Astute Capital PLC

Report and Financial Statements

For the Year Ended

31 March 2019

Company Number 10407229

Astute Capital PLC
Report and financial statements for the year ended 31 March 2019

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Directors

Richard Anthony Symonds
Adrian Francis Bloomfield

Secretary

D&A Secretarial Services Limited

Registered office

3rd Floor 96-98 Baker Street, London, W1K 4QG

Company number

10407229

Auditor

BDO LLP, Citypoint, 65 Haymarket Terrace, Edinburgh, EH12 5HD

Overview

Astute Capital PLC is principally engaged in raising capital which is advanced to the Company's collateral manager Astute Capital Advisors Ltd (ACA), an asset backed finance provider predominantly focused on UK property finance. Our aim is to provide investors with a competitive rate of interest on their savings through lending to UK companies using a proven, hands-on and well-structured lending strategy.

All loans tend to have an average duration of 18 – 24 months, and vast majority for the acquisition of UK property and land that has confirmed added value opportunity. Our management team with over 40 years' experience along with a robust underwriting process and the use of RICS valuations combined ensure our loans meet Astute Capital's policy and our stock exchange listed prospectus for providing adequate security to investors.

Astute Capital PLC only raises capital through stock exchange listed retail bonds and has never utilised nor received funds via non-listed structures such as minibonds.

Business model and risk management framework

Astute Capital PLC was established to raise funds through a £500M secured limited recourse bond program, listed on Euronext Dublin, formerly the Irish Stock Exchange. The funds raised by the issuer will be lent to ACA under a Collateral Management Agreement (CMA) under which ACA will deal with loan origination, approve and enter into borrower loans on behalf of Astute Capital PLC. The CMA sets its rate to ensure the Plc will receive a greater amount of interest from ACA, than that is owed to its bondholders and to cover its standard operational costs, as this is the core feature of the Company's business model, in order for it to make a profit in accordance with its purpose as a listed bond issuing vehicle.

Borrower loans will broadly fall into two categories: (a) secured loans to individuals and companies for the purpose of commercial property acquisition or development and (b) secured loans to small to medium sized companies for business purposes with the former constituting the majority of loans by both size and percentage of capital deployed.

Under the terms of the CMA, the collateral manager is required to provide a well-respected advisory board made up of individuals who will act as its credit committee. Independent valuations will be carried out on all assets and loans by the collateral manager's panel of chartered surveyors, who will be experienced in valuing the type of assets being offered as security by borrowers.

NCM Fund Services Limited (NCM) will act as security trustee for the bondholders under a security trust document drawn up between the bond trustee and the issuer. NCM will also act as security trustee with respect to security provided by the collateral manager to secure its obligations to the issuer under the CMA.

As part of its 2019 strategy, ACA has successfully hired senior executives and Directors to improve its lending services, deal flow and loan structuring.

Astute Capital PLC recognised an opportunity within the UK bond and peer to peer market space, this being the need for a more transparent regulated, and well structured product. The introduction of the Innovative Finance ISA (IF ISA) in 2016 increased the retail market's knowledge of the opportunities available of receiving a higher, tax free rate of interest, however, the risks also increased, as it allowed unquoted bonds to be held. The opportunity to achieve almost comparable rates but through a Stocks & Shares ISA has proven to be a successful business plan for Astute and we will continue to offer this product.

The most notable difference between the Astute bonds held within a Stocks & Shares ISA compared to minibonds or peer to peer loan notes held within an IF ISA, is that listed bonds are subject to stock exchange regulations, most notably the requirement for annual resubmission to the stock exchange and this can only be achieved following an in-depth audit. IF ISA bonds do not have this requirement. The Astute model also gives bondholders security across all of its loan, instead of individual loans selected by the investors themselves, which may or may not have the relevant experience or information to make an informed decision about their individual investment.

Our collateral manager, ACA, will look to advance loans to its borrowers with a risk profile consistent with our risk appetite, with the loan pricing and term dependent on the security provided.

Financial review

Bond Programme:

In March 2018 Astute Capital PLC successfully launched its £500M secured limited recourse bond issuance programme, listed on the main market of Euronext Dublin.

As at 31 March 2019, the Company had issued £15,757k of bonds across eleven Series', with interest being paid either semi-annually or upon the maturity of the bond after 1, 3, or 5 years depending on the Bond terms. The maturity timeline of the Bonds issued is £386k in the 2019-20 financial year, £2,973k maturing in 2020-21, and the balance of £12,398k in subsequent financial years.

