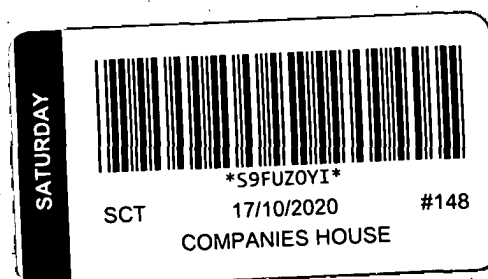


Altra Consultants Limited

Registered number: SC412803

Annual report

For the year ended 30 September 2019



ALTRA CONSULTANTS LIMITED

COMPANY INFORMATION

Directors

T L Anderson
A J Wallace
J Glenny
A T Borkowski

Registered number

SC412803

Registered office

50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

Independent auditors

Mazars LLP
Chartered Accountants & Statutory Auditor
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

ALTRA CONSULTANTS LIMITED

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ALTRA CONSULTANTS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

Introduction

The directors present their Group Strategic Report for the year ended 30 September 2019.

CEO business review

The financial year ended 30 September 2019 saw continued positive activity at Parker Norfolk and Partners Limited (the subsidiary undertaking) and Altra Consultants Limited "PNP/Altra" in line with our intentions and business plan.

Continued deployment of our available funding enabled us to add two further classes to our business offering with the addition of both Third Party Binders Property & Casualty and a UK retail unit, the former based in our London facilities, the latter between there and Birmingham. This necessitated an increase in floorspace in London with a similar growth planned for Birmingham for later in the year.

The board of directors did not change significantly during the financial year 18/19. We were delighted to announce that Andrew T Borkowski, CEO of Fullbrook Thorpe Investments, joined Altra Consultants Limited as a non executive director on the 28 October 2019.

Our sophomore year of trading saw a concerted effort from our originating staff group to establish our offering with a broad church of buyers whilst carefully observing attendant non compete and similar covenants as these ran off for nearly all our production team. Effective International travel was a feature of this period and senior operatives visited North America, Canada, South Africa, West & Central Africa and the UAE to establish income lines in these territories, once again all in accordance with our working plan and whilst this revenue flow has been slower than anticipated we did see headway achieved towards the end of the period. Overall PNP/Altra albeit has modest income to date, we have deployed available funding in accordance with the wishes of our co-investors and satisfied that we can demonstrate a blend of both retail and overseas business and that this will grow exponentially in future years. The board is committed to cost effectiveness but acknowledges this as a significant year of investment and development.

Our operational platform, compliance and administrative functions are robust, and we made good headway in the building of a suitable and robust 'IBA' IT system which uniquely incorporates class-leading sales management systems through to processes which enable us to meet our regulatory requirements and will interact with London market Insurance systems. We have been assisted in this project by London market specialist third party IT developers. This is a medium term undertaking and was not scheduled to complete in this financial period – we do also outsource certain back office functions to which the board have committed to migrate to in-house functions if cost effective and sensible to do so in the coming financial year.

The board would wish to thank Peter Dalton for his fine work and service with us on the early part of our journey and wish him well in his new endeavours.

Principal risks and uncertainties

Apart from the normal, commercial risks which any commercial entity has, the Group has the following particular exposure:

- A significant portion of the Group's business is in US dollars and the Group is therefore susceptible to fluctuations in the US dollar exchange rate. When these transactions are cumulatively or individually of an adequate size, the Group would use foreign currency hedging instruments to minimise its downside risk.

ALTRA CONSULTANTS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Impact of COVID-19

At the time of writing (September 20), the directors can advise that PNP/Altra instigated a total 'work from home' policy for all our staff group without exception and temporarily closed both of our offices. The offices remain closed. Our corporate communication platforms allowed us to make the transition to home operation very quickly and adroitly this included all general management, finance, sales and support.

PNP/Altra has not found it necessary to use either the furlough or finance schemes nor have we had to reduce our headcount. We have been able to offset cost savings and reduced expenses against steady but reduced sales hitherto.

The board had set ambitious but achievable budgets for the year 19/20 and these will be re-stated and amended accordingly.

At time of writing no member of our staff group or their direct families had contracted COVID-19. The safety and well-being of our staff group being of paramount importance to the board.

