Company Registration No. 09144715 (England and Wales)

ASSET LIFE PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

ASSET LIFE PLC

COMPANY INFORMATION

Directors	M J Binks (Chairman) T D Mitchell L J Russell
Secretary	A D J Farmiloe
Company number	09144715
Registered office	4 Devonshire Street London W1W 5DT
Auditor	Clarkson Hyde LLP 3rd Floor Chancery House St Nicholas Way Sutton Surrey SM1 1JB

ASSET LIFE PLC

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STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2017

The directors present the strategic report for the year ended 31 July 2017.

Fair review of the business
The company continues to perform in accordance with its business plan.

The equity and debt investments the company has made continue to perform well and the directors have again been able to increase the fair value of our core equity investments; this year by a further £1,200,000. One of those investments, a gold mining company, was listed this month on a trading platform and at the same time raised further finance; and will provide some liquidity for shareholders, it is expected that following the listing the company's profile will benefit and will be raised. The directors firmly believe there is still a considerable value uplift to be achieved in the shares but will continue to look at opportunities to divest in order to ensure liquidity. The directors continue to diversify the Asset Life Plc portfolio of investments both geographically and by industry and believe there is significant value to be unlocked in the investments made.

The Series A debentures were originally due for repayment in July 2017 however 84% of debenture holders elected to extend the term by a further year; debenture holders who did not wish to extend were repaid in full. In December 2017 the Jockey Club achieved a retention rate of 96% on their 4.75% p.a. five year bond when it asked debenture holders to extend for a further 3 years. This illustrates a continuing strong appetite for these types of offers, and demonstrates that Asset Life plc is not alone is wishing to retain its investors money in order to maximise its return, both for the company and the investor.

In November 2017 the company issued its Series C debentures with a November 2020 maturity also paying interest at 8.75% and continues to pay interest to debenture holders as agreed at 9.25 and 8.75% p.a. respectively.
Having created the right operational environment, the directors have also addressed the cost base of the company and have successfully reduced overhead costs by in excess of forty (40%) per cent in the last financial year. This gives the company a better platform to operate from going forwards and we will continue to look at ways in which we can reduce these costs without compromising the management of the assets.

The economic arena in which the company operates is largely unchanged over the past year. The continued shortage of commercial bank lending continues to result in the directors being presented with a good pipeline of investment proposals from which the Investment Committee can choose. Despite a small rise in the base rate recently the low interest rate regime continues for savers and shows little or no likelihood of changing substantively meaning the Company continues to offer a haven where savers can earn a real rate of interest whilst enjoying a relatively low risk profile.

On behalf of the board

M J Binks (Chairman)
Director
25 June 2018

The directors present their annual report and financial statements for the year ended 31 July 2017.

Principal activities

The principal activity of the company and group continued to be that of investing in private equity and debt instruments with a view to assisting the investee company to develop its opportunity and to list on an appropriate exchange if required.

Directors

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

M J Binks (Chairman)
T D Mitchell
L J Russell

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Clarkson Hyde LLP be reappointed as auditor of the group will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, 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 and then apply them consistently;
- make judgements 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 company will continue in business.

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

Statement of disclosure to auditor

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

On behalf of the board

M J Binks (Chairman)
Director
25 June 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ASSET LIFE PLC

Qualified opinion on financial statements

We have audited the financial statements of Asset Life plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2017 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows, the Company 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, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its 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 qualified opinion

The evidence available to us was limited in support of the value that fixed asset investments have been included in the financial statements. As explained in note 13 to the financial statements, the value included in the financial statements is an assessment by the directors, based on evidence from their advisors, and is dependent on external events that have not yet happened. As a result, we were unable to obtain sufficient appropriate evidence regarding the value of fixed asset investments.

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.

Conclusions relating to going concern

We have considered the adequacy of disclosure made in note 1.1 to the financial statements concerning the group's ability to continue as a going concern. The group had net current liabilities of £1,171,515 and incurred a net loss for the year of £1,146,463 although this was offset by a revaluation of fixed asset investments. These conditions, along with other matters contained in note 1.3 to the financial statements, indicate the existence of a material uncertainty which may cast doubt about the group's ability to continue as a going concern. We emphasise these matters but our opinion is not qualified in this respect.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 respect solely of the limitation on our work relating to investments, described above, we have not obtained all the information and explanations that we considered necessary for the purpose of our audit.