Key performance indicators:

	2019	2019	2018	2018
	%	£'000	%	£'000
Initiated Bond programme	(100.00%)	100,000	(100.00%)	100,000
Bonds issued	(15.76%)	15,757	(1.12%)	1,116

The Company's KPI for money raised is based on £100m and not the full program as this is a key milestone, indicating a point at which the Company will have obtained a greater track record and ability to attract more institutional investment. In the year ending 31 March 2019, the Company exceeded its expectation of reaching £10m (10% of £100m) in this period. Once we hit £100m we will review our structure and consider multiple options including AIM listing or similar whilst simultaneously focusing on more HNW (High Net Worth and family offices) and institutional investment.

The bond programme is still at a very early stage of being just over 12 months old, for the vast majority of the initial bond issue proceeds were realised in the final month of the last financial year.

Loan Book:
The net book value owed to Astute Capital Plc (PLC) by ACA at 31 March 2019 is £8,780k and the PLC closely monitors ACA's use of the funds along with the performance of ACA's loan book, it's forecasted redemptions and future pipeline loans. As a result, PLC is confident the Collateral Manager has sufficient pipeline and performance to ensure they utilise the funds for multiple loans and have will sufficient funds to repay PLC on time in order to repay its bondholders, as well as fully service the interest due for both income and growth bond series.

The Company generated interest income of £1,047k during the financial period on advancing loans to Astute Capital Advisors (ACA), its collateral manager. Receipt of interest payments are forecasted to commence in Q3/4 of the next financial year, due to the early stage of ACA's loan book.

Amounts owed by related parties:
The amounts due from related parties (ACA and AIM Distribution Limited) of £2,825k are repayable on demand and interest free. It is anticipated that repayment will commence in March 2021 as the collateral manager realises its loans.

At the 31 March 2019, the amount from 2018 owed by Brunswick Court Limited of £1,082k has now been recovered in full.

Interest paid:
During the 2018/19 financial year, interest paid on bonds issued includes the two coupon payments in September 2018 and March 2019 totalling net £434k, plus a further £205k for interest accrued but not yet due in accordance with the respective bond terms, on all Series that had been subscribed at 31 March 2019. Total interest paid or provided during the financial year was therefore £639k.

Deposits:
The amount of £251k is held by the Company's brokers, reflecting funds received from bond sales but not yet transferred to the Company's bank account.

Administrative expenses:
A large portion of administrative expenses related to the initial setup costs and the outsourcing of administration which is now done internally and is forecasted to be significantly lower in the next financial year.

Principal risks and uncertainties

The proceeds raised by Astute Capital PLC through its bond issuance programme will be used by ACA to lend money to third party borrowers with credit risk inherent to its lending activities. Any decline in credit quality and loan recoverability could have an adverse effect on the collateral manager's financial condition with a negative impact on the financial condition of Astute Capital PLC.

The funding structure is described in greater detail in the business model and risk management framework section on page 1.

The principal risks are to ensure that the credit quality of asset loans remains above market standards whilst ensuring our security and legal structure of each asset loan provides maximum protection.

Our collateral manager ensures rigorous due diligence is carried out on each loan, and close oversight of the asset is maintained throughout each stage of the loan journey, right up to redemption of the facility. An independent professional team of RICS qualified valuers and monitoring agents also provides further detailed oversight of the loan facility. It is this stringent process and attention to detail that we continue to strive to maintain.

It is acknowledged that the property market is cyclical, and the board continues to regularly reassess its view on the risks presented by the market and overall stage of the property cycle.

Possible exposure to fraud

The collateral manager is exposed to possible fraud by borrowers, their professional advisers, as well as by employees. Under the CMA, the collateral manager is required to provide experienced individuals who will adopt processes and procedures to counter fraud and to have indemnity insurance against losses arising from fraud.

Operational Risks - Lending

The use of institutional grade solicitors mitigates against the risk of fraud within operational risks. Therefore, the main risks relate to internal underwriting of loans and instructions to solicitors. There is a formal credit committee process which includes the officers of both ACA and Plc to sign off in writing fully packaged and presented loans.

Operational Risks – Bond Sales

Non-compliance with the FCAs Financial Services and Markets Act 2000 would seriously restrict the Company's ability to access new capital. The use of institutional grade, third party compliance consultants and a corporate policy designed around embracing all aspects of compliance mitigates against this risk.

Liquidity Risks

A significant drop or complete stop of new bond sales to retail clients poses a potential threat to liquidity, however, the Company's cashflows are modelled on a worst-case scenario and take this into account. Due to the potential reasons which would result in a stop to new bond sales to retail clients (for example, potential changes in FSMA 2000 section 21 regulation which regulates financial promotions in the UK, stipulates a Company offering a financial promotion must have the approval of an FCA authorised Company or be directly authorised themselves could affect the way the Company deals with and promotes to new retail clients. Without Section 21, the Company would continue to make new sales to those exempt under the Financial Promotions Exemption Order 2001 (as amended)), it is considered these reasons would not affect new bond sales to HNW and institutional clients and therefore these forecasts remain in the Company's modelling. A market downturn could affect asset values and in turn reduce the amount recoverable under the loan agreements, potentially affecting liquidity. Our collateral manager ensures the security of loans ranks ahead of borrowers along with taking personal guarantees to mitigate against a reduction in asset values. Our customer services team provides excellent customer service and we closely manage our public reputation along with ensuring we continue to offer competitive rates to mitigate against a drop in retained clients that would otherwise reinvest with Astute Capital PLC.