Impact of Brexit

The Directors have considered possible outcomes of Brexit, the primary concern being the impact on the brokerage revenue and the business remaining compliant in this regard, and do not consider that there will be any material impact on the Company in relation to this concern. There is minimal income in Euros, or with European clients and steps have been taken to mitigate and transfer any such business to a suitable partner business prior to the deadlines.

This report was approved by the board on Oct 8, 2020 and signed on its behalf.



T L Anderson
Director

ALTRA CONSULTANTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their report and the financial statements for the year ended 30 September 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Company's principal activity is that of a holding and investment company.

The Group's principal activity is that of an insurance intermediary.

Results and dividends

The loss for the year, after taxation, amounted to £1,950,582 (2018 - loss £945,533).

No dividends have been proposed in the current or prior periods.

Directors

The directors who served during the year were:

T L Anderson
A J Wallace
J Glenny
P D B Dalton
P A Lavender (appointed 22 January 2019, resigned 21 August 2019)
B J Merry (appointed 16 May 2019)

Subsequent to the year end, A T Borkowski was appointed as a director on 28 October 2019.

ALTRA CONSULTANTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Subsequent to the year end, P D B Dalton resigned as a director on 14 January 2020 and B J Merry resigned as a director on 2 February 2020.

Matters covered in the strategic report

The directors have included the business review and the principal risks and uncertainties within the Strategic Report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

On 11 March 2020, the World Health Organization (WHO) declared COVID-19 as a pandemic. The directors have considered the impact of the outbreak within the Strategic Report on page 2. The directors do not consider any adjustments to the reported financial information to be required in relation to this and no post balance sheet events as a result have been identified. The going concern basis of preparation is considered appropriate for the preparation of the financial statements as per note 2.3.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on Oct 8, 2020 and signed on its behalf.



T L Anderson
Director

ALTRA CONSULTANTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTRA CONSULTANTS LIMITED

Opinion

We have audited the financial statements of Altra Consultants Limited (the 'Company') for the year-ended 30 September 2019 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group and Company Statements of Changes in Equity, the Group Consolidated Statement of Cash Flows 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 30 September 2019 and of the Group's 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.

Emphasis of matter - Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of COVID-19 as disclosed on page 2, and the consideration of the going concern basis of preparation on page 16 and non-adjusting post balance sheet events on page 34.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

ALTRA CONSULTANTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTRA CONSULTANTS LIMITED

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 Group and 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.

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.

ALTRA CONSULTANTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTRA CONSULTANTS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

ALTRA CONSULTANTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ALTRA CONSULTANTS LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

This report is made solely to the Group and 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 Group and 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 Group and Company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Fiona Martin

Fiona Martin (Oct 9, 2020 08:55 GMT+1)

Fiona Martin (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Date: Oct 9, 2020

ALTRA CONSULTANTS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

| | Note | 2019 £ | 2018 £ |
|---|------|--------------------|--------------------|
| Turnover | 4 | 393,120 | - |
| Gross profit | | <u>393,120</u> | <u>-</u> |
| Administrative expenses | | (2,200,311) | (992,582) |
| Interest receivable and similar income | | 1,829 | - |
| Interest payable and expenses | 9 | (185,640) | (32,500) |
| Loss before tax | | <u>(1,991,002)</u> | <u>(1,025,082)</u> |
| Tax on loss | 10 | 40,420 | 79,549 |
| Loss for the financial year | | <u>(1,950,582)</u> | <u>(945,533)</u> |
| Loss for the year attributable to: | | | |
| Owners of the parent company | | <u>(1,950,582)</u> | <u>(945,533)</u> |

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 16 to 34 form part of these financial statements.

ALTRA CONSULTANTS LIMITED
REGISTERED NUMBER: SC412803

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2019

| | Note | 2019 £ | 2018 £ |
|---|------|--------------------|------------------|
| Fixed assets | | | |
| Intangible assets | 11 | 494,930 | 428,405 |
| Tangible assets | 12 | 6,309 | - |
| | | <u>501,239</u> | <u>428,405</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 14 | 533,914 | 101,909 |
| Cash at bank and in hand | | 1,470,109 | 971,491 |
| | | <u>2,004,023</u> | <u>1,073,400</u> |
| Creditors: amounts falling due within one year | 15 | (278,516) | (93,776) |
| Net current assets | | <u>1,725,507</u> | <u>979,624</u> |
| Total assets less current liabilities | | <u>2,226,746</u> | <u>1,408,029</u> |
| Creditors: amounts falling due after more than one year | 16 | (3,261,797) | (1,335,176) |
| Net (liabilities)/assets | | <u>(1,035,051)</u> | <u>72,853</u> |
| Capital and reserves | | | |
| Called up share capital | | 705 | 394 |
| Share premium account | 20 | 1,861,776 | 1,019,409 |
| Profit and loss account | 20 | (2,897,532) | (946,950) |
| | | <u>(1,035,051)</u> | <u>72,853</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on Oct 8, 2020