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andrew Seton (Senior Statutory Auditor)
for and on behalf of Clarkson Hyde LLP
Chartered Accountants
Statutory Auditor

25 June 2018

Chancery House, St Nicholas Way
Sutton, Surrey, SM1 1JH

ASSET LIFE PLC

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017 £	2016 £
Turnover	3	204,755	-
Administrative expenses		(1,014,484)	(1,692,597)
Operating loss	4	(809,729)	(1,692,597)
Share of results of associates and joint ventures		(17,360)	(27,102)
Interest receivable and similar income	8	45,444	8,244
Interest payable and similar expenses	9	(426,985)	(225,707)
Amounts written off investments		62,167	20,750
Loss before taxation		(1,146,463)	(1,916,412)
Tax on loss	10	-	-
Loss for the financial year		(1,146,463)	(1,916,412)

Loss for the financial year is all attributable to the owners of the parent company.

ASSET LIFE PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2017

	2017	2016
	£	£
Loss for the year	(1,146,463)	(1,916,412)
Other comprehensive income		
Adjustments to the fair value of financial assets	1,201,112	1,522,016
Total comprehensive income for the year	54,649	(394,396)

Total comprehensive income for the year is all attributable to the owners of the parent company.

ASSET LIFE PLC

GROUP BALANCE SHEET

AS AT 31 JULY 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Goodwill	11		8,058		-
Tangible assets	12		4,414		-
Investments	13		4,784,970		3,840,871
			4,797,442		3,840,871
Current assets					
Debtors	16	1,322,710		979,969	
Cash at bank and in hand		2,771		-	
		1,325,481		979,969	
Creditors: amounts falling due within one year	17	(2,496,996)		(2,696,117)	
Net current liabilities			(1,171,515)		(1,716,148)
Total assets less current liabilities			3,625,927		2,124,723
Creditors: amounts falling due after more than one year	18		(3,366,862)		(2,011,688)
Net assets			259,065		113,035
Capital and reserves					
Called up share capital	20		124,275		32,894
Revaluation reserve			3,897,000		2,695,888
Profit and loss reserves			(3,762,210)		(2,615,747)
Total equity			259,065		113,035

The financial statements were approved by the board of directors and authorised for issue on 25 June 2018 and are signed on its behalf by:

M J Binks (Chairman)
Director

ASSET LIFE PLC

COMPANY BALANCE SHEET

AS AT 31 JULY 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Investments	**13**		4,829,432		3,867,973
Current assets					
Debtors	**16**	1,359,255		979,969	
Creditors: amounts falling due within one year	**17**	(2,455,179)		(2,696,117)	
Net current liabilities			(1,095,924)		(1,716,148)
Total assets less current liabilities			3,733,508		2,151,825
Creditors: amounts falling due after more than one year	**18**		(3,366,862)		(2,011,688)
Net assets			366,646		140,137
Capital and reserves					
Called up share capital	**20**		124,275		32,894
Revaluation reserve			3,897,000		2,695,888
Profit and loss reserves			(3,654,629)		(2,588,645)
Total equity			366,646		140,137

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The c ompany's loss for the year was £1,065,984 (2016 - £1,889,310 loss).

The financial statements were approved by the board of directors and authorised for issue on 25 June 2018 and are signed on its behalf by:

M J Binks (Chairman)
Director

Company Registration No. 09144715

ASSET LIFE PLC

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2017

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 August 2015		32,894	1,173,872	(699,335)	507,431
Year ended 31 July 2016:					
Loss for the year		-	-	(1,916,412)	(1,916,412)
Other comprehensive income:					
Adjustments to fair value of financial assets		-	1,522,016	-	1,522,016
Total comprehensive income for the year		-	1,522,016	(1,916,412)	(394,396)
Balance at 31 July 2016		32,894	2,695,888	(2,615,747)	113,035
Year ended 31 July 2017:					
Loss for the year		-	-	(1,146,463)	(1,146,463)
Other comprehensive income:					
Adjustments to fair value of financial assets		-	1,201,112	-	1,201,112
Total comprehensive income for the year		-	1,201,112	(1,146,463)	54,649
Issue of share capital	**20**	91,381	-	-	91,381
Balance at 31 July 2017		124,275	3,897,000	(3,762,210)	259,065