Brexit Risk

The vote to leave the EU on 23 June 2016 caused a degree of economic uncertainty. In January 2017, the Government announced its objectives for leaving the EU, stating that it intended to leave the single market. Any resulting decline in economic conditions could negatively impact on the collateral manager's financial condition which in tum could adversely impact the ability of Astute Capital PLC to fulfil its obligations under the Bonds after Brexit.

We are, however, seeing strong economic growth which has increased demand for lending and investment. With interest rates near historic lows and the British public wanting more control of their future with Brexit and with the current state of the UK State pension system and Company pension schemes defaulting, there has never been a better time for the British public to look at their retirement needs. This has created a huge spike in consumers looking for a better return on their savings coupled with businesses looking for additional funding to fuel growth.

Likely future developments in the business of the Company

The Company will continue to raise money through its listed bond program and continue working toward reducing its cost of capital whilst remaining competitive in the market. It will also explore other avenues of raising capital via HNW investors and institutional clients for both its listed bonds and other commercially viable structures which is also part of the Company's ambitions to reduce its exposure to retail money. The Company and/or its Collateral Manager will look to become FCA regulated in 2020 as part of its approach of embracing compliance on all levels. We recognise the advantages of being FCA regulated in both the lending and capital raising departments as well as the potential to expand its products and services once regulated to introduce new income streams for the business.

Approval

This Strategic Report was approved by order of the Board on 31st October 2019

Richard Anthony Symonds
Director

Astute Capital PLC was incorporated in, England on 3 October 2016 as a Private Limited Company and converted to a Public Limited Company on 16th March 2017 and is therefore a Public Limited Company under the Companies Act 2006.

The financial statements have been prepared for the accounting period 1 April 2018 to 31 March 2019.

Directors

The Directors of the Company throughout the financial period were:

Richard Anthony Symonds, appointed 27 November 2018
Adrian Francis Bloomfield, appointed 15 January 2019

Alistair Charles Moncrieff, resigned 26 February 2019
Timothy John Smith, resigned 27 November 2018

Corporate Governance

The directors have been charged with governance in accordance with the programme documents describing the structure and operation of the programme. The governance structure of the Company is such that the key policies have been predetermined at the time of issuance and the operational roles have been assigned to third parties with their roles strictly governed by the programme documents.

The programme documents provide for procedures that have been designed for safeguarding assets against unauthorised use or disposition, for maintaining proper accounting records, and for the reliability and usefulness of financial information used within the business of for publication. Such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives whilst enabling them to comply with regulatory obligations.

Due to the nature of the securities which have been listed on the Irish Stock Exchange trading as Euronext Dublin, the directors are satisfied that there is no requirement to publish a corporate governance statement and that the Company is largely exempt from the disclosure requirements of the Irish Corporate Governance Code Annex and the provisions of the UK Corporate Governance Code.

Financial instruments

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from funds advanced to its collateral manager ACA who will originate, approve and enter into borrower loans.

Borrower loans will broadly fall into two categories: (a) secured loans to individuals and companies for the purpose of commercial property acquisition or development and (b) secured loans to small and medium sized companies for business purposes. The collateral manager is subject to certain concentration limits with respect to the proceeds of each tranche of bonds used.

The borrower loans will be secured against mainly real estate assets which produce funds sufficient to service any payments due and payable on amounts advanced to the collateral manager by Astute Capital PLC from issued bond proceeds.

The collateral manager will look to provide funding to borrowers according to lending criteria which will be set by the credit committee from time to time and this will include but not limited to maximum LTV of 90% UK assets and a clear exit strategy in place.

Under the terms of the CMA, the collateral manager is required to provide a well-respected advisory board made up of individuals who will act as its credit committee. Independent valuations will be made by the collateral manager's panel of valuers who will be experienced in valuing the type of assets being offered as security by borrowers.

NCM will act as security trustee for the holders of the bonds under a trust drawn up between the bond trustee and the issuer. NCM will also act as security trustee with respect to security provided by the collateral manager to secure its obligations to the issuer under the CMA.

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Board receives rolling 12-month cash flow projections on a regular basis as well as information regarding cash balances. At the end of the financial period, these projections indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances. The Company also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on its borrowings.

Under the CMA with ACA the Company will advance funds at a fixed interest rate of 12.5% as compared with its current rate, averaging at 7.46% in respect of issued bonds.