T L Anderson
Director

The notes on pages 16 to 34 form part of these financial statements.

ALTRA CONSULTANTS LIMITED
REGISTERED NUMBER: SC412803

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2019

| | Note | 2019 £ | 2018 £ |
|---|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Intangible assets | 11 | 935 | 1,806 |
| Investments | 13 | 2,618,284 | 905,788 |
| | | <u>2,619,219</u> | <u>907,594</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 14 | 125,000 | 471 |
| Cash at bank and in hand | | 1,163,370 | 924,009 |
| | | <u>1,288,370</u> | <u>924,480</u> |
| Creditors: amounts falling due within one year | 15 | (138,909) | (79,698) |
| Net current assets | | <u>1,149,461</u> | <u>844,782</u> |
| Total assets less current liabilities | | <u>3,768,680</u> | <u>1,752,376</u> |
| Creditors: amounts falling due after more than one year | 16 | (3,261,797) | (1,335,176) |
| Net assets | | <u><u>506,883</u></u> | <u><u>417,200</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 705 | 394 |
| Share premium account | 20 | 1,861,776 | 1,019,409 |
| Profit and loss account brought forward | | (602,603) | (1,282) |
| Loss for the year | | (752,995) | (601,321) |
| | | <u>(1,355,598)</u> | <u>(602,603)</u> |
| Profit and loss account carried forward | | <u><u>506,883</u></u> | <u><u>417,200</u></u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
Oct 8, 2020



T L Anderson
Director

The notes on pages 16 to 34 form part of these financial statements.

ALTRA CONSULTANTS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------|--------------|
| | £ | £ | £ | £ |
| At 1 October 2017 | 2 | - | (1,417) | (1,415) |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (945,533) | (945,533) |
| Shares issued during the year | 392 | 1,019,409 | - | 1,019,801 |
| At 1 October 2018 | 394 | 1,019,409 | (946,950) | 72,853 |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (1,950,582) | (1,950,582) |
| Transactions with owners | | | | |
| Shares issued during the year | 311 | 842,367 | - | 842,678 |
| At 30 September 2019 | 705 | 1,861,776 | (2,897,532) | (1,035,051) |

The notes on pages 16 to 34 form part of these financial statements.

ALTRA CONSULTANTS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------|--------------|
| | £ | £ | £ | £ |
| At 1 October 2017 | 2 | - | (1,282) | (1,280) |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (601,321) | (601,321) |
| Transactions with owners | | | | |
| Shares issued during the year | 392 | 1,019,409 | - | 1,019,801 |
| At 1 October 2018 | 394 | 1,019,409 | (602,603) | 417,200 |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (752,995) | (752,995) |
| Transactions with owners | | | | |
| Shares issued during the year | 311 | 842,367 | - | 842,678 |
| At 30 September 2019 | 705 | 1,861,776 | (1,355,598) | 506,883 |

The notes on pages 16 to 34 form part of these financial statements.

ALTRA CONSULTANTS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

| | 2019 £ | 2018 £ |
|---|--------------------|------------------|
| Cash flows from operating activities | | |
| Loss for the financial year | (1,950,582) | (945,533) |
| Adjustments for: | | |
| Amortisation of intangible assets | 51,900 | 54,883 |
| Depreciation of tangible assets | 862 | - |
| Interest payable | 185,640 | 32,500 |
| Interest receivable | (1,829) | - |
| Taxation charge | (40,420) | (79,549) |
| Increase in debtors | (391,585) | (18,096) |
| Increase in creditors | 282,859 | 35,150 |
| Net cash used from operating activities | (1,863,155) | (920,645) |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets | (118,425) | (2,613) |
| Purchase of tangible fixed assets | (7,171) | - |
| Interest received | 1,829 | - |
| Net cash used in investing activities | (123,767) | (2,613) |
| Cash flows from financing activities | | |
| Issue of ordinary shares | 842,678 | 574,301 |
| New secured loans | 1,769,400 | 1,300,000 |
| Interest paid | (126,538) | - |
| Net cash used in financing activities | 2,485,540 | 1,874,301 |
| Net increase in cash and cash equivalents | 498,618 | 951,043 |
| Cash and cash equivalents at beginning of year | 971,491 | 20,448 |
| Cash and cash equivalents at the end of year | 1,470,109 | 971,491 |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | 1,470,109 | 971,491 |