ASSET LIFE PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JULY 2017

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 August 2015		32,894	1,173,872	(699,335)	507,431
Year ended 31 July 2016:					
Loss for the year		-	-	(1,889,310)	(1,889,310)
Other comprehensive income:					
Adjustments to fair value of financial assets		-	1,522,016	-	1,522,016
Total comprehensive income for the year		-	1,522,016	(1,889,310)	(367,294)
Balance at 31 July 2016		32,894	2,695,888	(2,588,645)	140,137
Year ended 31 July 2017:					
Loss for the year		-	-	(1,065,984)	(1,065,984)
Other comprehensive income:					
Adjustments to fair value of financial assets		-	1,201,112	-	1,201,112
Total comprehensive income for the year		-	1,201,112	(1,065,984)	135,128
Issue of share capital	**20**	91,381	-	-	91,381
Balance at 31 July 2017		124,275	3,897,000	(3,654,629)	366,646

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities					
Cash absorbed by operations	22		(1,279,057)		(2,363,629)
Interest paid			(426,985)		(225,707)
Net cash outflow from operating activities			(1,706,042)		(2,589,336)
Investing activities					
Purchase of intangible assets		(10,003)		-	
Purchase of tangible fixed assets		(4,997)		-	
Proceeds on disposal of associates		-		(22,500)	
Purchase of fixed asset investments		(100,000)		-	
Proceeds on disposal of fixed asset investments		(861,459)		(1,970,931)	
Proceeds from other investments and loans		1,263,279		1,542,766	
Interest received		45,444		8,244	
Net cash generated from/(used in) investing activities			332,264		(442,421)
Financing activities					
Proceeds from issue of shares		91,381		-	
Repayment of debentures		1,285,168		3,031,757	
Net cash generated from financing activities			1,376,549		3,031,757
Net increase in cash and cash equivalents			2,771		-
Cash and cash equivalents at beginning of year			-		-
Cash and cash equivalents at end of year			2,771		-

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities					
Cash absorbed by operations	**23**		(1,296,828)		(2,363,629)
Interest paid			(426,985)		(225,707)
Net cash outflow from operating activities			(1,723,813)		(2,589,336)
Investing activities					
Proceeds on disposal of associates		-		(22,500)	
Purchase of fixed asset investments		(100,000)		-	
Proceeds on disposal of fixed asset investments		(861,459)		(1,970,931)	
Proceeds from other investments and loans		1,263,279		1,542,766	
Interest received		45,444		8,244	
Net cash generated from/(used in) investing activities			347,264		(442,421)
Financing activities					
Proceeds from issue of shares		91,381		-	
Repayment of debentures		1,285,168		3,031,757	
Net cash generated from financing activities			1,376,549		3,031,757
Net increase in cash and cash equivalents			-		-
Cash and cash equivalents at beginning of year			-		-
Cash and cash equivalents at end of year			-		-

1 Accounting policies

Company information

Asset Life plc ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Asset Life plc and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of Asset Life plc and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 July 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

1 Accounting policies **(Continued)**

1.3 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

The nature of the company's business is such that there can be considerable unpredictable variation in the timing of cash flows. The directors have considered estimated cash flows for a period covering more than 12 months from the date of approval of these financial statements. A key assumption is the receipt of significant funds from the disposal of equity holdings in some of the company's unlisted investments together with additional funds raised via its series C debentures. A further key assumption is that a high proportion of series A and B debenture holders wish to extend their loans for a further year. On this basis, the directors consider it realistic to prepare the financial statements on the going concern basis.