Cash flow interest rate risk

The Company limits its exposure to cash in flow interest rate risk through raising all borrowings at a fixed rate. The Company's borrowings are dominated in GBP.

Market risk

Market risk cash flow arises from the Company's use of interest bearing financial instruments. The Company is exposed to fair value interest rate risk from long term borrowings at fixed rate. It is considered that fair value will fluctuate in accordance with interest rates and unless the Company is able to remain competitive, an increase in interest rates would ultimately see investor's appetite decline should they be able to receive a higher interest rate from either government or institutional grade listed bonds or direct from a savings account. The Company considers this risk to be low based on the fact that the Bank of England base rate is currently 0.75% compared with the Company's average weighted rate of 7.5% and there would need to be a significant increase in the base rate to drive a change in investor appetite towards the Company's debt instruments and its rates. The Company also looks to mitigate against its dependency on listed debt instruments via private equity, syndicate, and institutional funding along with obtaining a rating from a reputable rating agency.

Post balance sheet events

There are no material post balance sheet events to report.

Likely future developments in the business of the Company

Information on likely future developments in the business of the Company has been included in the Strategic Report.

Existence of branches of the Company outside of the United Kingdom

The Company has no branches outside of the United Kingdom.

Going Concern

The Company's business activities, together with and the factors exposures likely to affect its future development, its financial position, financial risk management objectives and its exposures to certain risks are described in the Strategic Report on Page 1. The Company has adequate financial resources underpinned by a successfully established bond funding programme. Consequently, the Directors believe that the Company is well placed to manage business risks successfully.

After making enquiries reasonable and preparing 3 year cashflow forecasts in respect of the Company's to future activities, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, including meeting its future repayment obligations early in respect of bonds issued to the 31 March 2019, which will fall due to repayment in September 2020 with no early redemption rights available to bondholders. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Auditor

All the Directors as at the date of this report have taken all the necessary steps to make themselves aware of any relevant audit information, and to establish that the auditor is aware of that information. The Directors are not aware of any relevant audit information of which the Company's auditor is unaware.

Approval

This Directors' Report was approved by order the Board on 31st October 2019

Richard Anthony Symonds
Director

Directors' responsibilities

The Directors are responsible for preparing the strategic report, the Directors' 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 Company 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Opinion

We have audited the financial statements of Astute Capital plc (the 'company') for the year ended 31 March 2019 which comprise the statement of comprehensive income, statement of financial position, the statement of changes in equity, the statement of cash flows and the 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 Financial Reporting Standard 102 *The Financial Reporting Standard in the United Kingdom and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of the 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 as applied to public interest entities, 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 nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How we addressed the matter in our audit
Interest income recognition As detailed in note 1(c) the company's income is generated from interest due on the loan made to Astute Capital Advisors Limited under the collateral management agreement. Interest income is calculated in arrear, this is the first year in which interest income has been generated and the amount is calculated on the full balance available for drawn down rather than the drawn down amount. we therefore considered there to be a risk that the interest was not complete. As a result we considered interest income recognition to be a key audit matter.	We obtained the collateral management agreement and verified the rate of interest and the method for calculating amounts due. We recalculated the interest income using the interest rate and the balance and compared with the actual interest income recorded in the financial statements. *Key observations* We noted no material exceptions from performing these procedures.
Recoverability of loan balance owed by Astute Capital Advisors Limited There is a significant loan balance owed by Astute Capital Advisors Limited under the collateral management agreement (note 8 and 15). The proceeds from the bond programme are advanced to Astute Capital Advisors Limited under the collateral manager agreement. Onward loans are then made by Astute Capital Advisors Limited to UK property development companies and SMEs. Due to the use of funds by Astute Capital Advisors Limited, there is a risk that the balance owed by Astute Capital Advisors to the company is not recoverable.	As Astute Capital Advisors Limited makes onward loans to other borrowers, we assessed the recoverability of the balance owed by Astute Capital Advisors Limited by reviewing the loans it has made for any indications that these loans may not be recoverable. We obtained a breakdown of loans made and verified loan agreements and security documents. We reviewed loan terms, confirmed repayments made to bank statements and obtained correspondence outlining the latest status of the projects being funded by the loans. *Key observations* We noted no material exceptions from performing these procedures.