The notes on pages 16 to 34 form part of these financial statements.

ALTRA CONSULTANTS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

| | At 1 October 2018 £ | Cash flows £ | At 30 September 2019 £ |
|--------------------------|------------------------------|--------------------|---------------------------------|
| Cash at bank and in hand | 971,491 | 498,618 | 1,470,109 |
| Debt due after 1 year | (1,335,176) | (1,769,400) | (3,104,576) |
| Debt due within 1 year | (4,498) | 4,498 | - |
| | <u>(368,183)</u> | <u>(1,266,284)</u> | <u>(1,634,467)</u> |

The notes on pages 16 to 34 form part of these financial statements.

ALTRA CONSULTANTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

1. General information

Altra Consultants Limited is a private company limited by shares, registered and incorporated in Scotland, SC412803. Its registered office address is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

During the year, the group made a loss of £1,950,582 (2018 - £945,533) and had net liabilities at the year end of £1,035,051 (2018 - net assets of £72,853). This was the group's first year of active trading and results were in line with expectations. The group continues its day to day activities with the support of its co-investor partners.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Management have considered the impact of COVID-19 on operations and will continue to operate prudently and with the support of the co-investor partners. The directors do not anticipate a significant impact on the business at this stage. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP, rounded to the nearest pound.

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 period end foreign currency monetary items are translated using the closing rate. 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Revenue

Revenue represents brokerage commission and fees, net of any commission payable to third parties.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following criteria must also be met before revenue is recognised:

- commission is recognised on the start date or the date of renewal of an insurance policy; and
- fees are recognised when the work in relation to it has been completed.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

ALTRA CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)**2.7 Interest income**

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

2.10 Pensions**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.13 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

| | | |
|-------------------------|---|------|
| Development expenditure | - | 10 % |
| Goodwill | - | 10 % |
| Computer software | - | 33 % |

2.14 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|------------------|---|-----|
| Office equipment | - | 33% |
|------------------|---|-----|

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.17 Cash and cash equivalents

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

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.18 Creditors

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

2.19 Insurance broking debtors, creditors and cash balances

The company acts as an agent in broking the insurable risks of clients and, generally speaking, is not liable as a principal for premiums due to underwriters or for return premiums and claims payable to clients. In recognition of this relationship, the insurance debtors, creditors and cash balances relating to insurance business are not included as assets and liabilities of the company itself.

2.20 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.20 Financial instruments (continued)

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

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

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

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

In the application of the group's accounting policies, which are described in note 2, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the directors, the main source of estimation uncertainty is in relation to the provision of deferred tax, due to the uncertainties surrounding the reversal of the deferred tax balances in future years.

In addition, the directors consider that the carrying value of non-current assets to be areas subject to management judgement and uncertainty, as well as reviewing the need for potential provisions for impairment. The development expenditure is carefully monitored and is capitalised only if it meets certain criteria. The directors consider the use of the asset being developed to be of continued importance to the company, and do not consider any impairment to be necessary - this is reviewed on an ongoing basis.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group.

All turnover arose within the United Kingdom.

ALTRA CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

5. Operating loss

The operating loss is stated after charging:

| | 2019 £ | 2018 £ |
|-------------------------|-----------|-----------|
| Exchange differences | 1,632 | - |
| Operating lease rentals | 262,662 | 126,164 |

6. Auditors' remuneration

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements | 4,200 | 4,000 |

Fees payable to the Group's auditor and its associates in respect of:

| | | |
|---|--------|--------|
| Audit-related assurance services | 5,000 | 4,200 |
| Taxation compliance services | 2,350 | 1,740 |
| Services relating to corporate finance transactions | - | 45,000 |
| All other services | 38,360 | 13,572 |
| | 45,710 | 64,512 |

7. Employee costs

| | 2019 £ | 2018 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 1,143,842 | 371,940 |
| Social security costs | 142,776 | 45,526 |
| Pension costs | 46,521 | 8,432 |
| | 1,333,139 | 425,898 |

The average monthly number of employees, including the directors, during the year was 13 (2018 - 6).

