

APSE CAPITAL LIMITED

Registration Number: 11620219 (England and Wales)

REPORT AND FINANCIAL STATEMENTS

For the Year Ended 31 December 2021

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Apse Capital Limited
Registration Number: 11620219 (England and Wales)

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Apse Capital Limited

Registration Number: 11620219 (England and Wales)

Directors' Report for the year ended 31 December 2021

The directors present their report together with the financial statements of Apse Capital Limited ("the Company") for the year ended 31 December 2021.

Principal activities and review of the business

The principal activity during the year was the provision of investment advisory services.

The Company advises Apse Capital Bridge Fund L.P ("the Fund"), a limited partnership without a separate legal personality in Guernsey, formed on 27 February 2019.

Review of business

The Company was incorporated on 12 October 2018 and became investment advisor to the Fund on 7 March 2019, from which it receives an investment advisory fee. It also receives monitoring fees from the investment portfolio acquired by the Fund. During the year, the Company's revenue was £785,643 (2020 £500,215), with profit after tax of £49,726 (2020 £22,842).

Position at the year ended

Net equity as at 31 December 2021 equalled £45,969 (2020: negative £3,757).

Principle risks and uncertainties

The Company will continue in its role of providing investment advisory services and monitoring services to the Fund and its portfolio. The Directors have considered that the specific risks to the business, are as follows:

Liquidity Risk is the risk that the Company is unable to meet its payment obligations as they fall due. The Company has entered into an agreement with GMT Communications Partners LLP ("the LLP"), and under that agreement, all costs allocated to the Company will be accrued, until such time as the Company has sufficient cash flow to settle. The Company is in a start-up phase and the Directors anticipate that liquidity will continue to improve as the business grows.

Credit Risk is the risk that investors in the Fund will be unable to meet payments and fulfil their contractual obligations, which would impact the income stream of the advisory fee. Whilst the current economic environment has increased the general risk, the assessment on the specific risk is that it is relatively remote as the investors are well known institutions.

Market Risk is signified by several factors including foreign exchange and general market conditions. Changes in currency rates, particularly the Sterling-Euro exchange rate, affect the value of assets and advisory fees. This risk is mitigated by the hedging of the advisory fee income where deemed necessary, also the amount of expenses paid in Euros is minimal.

Results and dividends

The Statement of Comprehensive Income for the year ended 31 December 2021 is set out on page 4. The result for the year end and the financial position at the year end are in line with Directors expectations, given the Company is in the early stages of operation.

The Directors do not recommend the payment of a dividend.

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Directors' Report for the year ended 31 December 2021 (continued)

Directors

The Directors who have served during the year and up to the date of signing the financial statements were:

<i>Member's name</i>	<i>Date appointed/(resigned)</i>
Timothy S Green	12 October 2018
Ashley T M Long	12 October 2018

Audit Exemption

The Company is exempt from the requirement of having an audit, as it qualifies as a small company under section 477 of the Companies Act 2006.

Small company provisions

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

COVID 19

The pandemic COVID 19, has caused a lot of uncertainty within Europe and globally. The Company has continually monitored the situation to ensure that contingency plans are implemented to protect the health of its employees, to the best of its ability. The Company has implemented measures to enable staff to work from home, so that the impact on the performance of the business has been minimal.

Directors responsibilities for the financial statements

The Directors prepare the financial statements in accordance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, Section 1A, and applicable law, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" for each financial period, which give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period. In preparing those financial statements, the Directors accept responsibility for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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Directors' Report for the year ended 31 December 2021 (continued)

Directors responsibilities for the financial statements

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

The Directors confirm that the above requirements have been met in preparing the financial statements.

On behalf of the Company

A handwritten signature in black ink, appearing to read 'T S Green', with a horizontal line drawn underneath it.

Timothy S Green
Director

Statement of Comprehensive Income for the year ended 31 December 2021

	Notes	<u>2021</u>	<u>2020</u>
		£	£
Revenue		785,643	500,215
Administrative and other expenses		(724,217)	(477,373)
		<hr/>	<hr/>
Operating profit before interest and tax	3	61,426	22,842
Interest receivable and similar income	5	-	-
Profit before tax		<hr/> 61,426	<hr/> 22,842
Corporation tax charge		11,700	-
		<hr/>	<hr/>
Profit for the year attributable to the equity holders		<hr/> 49,726	<hr/> 22,842

There is no other Comprehensive Income in the period.

The accounting policies and the notes on pages 7 to 10 form an integral part of these financial statements.

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Statement of Financial Position as at 31 December 2021

	Notes	2021 £	2020 £
Current assets:			
Debtors	6	562,844	490,628
Cash at bank and in hand		1,119,998	424,382
Total current assets		<u>1,682,842</u>	<u>915,010</u>
Total assets		<u>1,682,842</u>	<u>915,010</u>
Equity and Liabilities:			
<i>Equity attributable to the equity holders of Apse Capital Limited</i>			
Share Capital		2	2
Retained Earnings		45,967	(3,759)
Net Equity		<u>45,969</u>	<u>(3,757)</u>
Non-current liabilities			
Trade and other payables		-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Current liabilities			
Trade and other payables	7	1,636,873	918,767
Total current liabilities		<u>1,636,873</u>	<u>918,767</u>
Total liabilities		<u>1,636,873</u>	<u>918,767</u>
Total equity and liabilities		<u>1,682,842</u>	<u>915,010</u>

These financial statements have been prepared in accordance with the provisions applicable to the small companies' regime and in accordance with United Kingdom Accounting Standards, comprising FRS 102 Section 1A.

For the year ended 31 December 2021, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The accounting policies and the notes on pages 7 to 10 form an integral part of these financial statements.