Accounting for bonds (note 6) The approved bond programme allows for flexibility in the type of bonds which can be issued in each series for which the accounting depends on the nature of the underlying bond terms. Furthermore, there are transaction costs incurred in respect of the bonds. Accounting for bonds is a potentially complex area of accounting and was a key area of audit focus resulting in this being considered to be a key audit matter.	We obtained confirmations directly from the brokers of the bonds issued at the year end. We reconciled the number of units confirmed directly by the brokers to the register maintained by management. We then reconciled the subscription value and cash received to the trial balance and bank receipt. We recalculated the expected interest expense for the year and closing liability with reference to the issue date of the series, subscription date, bond terms (interest rate and timing of payments) and taking account of any interest paid in advance by the investor to the company between issue and subscription dates. We reviewed the direct transaction costs recognised on the balance sheet and the amount recognised under the effective interest method in the year. We agreed the terms of each series to the terms published on Euronext Dublin website. *Key observations* We noted no material exceptions from performing these procedures.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The materiality for the financial statements as a whole was set at £180,000 (2018 - £13,500). This was determined with reference to a benchmark of 1.2% of total assets (2018 - 1.2% of total assets), which we consider to be the principal consideration in assessing the financial performance of the company.

Performance materiality is the application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements a whole. Based on our overall risk assessment and the past level of misstatements, performance materiality was set at 65% (2018 – 65%) of the above materiality level for the company, being £117,000 (2018 - £8,775).

We agreed with the Board that we would report to them all individual audit differences in excess of £3,600 (2018 - £405). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

We carried out a full scope audit. Our approach to the audit was risk based, with our audit work being tailored to ensure that sufficient and appropriate audit evidence was obtained for us to be able to give an opinion on the financial statements as a whole. Specific audit procedures were carried out on all risk areas identified, including the key audit matters detailed above, and on all material balances and classes of transactions. The audit team performed all aspects of the audit.

Extent to which the audit is capable of detecting irregularities

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls and the risk of fraud in revenue recognition, including evaluating whether there was evidence of bias by management that represented a risk of material misstatement due to fraud.

We identified areas of laws and regulations that could reasonably be expected to have a material impact on the financial statements from our sector experience and through discussion with the directors and other management, as required by the auditing standards. We assessed the risk of non-compliance with these laws and regulations and responded to any risks observed.

We remained alert to any indications of non-compliance with relevant laws and regulations throughout our audit. However, there are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate 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.

Other matters which we are required to address

Following the recommendation of the Board, we were appointed by the Board on 4 April 2017 to audit the financial statements for the period ending 31 March 2018 and subsequent financial periods. The period of total uninterrupted engagement is 2 years, covering the years ending 31 March 2018 to 31 March 2019.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the Board.

Use of our 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.

BDO LLP

Martin Gill (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Edinburgh, UK
Date: 31 October 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Astute Capital PLC
Statement of Comprehensive Income for the year ended 31 March 2019

	Note	Year ended 31 March 2019 £'000	18 month period ended 31 March 2018 £'000
Interest receivable and similar income	3	1,047	-
Interest payable and similar charges	4	(686)	(3)
Net interest income		361	(3)
Administrative expenses		(363)	(127)
Operating loss	6	(2)	(130)
Loss on ordinary activities before taxation		(2)	(130)
Taxation on loss	7	-	-
Loss for the period		(2)	(130)
Total comprehensive loss for period		(2)	(130)
Loss for the period attributable to:			
Owners of the Company		(2)	(130)
Total comprehensive loss attributable to:			
Owners of the Company		(2)	(130)

The notes on pages 20 to 30 form part of these financial statements

Astute Capital PLC
Statement of Financial Position at 31 March 2019

Company number 10407229	Note	2019 £'000	2018 £'000
Fixed assets			
Amounts owed by related parties	8	2,825	-
Loans to collateral manager	8	8,395	-
		11,220	-
Current assets			
Debtors	9	1,730	1,139
Cash at bank and in hand		2,997	-
		4,727	1,139
Creditors: amounts falling due within one year	10	(723)	(118)
Net current assets		4,004	1,021
Total assets, less current liabilities		15,224	1,021
Creditors: amounts falling due after more than one year	11	(15,306)	(1,101)
Net liabilities		(82)	(80)
Capital and reserves			
Called up share capital	13	50	50
Profit and loss account		(132)	(130)
Equity attributable to owners of the Company		(82)	(80)

The financial statements were approved by the Board of Directors and authorised for issue on 31 October 2019.

Richard Anthony Symonds
Director

The notes on pages 20 to 30 form part of these financial statements

Astute Capital PLC
Statement of changes in equity for the year ended 31 March 2019

	Share capital £'000	Profit and loss account £'000	Total equity attributable to owners of the Company £'000
Balance as at 1 April 2018	50	(130)	(80)
Loss for the period	-	(2)	(2)
Total comprehensive loss for the period	**50**	**(132)**	**(82)**
Transaction with owners			
Issues of shares	-	-	-
Total transactions with owners	-	-	-
Balance as at 31 March 2019	**50**	**(132)**	**(82)**

Astute Capital PLC
Statement of changes in equity for the period ended 31 March 2018