ALTRA CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

8. Directors' remuneration

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Directors' emoluments | 377,477 | 162,692 |
| Company contributions to defined contribution pension schemes | 27,867 | 5,219 |
| | <u>405,344</u> | <u>167,911</u> |

During the year retirement benefits were accruing to 3 directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £160,000 (2018 - £71,341).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £19,446 (2018 - £2,409).

Key management personnel

The total remuneration of key management personnel, which includes directors of the company, was £405,344 (2018 - £191,449).

9. Interest payable and similar expenses

| | 2019 £ | 2018 £ |
|----------------------------|----------------|---------------|
| Secured loan note interest | <u>185,640</u> | <u>32,500</u> |

ALTRA CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

10. Taxation

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Corporation tax | | |
| Current tax on profits for the year | (40,420) | - |
| Deferred tax | | |
| Origination and reversal of timing differences | - | (62,180) |
| Adjustments in respect of previous periods | - | (17,369) |
| Taxation on loss on ordinary activities | (40,420) | (79,549) |

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

| | 2019 £ | 2018 £ |
|--|-------------|-------------|
| Loss on ordinary activities before tax | (1,991,002) | (1,025,082) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%) | (378,290) | (194,766) |
| Effects of: | | |
| Expenses not deductible for tax purposes | 9,133 | 10,685 |
| Adjustments to tax charge in respect of prior periods | - | (17,369) |
| Research and development tax credits | (40,420) | - |
| Effect of tax rate changes | - | 19,474 |
| Deferred tax not recognised | 369,157 | 102,427 |
| Total tax charge for the year | (40,420) | (79,549) |

ALTRA CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

10. Taxation (continued)**Factors that may affect future tax charges**

The UK Budget 2020 announced that the corporation tax rate was to be held at 19% rather than reduced to 17% with effect from 1 April 2020 as previously enacted. This provision was substantially enacted on 17 March 2020, after the end of the accounting period, and so deferred tax closing balances have been calculated at 17%. Had the 19% rate been applied instead, the closing deferred tax balance would have increased by £9,359 to an asset of £88,907. This will therefore impact on future deferred tax charges and balances in the group.

The Group has unrecognised taxable losses of £2.5m (2018 - £0.6m) which can be used to offset future taxable profits. A deferred tax asset has not been recognised in respect of this due to uncertainties over the timing of its recoverability.

11. Intangible assets**Group**

| | Develop- ment expenditure £ | Computer software £ | Goodwill £ | Total £ |
|-----------------------|--------------------------------------|---------------------------|---------------|------------|
| Cost | | | | |
| At 1 October 2018 | - | 2,613 | 480,675 | 483,288 |
| Additions | 118,425 | - | - | 118,425 |
| At 30 September 2019 | 118,425 | 2,613 | 480,675 | 601,713 |
| Amortisation | | | | |
| At 1 October 2018 | - | 807 | 54,076 | 54,883 |
| Charge for the year | 2,961 | 871 | 48,068 | 51,900 |
| At 30 September 2019 | 2,961 | 1,678 | 102,144 | 106,783 |
| Net book value | | | | |
| At 30 September 2019 | 115,464 | 935 | 378,531 | 494,930 |
| At 30 September 2018 | - | 1,806 | 426,599 | 428,405 |

ALTRA CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

11. Intangible assets (continued)**Company**

| | Computer software £ |
|-----------------------|------------------------------------|
| Cost | |
| At 1 October 2018 | 2,613 |
| At 30 September 2019 | <u>2,613</u> |
| Amortisation | |
| At 1 October 2018 | 807 |
| Charge for the year | 871 |
| At 30 September 2019 | <u>1,678</u> |
| Net book value | |
| At 30 September 2019 | <u>935</u> |
| At 30 September 2018 | <u>1,806</u> |