However, inherently, given the nature of the investments made by the company, there can be no certainty in relation to these matters. The financial statements do not include any adjustments that would result from a failure of investments to be successfully disposed of and or for alternative sources of finance to be raised.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 3 years.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	straight line over 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1 Accounting policies **(Continued)**

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Other financial assets
Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, 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.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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 profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

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

1 Accounting policies **(Continued)**

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2017	2016
	£	£
Turnover analysed by class of business		
Services	204,755	-

	2017	2016
	£	£
Other significant revenue		
Interest income	45,444	8,244

4 Operating loss

	2017	2016
	£	£
Operating loss for the year is stated after charging:		
Exchange losses	406	-
Depreciation of owned tangible fixed assets	583	-
Amortisation of intangible assets	1,945	-
Operating lease charges	8,684	-

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £406 (2016 - £0).

5 Auditor's remuneration

	2017	2016
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	10,747	9,000
Audit of the financial statements of the company's subsidiaries	2,500	-
	13,247	9,000

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2017	2016	Company 2017	2016
	Number	Number	Number	Number
Administration	6	3	3	3

Their aggregate remuneration comprised:

	Group 2017	2016	Company 2017	2016
	£	£	£	£
Wages and salaries	155,088	171,882	133,404	171,882

7 Directors' remuneration

	2017	2016
	£	£
Remuneration for qualifying services	132,894	160,504

8 Interest receivable and similar income

	2017	2016
	£	£
Interest income		
Other interest income	45,444	8,244

9 Interest payable and similar expenses

	2017	2016
	£	£
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	418,833	225,707
Other finance costs:		
Other interest	8,152	-
Total finance costs	426,985	225,707

10 Taxation

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Loss before taxation	(1,146,463)	(1,916,412)
Expected tax credit based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	(229,293)	(383,282)
Unutilised tax losses carried forward	229,293	383,282
Taxation charge for the year	-	-

11 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 August 2016	-
Additions - separately acquired	10,003
At 31 July 2017	10,003
Amortisation and impairment	
At 1 August 2016	-
Amortisation charged for the year	1,945
At 31 July 2017	1,945
Carrying amount	
At 31 July 2017	8,058
At 31 July 2016	-

The company had no intangible fixed assets at 31 July 2017 or 31 July 2016.

12 Tangible fixed assets

Group	Fixtures and fittings
	£
Cost	
At 1 August 2016	-
Additions	4,997
At 31 July 2017	4,997
Depreciation and impairment	
At 1 August 2016	-
Depreciation charged in the year	583
At 31 July 2017	583
Carrying amount	
At 31 July 2017	4,414

The company had no tangible fixed assets at 31 July 2017 or 31 July 2016.

13 Fixed asset investments

		Group		Company	
		2017	2016	2017	2016
	Notes	£	£	£	£
Investments in associates	14	259,288	276,648	303,750	303,750
Unlisted investments		4,525,682	3,564,223	4,525,682	3,564,223
		4,784,970	3,840,871	4,829,432	3,867,973

The value of unlisted investments are stated at the directors assessment of fair value. The fair value is dependent on external events that have not yet happened but which the directors, based on information available to them, are satisfied will happen.

Movements in fixed asset investments

Group	Shares in group undertakings andnvestments participating interests	Other other than loans	Total
	£	£	£
Cost or valuation			
At 1 August 2016	276,648	3,564,223	3,840,871
Additions	-	100,000	100,000
Valuation changes	(17,360)	1,201,112	1,183,752
Disposals	-	(339,653)	(339,653)
At 31 July 2017	259,288	4,525,682	4,784,970
Carrying amount			
At 31 July 2017	259,288	4,525,682	4,784,970
At 31 July 2016	276,648	3,564,223	3,840,871

13 Fixed asset investments (Continued)

Movements in fixed asset investments

Company	Shares in group undertakings andInvestments participating interests	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 August 2016	303,750	3,564,223	3,867,973
Additions	-	100,000	100,000
Valuation changes	-	1,201,112	1,201,112
Disposals	-	(339,653)	(339,653)
At 31 July 2017	303,750	4,525,682	4,829,432
Carrying amount			
At 31 July 2017	303,750	4,525,682	4,829,432
At 31 July 2016	303,750	3,564,223	3,867,973