	Share capital £'000	Profit and loss account £'000	Total equity attributable to owners of the Company £'000
Loss for the period	-	(130)	(130)
Total comprehensive loss for the period	-	**(130)**	**(130)**
Transaction with owners			
Issues of shares	50	-	50
Total transactions with owners	**50**	-	**50**
Balance as at 31 March 2018	**50**	**(130)**	**(80)**

The notes on pages 20 to 30 form part of these financial statements

Astute Capital PLC
Statement of cash flows
for the year ended 31 March 2019

	Year ended 31 March 2019 £'000	18 month period ended 31 March 2018 £'000
Cash flows from operating activities:		
Net Loss for the financial year	(2)	(130)
Adjustments for:		
Decrease/(Increase) in debtors	10	(19)
Increase in creditors	101	119
(Increase) in loans to collateral manager	(8,780)	-
(Increase) in interest owed by collateral manager	(1,047)	-
(Increase) in amounts owed by related parties	(2,825)	-
Increase in amounts to related parties	7	-
Increase in bond interest	202	3
	(12,334)	**(27)**
Bond proceeds	14,500	1,097
Net cash generated from operating activities	**2,166**	**1,070**
Cash flows from financing activities:		
Issue of shares	-	12
Net cash from financing activities	-	**12**
Net increase/(decrease) in cash and cash equivalents	**2,166**	**1,082**
Cash and cash equivalents at beginning of period	1,082	-
Cash and cash equivalents at end of the period	**3,248**	**1,082**
Cash and cash equivalents comprise:		
Cash at bank	2,997	-
Cash held by broker	251	-
Amounts owed by related parties	-	1,082
	3,248	**1,082**

The notes on pages 20 to 30 form part of these financial statements

1. Accounting policies

a) Basis of preparation

Astute Capital PLC is a public Company limited by shares and incorporated in England, United Kingdom. The address of the registered office is given on title contents page and the nature of the Company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

Since the nature of the business is to provide finance, the Directors are of the opinion that it is more appropriate to use interest income and interest expense rather than turnover and cost of sales in preparing the statement of comprehensive income. In addition, the statement of financial position fixed asset narrative has changed to amounts owed by related parties and loans to collateral manager. This has no material impact on the financial statements.

The functional and presentational currency of the Company is GBP.

The financial statements have been rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

b) Going concern

The financial statements have been prepared on a going concern basis.

During the financial year ended 31 March 2019 the Company recorded a loss for the period of £2k. The Company is still in its early years of existence with its first bond series issue occurring just over 12 months ago. The loss for the year is consistent with the Directors' expectations for a newly commenced business, with profits not expected to be realised until the 2020/21 financial year.

The Directors are confident that the Company will be successful going forward as it develops the scale of its activities. After making enquiries and preparing 3 year cashflow forecasts in respect of the Company's future activities, the Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, including meeting its future repayment obligations in respect of bonds issued to the 31 March 2019. Accordingly, the Directors have prepared the financial statements on a going concern basis.

c) Interest Income

Interest income is recognised when it is probable that the economic benefits will flow, to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

d) Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts 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.

e) Administration expenses

Administration expenses are expensed or accrued in the period the services are incurred. Costs can include, but are not limited to, audit and accountancy fees, consulting fees, IT software, legal expenses, and other professional fees.

f) Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or 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 reporting date.

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

- The recognition of deferred tax assets ls 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.

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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

g) Cash & 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 assets 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.

h) Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

i) Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

j) Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents the cumulative profits or losses, net of dividends paid and other adjustments.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS102 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of Income and expenses during the reporting period.

Although these estimates are based on management's best assessment of the outcome, actual results may ultimately differ from those estimates. Management believes that the underlying assumptions are appropriate and that the Company's financial statements therefore present the financial position and results fairly.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

Deferred tax

The largest element of the potential deferred tax asset represents the future tax impact of carried forward tax losses which will reduce the payment of future tax. This element of the potential deferred tax asset requires management judgement in assessing its recoverability.

Accounting standards permit the recognition of a deferred tax asset to the extent that it is probable, more likely than not, that future taxable profits we be available to utilise the tax lasses carried forward. The Company has not recognised a deferred tax asset in the financial statements on tax losses generated due to the uncertainty over the timing of future taxable profits.

Recoverability of loans from Collateral Manager

It is agreed between Astute Capital Plc and its collateral manager (ACA) that all loans made by ACA must be asset backed and must not breach the Company's prospectus. Beyond this the Company has agreed with ACA to include further policies to provide additional security around loans to assist with recoverability, these include but are not limited to: personal guarantees from borrowers, full transparency of borrower operation including mandates over key bank accounts, ownership over security assets and enhanced levels of control and management during the lifetime of each loan. Should the Company need to recover loans from ACA it would call upon the security held by ACA in the form of legal charges over all the assets lent against.

