(32,562)
Effects of	
Expenses not deductible	31,707
Deferred tax not provided	855
Tax charge for the period	-

A deferred tax asset of £765 has not been recognised because it is unlikely that it will be utilised in the foreseeable future.

12 Financial instruments

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	Notes	Dec 31, 2019 GBP
Financial Assets		
Measured at fair value through Income Statement		
Investment in equity and debt securities	4,7	1,579,989
		1,579,989
Measured at amortised cost		
Trade and other receivables	6	111,630
		111,630
Financial Liabilities		
Measured at amortised cost		
Trade and other payables	5	39,698
Net assets attributable to the Shareholders		1,651,921
		1,691,619

Financial assets that are debt instruments measured at amortised cost

(a) Fair values of financial assets that are debt instruments measured at amortised cost

The carrying amounts of financial assets and liabilities measured at amortised cost are assumed to be the same as their fair values due to their short-term nature.

(b) Impairment and risk exposure

There were no impaired receivables. Information about the impairment of trade and other receivables, their credit quality and the Company's exposure to credit risk can be found in note 2 (10) 'Financial Instruments' and note 13 below.

Financial liabilities measured at amortised cost

The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short-term nature.

13 Financial risk management

Through its normal operations the Company is exposed to a number of risks, the most significant of which are currency, interest rate, market price, credit and liquidity risks. The Director is responsible for determining the long term strategy of the business, the markets in which it will operate and the level of risk acceptable to the Company.

(a) Market risk

Market risk is the potential to experience losses due to change in value of the underlying financial instruments. Market risk encompasses currency risk, interest rate risk, and market price risk.

(i) Currency risk

The Company holds assets denominated in currencies other than British Pounds, the measurement currency of the Company. Consequently the Company is exposed to currency risk since the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. The Company accepts this currency risk and consequently does not maintain any policy to enter into any currency hedging transactions.

13 Financial risk management (continued)

(i) Currency risk (continued)

At December 31, 2019, if the British Pound had weakened/strengthened by 10% against the Euro with all other variables held constant, net result for the period would have been GBP 165,192 higher/lower, mainly as a result of foreign exchange gains/losses on translation of Euro-denominated financial assets at fair value through the Statement of Comprehensive Income, trade and other receivables, and trade and other payables.

The analysis is applied to risk exposure in existence at reporting date.

(ii) Interest rate risk

Interest income from cash deposits may fluctuate in amount, in particular due to changes in interest rates. Whilst the Company seeks to optimise overall performance from the assets it holds, it does not seek to maximise interest income in view of its policy to focus on investments in companies that neither earn nor pay interest.

(iii) Market price risk

The Company's unquoted investments are susceptible to market price risk arising from uncertainties about future values of the investments. The Company's Director advises the Company on the acquisition of private equity investments that have prospects to appreciate in value in the medium and long term. The Director's recommendations are reviewed and approved, if appropriate, by the Investment Committee of the members before the investment decisions are implemented.

The Director monitors the performance of investments held by the Company on an ongoing basis.

The increased volatility in the markets caused by COVID-19 is likely to have an impact on the future valuation of investments. The Director will continue to monitor the potential effects of COVID-19 on the activities of the Company closely. As more detailed data becomes available, the Director expects to provide updates in future reports.

(b) Credit risk

Credit Risk is the risk that a counterparty will be unable to meet their obligations in full, when due. Members have a legal obligation to fund calls according to the terms of the Articles of Association. The Director considers that the risk of a member failing to discharge this obligation is minimal.

Potential areas of credit risk consist of cash and cash equivalents, including deposits with banks and financial institutions and short-term receivables. The maximum exposure to credit risk at the reporting date of these financial assets is their carrying amount.

The Company limits its exposure in relation to cash balances by only dealing with well established financial institutions of high quality credit standing. When members are alloted shares under the Articles of Association they are legally bound by its terms to provide the necessary funding as and when required in proportion to their holdings to the Company.

(c) Liquidity risk

Liquidity Risk is the risk that cash may not be available to pay obligations when due. The Director considers this risk to be minimal as the members are committed to funding calls as per the terms of the Articles of Association.

14 Fair value of financial instruments

Fair value is the amount for which an asset or liability could be exchanged between willing parties in an arm's length transaction. Fair values are determined at prices quoted in active markets.

Financial instruments of the Company comprise fair value securities, cash and cash equivalents and trade and other payables. Except for securities which are fair valued, all other financial instruments are valued at their book amounts since, in the opinion of the Director, this approximates fair value as these amounts are realised or settled within a short duration of time.

14 Fair value of financial instruments (continued)

The Company classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company's investments in financial assets are classified as level 3. There were no transfers in or out of the level 3 classification during the period. Opening and closing balances can be seen in notes 4 and 7.

The long term effects of the increased volatility in the markets and the magnitude of the potential impact of the COVID-19 pandemic on the activities of the Company and the valuation of its investments remains largely uncertain. Should the value of the Company's investment increase or decrease by 20% this would cause the reported net asset value of the Company to increase or decrease by GBP 315,998.

15 Subsequent events

COVID-19 was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. The long-term effects of the increased volatility in the markets and the magnitude of the potential impact of the pandemic on the activities of the Company and the valuation of its investment remain largely uncertain. The Director has conducted a comprehensive review of the likely impact of COVID-19 on the Company's underlying holding using eight discrete evaluation criteria. The Director will continue to monitor the potential effects of COVID-19 on the activities of the Company closely. Given the emergence and spread of COVID-19 occurred in 2020, it is not considered relevant to conditions that existed at the date of the financial statements. Consequently COVID-19 is considered to be a non-adjusting post-balance sheet date event. The measurement of assets and liabilities in the accounts has not been adjusted for its potential impact. Further details of the Director's review and evaluation have been provided in the notes to the financial statements, specifically in notes 13 Financial Risk Management and 14 Fair Value of Financial Instruments thereof. Note 14 includes, for illustrative purposes, a sensitivity analysis. This analysis is neither an estimate nor a forecast of the impact of COVID-19. The analysis is designed solely to give an indication of the impact of certain changes on the Company's net asset value.

16 Capital Management

The Company's capital management objectives are to safeguard the Company's ability to continue as a going concern in order to deliver target returns to its investor and meet the requirements of other stakeholders and to ensure sufficient capital resources to support the Company's business and operational requirements are available. In order to maintain or adjust the capital structure, the Director may call unpaid subscriptions from the investor or distribute funds to the investor.

The Director monitors capital on the basis of the value of net assets attributable to the investor.

17 Associates and related undertakings

Name	Address of registered office	Nature of business	Interest
Moira Capital Desarrollo IOTHA, SICC, S.A (Sipay)	Calle de Almagro, 2, 28010 Madrid	Private Equity	47.61% - ordinary shares [1]

(1) - Moira Capital Desarrollo IOTHA, SICC, S.A owns a holding in Sipay Plus, SL (Sipay). At December 31, 2019, the Company's effective ownership in Sipay was 2.40%.