14 Associates

Details of associates at 31 July 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
My Bloodstock plc	England & Wales	Investments in racehorses	Ordinary		45.00
Swifts Manor Farm Limited	England & Wales	Horse riding centre	Ordinary		45.00

15 Financial instruments

	Group 2017	Group 2016	Company 2017	Company 2016
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,240,716	979,969	1,284,255	979,969
Equity instruments measured at cost less impairment	4,525,682	3,564,223	4,525,682	3,564,223
Carrying amount of financial liabilities				
Measured at amortised cost	5,853,077	4,707,805	5,822,041	4,707,805

16 Debtors

	Group 2017	2016	Company 2017	2016
Amounts falling due within one year:	£	£	£	£
Trade debtors	5,416	-	-	-
Amounts owed by group undertakings	-	-	50,547	-
Amounts owed by undertakings in which the company has a participating interest	72,601	20,790	72,601	20,790
Other debtors	727,699	649,179	726,107	649,179
Prepayments and accrued income	81,994	-	75,000	-
	887,710	669,969	924,255	669,969
Amounts falling due after more than one year:				
Amounts owed by undertakings in which the company has a participating interest	435,000	310,000	435,000	310,000
Total debtors	1,322,710	979,969	1,359,255	979,969

17 Creditors: amounts falling due within one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Debenture loans	19	1,930,000	1,976,832	1,930,000	1,976,832
Trade creditors		79,512	18,884	61,344	18,884
Other taxation and social security		10,781	-	-	-
Other creditors		408,178	640,863	404,737	640,863
Accruals and deferred income		68,525	59,538	59,098	59,538
		2,496,996	2,696,117	2,455,179	2,696,117

18 Creditors: amounts falling due after more than one year

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Debenture loans	19	3,342,000	2,010,000	3,342,000	2,010,000
Accruals and deferred income		24,862	1,688	24,862	1,688
		3,366,862	2,011,688	3,366,862	2,011,688

19 Loans and overdrafts

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Debenture loans	5,272,000	3,986,832	5,272,000	3,986,832
Payable within one year	1,930,000	1,976,832	1,930,000	1,976,832
Payable after one year	3,342,000	2,010,000	3,342,000	2,010,000

Loans are unsecured debentures split into Series A debentures and Series B debentures. Series A debentures incur interest at 9.25% and are repayable on 23 July 2018, Series B debentures incur interest at 8.75% and are repayable on 1 November 2018.

20 Share capital

	Group and company 2017 £	Group and company 2016 £
Ordinary share capital		
Issued and fully paid		
121,841 Ordinary shares of £1 each fully paid up and 9,736 Ordinary shares of £1 each partly paid up (£0.25)	124,275	32,894

21 Related party transactions

T D Mitchell, M J Binks and L J Russell are also directors of Anglo Wealth Limited. At the end of the year, Anglo Wealth Limited owed Asset Life plc £418,984 (2016: £303, 034). After the end of the year, this amount was settled by way of transfer of its interests in certain investments.

22 Cash generated from group operations

	2017 £	2016 £
Loss for the year after tax	(1,146,463)	(1,916,412)
Adjusments for:		
Share of results of associates and joint ventures	17,360	27,102
Finance costs	426,985	225.707
Investment income	(45,444)	(8,244)
Amortisation and impairment of intangible assets	1,945	-
Depreciation and impairment of tangible fixed assets	583	-
Amounts written off investments	(62,167)	(20,750)
Movements in working capital:		
(Increase) in debtors	(342,741)	(632,214)
(Decrease) in creditors	(129,115)	(38,818)
Cash absorbed by operations	(1,279,057)	(2,363,629)

22 Cash generated from operations - company

	2017	2016
	£	£
Loss for the year after tax	(1,065,984)	(1,889,310)
Adjustments for:		
Finance costs	426,985	225,707
Investment income	(45,444)	(8,244)
Amounts written off investments	(62,167)	(20,750)
Movements in working capital:		
(Increase) in debtors	(379,286)	(632,214)
(Decrease) in creditors	(170,932)	(38,818)
Cash absorbed by operations	(1,296,828)	(2,363,629)