3. Interest receivable and similar income

The amount represents interest received accrued under the CMA on funds advanced of £15.7m at a fixed interest rate of 12.5%.

4. Interest payable and similar charges

	Year ended 31 March 2019 £'000	18 month period ended 31 March 2018 £'000
Bonds Issued	639	3
Amortisation of bond issue costs	47	-
Total	**686**	**3**

The interest payable on bonds issued includes the two coupon payments in September 2018 and March 2019, due in accordance with the respective bond terms, and an accrual of £205k for interest accrued but not yet due to be paid on all Series that had been subscribed to the 31 March 2019.

Bond issue costs are amortised over the life of each respective bond series from the month they are incurred.

5. Employees and Directors

The average number of employees (including Directors) during the year	2019	2018
Directors	2	2

The Managing Director waived remuneration or benefits for services rendered to the Company until 30 November 2019.

All other Directors, former and current, waived their salaries in the 2018/19 financial year, except for Adrian Bloomfield, who was appointed a Director in January 2019. Adrian Bloomfield received a consultancy fee of £2k per month during the 2018/19 financial year, and waived the increase he was due for his directorship appointment from the 15th January 2019 until 31 March 2019, the difference which was waived amounted to £3k. For the year ending 31 March 2019, Adrian Bloomfield received a total of £30,000.

Following the resignation as Director, Timothy Smith received £10k for consultancy work in the January 2019.

Prior to his appointment as Director, Richard Symonds received £1.25k for consultancy work in November 2018.

6. Operating loss

	Year ended 31 March 2019 £'000	18 month period ended 31 March 2018 £'000
This is arrived at after charging:		
Client services	100	-
Legal expenses	122	84
Consulting and professional fees	87	4
IT software and consumables	23	-
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	19	18
Fees payable to the Company's auditor and its associates for other services to the Company	-	5

7. Taxation on loss on ordinary activities

	Year ended 31 March 2019 £'000	18 month period ended 31 March 2018 £'000
UK Corporation tax		
Current tax losses for the year	-	-
Total current tax	-	-
Deferred tax		
In respect of losses carried forward	-	-
Taxation on losses	-	-

The tax assessed for the year is higher than (2018 – higher than), the standard rate of corporation tax in the UK applied to less before tax. The differences are explained below:

	Year ended 31 March 2019 £'000	18 month period ended 31 March 2018 £'000
Loss before tax	(2)	(130)
Loss on ordinary activities multiplied by the rate of corporation tax applicable in the UK (19%) (2018 – 19%)	-	25
Deferred tax asset not recognised	-	(25)
Taxation on loss	-	-

The Company's tax rate is higher than the UK standard rate of corporation tax because of the non-recognition of a deferred tax asset in respect of tax losses carried forward. There is no indication that this is likely to change in the near future.

Deferred tax of (£25k) (2018 – (£25k)) has not been provided on tax losses carried forward. This was not recognised due to the uncertainty over the timing of future taxable profits.

8. Fixed assets

	2019 £'000	2018 £'000
Amounts owed by related parties	2,825	-
Loans to collateral manager	8,395	-
Total	**11,220**	-

Amounts owed by related parties comprise of £2,684k owed by Astute Capital Advisors Limited and £141k owed by AIM Distribution Limited for expenditure paid on their behalf, both are repayable on demand and interest free (See note 15 for further details).

Loans to collateral manager represent loans due to from Astute Capital Advisors Limited. These loans are contractually due for repayment one month prior to the relevant bond series redemption date.

9. Debtors

	2019 £'000	2018 £'000
Cash held by Brokers in client account	251	-
Collateral Interest owed by Collateral Manager	1,047	-
Amounts owed by related parties	-	1,082
Prepayments	9	-
Other debtors	-	19
Called up share capital not paid	38	38
Loans to collateral manager	385	-
Total	**1,730**	**1,139**

10. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts owed to related parties	19	12
Accounts payable	37	56
Accruals	81	47
Accruals - bond interest	205	3
Other creditors	55	-
Issued Bonds	326	-
Total	**723**	**118**

Amounts owed to related parties are in respect of a creditor with AIM Distribution, which paid related expenditure on behalf of Astute Capital PLC.

11. Creditors: amounts falling due after more than one year

	2019 £'000	2018 £'000
Issued bonds	15,275	1,101
Deferred bond interest	31	-
Total	**15,306**	**1,101**

The maturity of sources of debt finance are as follows:

	Issued bonds 2019 '000	Total 2019 £'000	Issued bonds 2018 '000	Total 2018 £'000
In one year or less, or on demand	386	326	-	-
In more than one year but not more than two years	29	2,949	-	-
In more than two years but not more than five years	12,372	12,326	1,101	1,101
Total	**12,787**	**15,601**	**1,101**	**1,101**

In the 2018 financial year, the Company entered into a £500M secured limited recourse bond programme, listed on the main market of Euronext Dublin. As at 31 March 2019 the Company has issued £15,757k of Bonds across eleven series, ranging in maturity dates of 1, 3, and 5 years. Coupon payments are paid either bi-annually or upon maturity at 3.2% (1-year access), 7.5% (3-year income), 8.24% (3-year balance), or 8.9% (5-year growth).