ALTRA CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

12. Tangible fixed assets**Group**

| | Office equipment £ |
|-------------------------------------|-----------------------------------|
| Cost | |
| Additions | 7,171 |
| At 30 September 2019 | <u>7,171</u> |
| Depreciation | |
| Charge for the year on owned assets | 862 |
| At 30 September 2019 | <u>862</u> |
| Net book value | |
| At 30 September 2019 | <u><u>6,309</u></u> |
| At 30 September 2018 | <u><u>-</u></u> |

13. Fixed asset investments**Company**

| | Investments in subsidiary companies £ |
|----------------------|--|
| Cost | |
| At 1 October 2018 | 905,788 |
| Additions | 1,712,496 |
| At 30 September 2019 | <u><u>2,618,284</u></u> |

The investment additions in the year represents the waiver of a loan due from the subsidiary undertaking of £1,712,496 (2018 - £412,151). This has been treated as a further investment in the subsidiary undertaking and is treated as a capital contribution in the accounts of the subsidiary undertaking.

ALTRA CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

13. Fixed asset investments (continued)**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

| Name | Class of shares | Holding |
|-------------------------------------|-----------------|---------|
| Parker Norfolk and Partners Limited | Ordinary | 100% |

14. Debtors

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|--------------------------------|--------------------|--------------------|----------------------|----------------------|
| Trade debtors | 275,591 | - | - | - |
| Other debtors (note 23) | 162,557 | 21,889 | 125,000 | - |
| Prepayments and accrued income | 16,217 | 471 | - | 471 |
| Deferred taxation (note 17) | 79,549 | 79,549 | - | - |
| | <u>533,914</u> | <u>101,909</u> | <u>125,000</u> | <u>471</u> |

15. Creditors: Amounts falling due within one year

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|--|--------------------|--------------------|----------------------|----------------------|
| Trade creditors | 12,515 | - | - | - |
| Amounts owed to group undertakings (note 24) | - | - | - | 22,500 |
| Corporation tax | - | - | 25,000 | - |
| Other taxation and social security | 48,978 | 32,661 | 5,653 | 6,438 |
| Other creditors (note 23) | 15,913 | 7,593 | 8,225 | 4,498 |
| Accruals and deferred income | 201,110 | 53,522 | 100,031 | 46,262 |
| | <u>278,516</u> | <u>93,776</u> | <u>138,909</u> | <u>79,698</u> |

ALTRA CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

16. Creditors: Amounts falling due after more than one year

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|----------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Other loans | 3,226,621 | 1,300,000 | 3,226,621 | 1,300,000 |
| Directors' loans (note 23) | 35,176 | 35,176 | 35,176 | 35,176 |
| | <u>3,261,797</u> | <u>1,335,176</u> | <u>3,261,797</u> | <u>1,335,176</u> |

Secured loan notes are secured by a bond and floating charge over the assets of the Group. Interest is charged at 10% and £2,465,963 of the loan notes are repayable on the earlier of October 2022, the date of an exit, or if there is a financial event of default. The remaining £738,400 loan notes are repayable in the earlier of August 2024, the date of an exit, or if there is a financial event of default.

17. Financial instruments

| | Group 2019 £ | Group 2018 £ | Company 2019 £ | Company 2018 £ |
|---|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Financial assets | | | | |
| Financial assets measured at fair value through profit or loss | - | - | - | - |
| Financial assets that are debt instruments measured at amortised cost | 1,867,837 | 993,380 | 1,263,370 | 924,009 |
| | <u>1,867,837</u> | <u>993,380</u> | <u>1,263,370</u> | <u>924,009</u> |
| Financial liabilities | | | | |
| Financial liabilities measured at amortised cost | (3,491,335) | (1,931,618) | (3,370,053) | (1,921,263) |

Financial assets that are debt instruments measured at amortised cost comprise cash and cash equivalents, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and deferred income, Directors' loans and other loans.

ALTRA CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

18. Deferred taxation**Group**

| | 2019 | |
|--------------------------------|---------------|---------------|
| | £ | |
| At beginning of year | 79,549 | |
| Charged to profit or loss | - | |
| At end of year | 79,549 | |
| | Group | Group |
| | 2019 | 2018 |
| | £ | £ |
| Accelerated capital allowances | (16) | 1,288 |
| Tax losses carried forward | 79,565 | 78,261 |
| | 79,549 | 79,549 |

The deferred tax asset is expected to reverse in greater than one year from the end of the reporting period.