The financial statements were approved by the Directors on 1 August 2022 and were signed on its behalf by:



Timothy S Green
Director

Apse Capital Limited

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Cash Flow Statement for the year ended 31 December 2021

	Notes	<u>2020</u>	<u>2021</u>
		£	£
Net cash generated from operating activities			
Profit before tax		61,426	22,842
Adjusted for:			
Provision for corporation tax		(11,700)	-
Increase in debtors		(72,216)	(198,023)
Increase in trade and other payables		718,106	548,978
Cash flows from operating activities		<u>695,616</u>	<u>373,797</u>
Net cash flows from financing activities			
Share capital		-	-
Cash flows from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		<u>695,616</u>	<u>373,797</u>
Cash and cash equivalents at the beginning of the year		424,382	50,585
Cash and cash equivalents at the end of the year		<u>1,119,998</u>	<u>424,382</u>

The accounting policies and the notes on pages 7 to 10 form an integral part of these financial statements.

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Notes to the financial statements for the year ended 31 December 2021

1 General information

Apse Capital Limited ("the Company"), is a private limited company, which was incorporated on 12 October 2018, principally to become a fund investment adviser and to carry out all functions and acts in connection therewith. On 26 February 2019, the Company entered into an Appointed Representative Agreement ("ARA"), with GMT Communications Partners LLP, ("the LLP"). On 7 March 2019, the Company became investment advisor to Apse Capital Bridge Fund L.P, ("the Fund"). The registered office is 21 Gloucester Place, London, W1U 8HR.

2 Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), under the historical cost convention and in accordance with the Companies Act 2006.

As the Company meets the requirement to be classified as a small entity as defined in the Companies Act 2006, the Directors have elected to apply the reporting requirements of FRS 102 Section 1A: Small Entities ("FRS 102 Section 1A"), and these financial statements are exempt from the requirement to have an audit.

The Company is a private limited company, limited by shares.

The financial statements are presented in Sterling (£).

Going concern

After reviewing the Company's forecasts and projections, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

A summary of the more important accounting policies adopted are described below.

Turnover

Turnover comprises the investment advisory fees and monitoring fees earned by the Company, (exclusive of Value Added Tax), which is recognised over the period the service is provided and is consistent with the accruals basis of accounting.

Accrued and deferred income

In accordance with the investment agreement, monitoring fees charged to portfolio companies are invoiced in advance. Any income that has not been invoiced at the year end and which relates to the relevant financial reporting period is recorded as accrued income. Income received by the Company in advance is classified as deferred income until the service is provided, at which point income is recognised.

Notes to the financial statements for the year ended 31 December 2021 (continued)

2 Accounting policies (continued)

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the tax authorities. The tax rates and tax laws used to compute the amounts are those that are enacted or substantially enacted by the balance sheet date.

Pension Schemes

Retirement benefits for employees and Directors of the Company are provided by way of a personal pension plan, funded by contributions from the Company and its employees. The plan is a defined contribution scheme.

Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are taken to the Statement of Comprehensive Income.

Key accounting estimates and assumptions

To be able to prepare financial statements in accordance with FRS 102, the Company must make certain estimates and judgements that have an impact on the policies and the amounts reported in the annual financial statements. The estimates and judgements are based on historical experiences and other factors including expectations of future events that are believed to be reasonable at the time such estimates and judgements are made. Actual experience may vary from these estimates.

The estimates and assumptions which have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below:

(i) Provisions

The Company accounts for provisions in accordance with FRS 102. A bad debt provision is set up when a debt has been outstanding for a period of more than 12 months or the Company becomes aware that the likelihood of recovering the debt is diminished. The level of provision will be based on any current outstanding amounts deemed unlikely to be received.

3 Operating profit

	<u>2021</u>	<u>2020</u>
	£	£
Operating profit is stated after charging:		
Loss on foreign exchange transactions	3,688	-
Office rental and service charge	480,087	433,295

Notes to the financial statements for the year ended 31 December 2021 (continued)

4 Employee information

	<u>2021</u>	<u>2020</u>
	£	£
Wages and salaries and other remuneration	184,001	37,398
Social security costs	17,057	2,290
Other pension costs	2,724	-
	<u>203,782</u>	<u>39,688</u>

The average number of persons employed by the Company during the year:

	<u>2021</u>	<u>2020</u>
	Number	Number
Investment	4	4
Total	<u>4</u>	<u>4</u>

5 Interest receivable and similar income

	<u>2021</u>	<u>2020</u>
	£	£
Bank interest received	-	-
Total interest received	<u>-</u>	<u>-</u>

6 Debtors

	<u>2021</u>	<u>2020</u>
	£	£
<i>Due within one year:</i>		
Trade debtors	460,086	489,075
Other debtors	2	1,553
Prepayments	4,592	-
VAT debtor	11,240	-
Accrued income	86,924	-
	<u>562,844</u>	<u>490,628</u>

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Notes to the financial statements for the year ended 31 December 2021 (continued)

7 Trade and other payables

	<u>2021</u>	<u>2020</u>
	£	£
<i>Due within one year:</i>		
Trade creditors	401,902	51,258
Advanced income	175,000	155,172
Provisions and sundry creditors	24,000	20,370
VAT	-	38,402
Accruals	127,026	-
Amounts due to GMT	<u>908,945</u>	<u>653,565</u>
	<u>1,636,873</u>	<u>918,767</u>

8 Related party transactions

GMT Communications Partners LLP (the "LLP"), was a related party as Timothy S Green and Ashley Long were members as at 31 December 2021. During the year ended 31 December 2021, the LLP recharged expenses to the Company of £478,601 (2020: £430,343). As at the year end an amount of £908,945 (2020: £653,565), is due to the LLP.

9 Post balance sheet events

There were no post balance sheet events.