ALTRA CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

19. Share capital

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid | | |
| 24,446 (2018 - 20,000) A Ordinary shares of £0.01 each | 244 | 200 |
| 29,407 (2018 - 13,333) B Ordinary shares of £0.01 each | 294 | 133 |
| 60,900,000 (2017 - nil) C Ordinary shares of £0.000001 each | 61 | 61 |
| 7,261 (2018 - nil) D Ordinary shares of £0.01 each | 73 | - |
| 32,662,750 (2018 - nil) E Ordinary shares of £0.000001 each | 33 | - |
| | <hr/> 705 | <hr/> 394 |

On 30 August 2019, 4,446 A Ordinary shares of £0.01 each were issued at a total cost of £100,035, 16,074 B Ordinary shares of £0.01 each were issued at a total cost of £361,665, 7,261 D Ordinary shares of £0.01 were issued at a total cost of £163,373 and 32,662,750 E Ordinary shares of £0.000001 were issued at a total cost of £326,628. Expenses as a result of the share issue totalled £109,022 (2018 - £394,691) and have been netted against the share premium.

A, B & D Ordinary shares are designated as equity shares. Holders of the equity shares shall have voting and dividend rights. C and E Ordinary shareholders have no voting or dividend rights.

On a return of capital, following repayment of the loan notes, the holders of the equity shares shall be paid the issue price of each share and the holders of the C Ordinary shares and E Ordinary shares will be paid the C share value and E share value respectively. Any surplus assets shall be paid to the equity shareholders on a pro-rata basis.

On a share sale, following repayment of the loan notes, the holders of the C Ordinary shares and E Ordinary shares will be paid the C share value and E share value respectively, with any remainder being split between the equity shareholders.

On a listing, such number of C Ordinary shares and E Ordinary shares shall convert into and be redesignated such number of fully paid shares of the class of ordinary share which is the subject of the listing which has an aggregate value at the listing price as near as practicable the C share value and E share value respectively. The balance not converted shall convert into and be redesignated as Deferred shares.

C share value

The C share value is calculated as $\text{Issue price} + (0.10 \times \text{issue price})/365 \times A$, where the issue price equates to the share capital plus the share premium, and where A equals the number of days from date of issue to date of exit or return of capital. At the current year end, the C share value is £727,797 (2018 - £666,891).

E share value

The E share value is calculated as $\text{Issue price} + (0.10 \times \text{issue price})/365 \times A$, where the issue price equates to the share capital plus the share premium, and where A equals the number of days from date of issue to date of exit or return of capital. At the current year end, the E share value is £330,297 (2018 - £nil).

ALTRA CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

20. Reserves**Share premium account**

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit & loss account

This reserve includes all current and prior period retained profits and losses.

21. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £46,522 (2018 - £8,894). There was a balance of £8,476 (2018: £nil) payable to the fund at the year end.

22. Commitments under operating leases

At 30 September 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | Group 2019 £ | Group 2018 £ |
|-----------------------|-----------------------------|-----------------------------|
| Not later than 1 year | <u>168,597</u> | <u>153,196</u> |

23. Transactions with directors

Included within other debtors is a balance of £100,000 (2018 - £nil) due from the directors. This balance is unsecured, bears interest at 2.5% and has no fixed terms of repayment.

Included within other creditors is a balance of £nil (2018 - £4,898) due to the directors. This balance is unsecured, interest free and has no fixed terms of repayment.

Included within creditors due > 1 year is a balance of £35,176 (2018 - £35,176) due to the directors in respect of unsecured loan notes. The loan notes are unsecured, non-yielding and are repayable on the earlier of October 2022 or the date of an exit.

24. Related party transactions

Advantage has been taken of the exemption provided by FRS 102 Section 33 "Related Party Transactions" whereby disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

ALTRA CONSULTANTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

25. Post balance sheet events

On 11 March 2020, the World Health Organization (WHO) declared COVID-19 as a pandemic. The directors have considered the impact of the outbreak within the Strategic Report on page 2. The directors have treated this as a non-adjusting event and as such the accounting estimates and judgments as disclosed within note 2 of the financial statements have not been updated to reflect this. The going concern basis of preparation is considered appropriate for the preparation of the financial statements as per note 2.3.

26. Controlling party

In the opinion of the directors, there is no ultimate controlling party.