Issued bonds are stated at the issued cost of £15,757k (2018 - £1,116k), less costs directly attributable to the bond issue amounting to £156k (2018 - £15k).

12. Financial instruments

The Company's financial instruments may be analysed as follows:

	2019 £'000	2018 £'000
Financial assets		
Financial assets measured at amortised cost	15,937	1,139
Financial liabilities		
Financial liabilities measured at amortised cost	16,029	1,204

Financial assets measured at amortised cost comprise cash at bank, cash held by brokers in client account, loan to collateral manager, amounts owed by related parties, other debtors and called up share capital not paid.

Financial liabilities measured at amortised cost comprise amounts owed to related parties, accounts payable, accruals, accruals – bond interest, other creditors, deferred bond interest and issued bonds.

Information regarding the Company's exposure to and management of credit risk, liquidity- risk, market risk and cash flow interest rate risk is included in the Directors' report.

13. Called-up Share capital

	2019 £'000	2018 £'000
Allotted, called up and partly paid		
50,000 ordinary shares of £1 each	50	50

The shares have been paid up to the amount of £12.5k.

	Ordinary shares of £1 each	
	Number	**£'000**
Shares issued	50,000	50
In issue at 31 March 2019	50,000	50

14. Contingent liabilities

There were no contingent liabilities of the Company at the year end.

15. Related party disclosures

Astute Capital Advisors Limited (formerly TAR Asset Management) – collateral manager

Astute Capital PLC was established to raise funds through a £500M secured limited recourse bond programme, listed on the Irish Stock Exchange. The funds raised by the issuer will be lent to Astute Capital Advisors under a collateral management agreement under which Astute Capital Advisors Limited will deal with loan origination, approve and enter into borrower loans on behalf of Astute Capital PLC.

Astute Capital Advisors Limited was established in order to act as collateral manager on behalf of Astute Capital PLC and is incorporated in the United Kingdom with its registered office at 96-98 Baker Street, London, W1U 6TJ. The management of Astute Capital Advisors Limited initially included both Directors of Astute Capital PLC until their resignation in July 2017. The Directors of Astute Capital PLC were also shareholders of Astute Capital Advisors Limited until March 2017. The Directors of Astute Capital PLC continue to exercise significant control over Astute Capital Advisors Limited through their close cooperation with the Director of that Company around the nature of the collateral agreement.

In addition, Astute Capital Advisors Limited will assume the obligations of the Company in respect of office costs, staff employment and introducer payments and commissions for funds raised.

Astute Capital Advisors Limited will pay a fixed rate of interest of 12.5% to Astute Capital PLC in respect of funds provided for the purpose of entering into borrower loans on behalf of the Company compared with a current fixed rate of interest on issued bonds between the range of 7.5% to 8.9%, dependent on the Bond series subscribed.

At the 31 March 2019, Astute Capital PLC had a debtor balance with Astute Capital Advisors Limited of £8,780k representing monies lent to it for 3rd party borrower loans. It is forecasted repayment will commence in Q4 of the 2019/20 financial year.

In addition, there was a further £2,684k owing to Astute Capital PLC for expenditure relating to Astute Capital Advisors Limited paid on its behalf. This amount is repayable on demand and interest free. It is anticipated that repayment will commence in March 2021, as the collateral manager realises its loans.

As at 31 March 2018, Astute Capital Advisors Limited had a creditor balance with Astute Capital PLC of £12k.

AIM Distribution Limited

AIM Distribution Limited was established by the Directors of Astute Capital PLC at the time of its incorporation, to pay and contract all marketing related activities on bond sales for internal sales staff and commissions to external agents. On 25 February 2019 AIM Distribution Limited became a 100% subsidiary of Astute Capital Advisors Limited which from this point to the 31 March 2019 had incurred an intercompany debt on its related expenditure paid by and owing to Astute Capital PLC. The balance owed by AIM Distribution Limited to Astute Capital PLC was £141k, representing expenditure paid by Astute Capital PLC on behalf of AIM Distribution Limited. This amount is repayable on demand and interest free. It is anticipated that repayment will commence in March 2021, as the collateral manager realises its loans.

Before the 25 February 2019, AIM Distribution Limited was considered an 'Other creditor', the balance owed by Astute Capital PLC as at 31 March 2019 to AIM Distribution Limited, whilst under this arrangement is £19k. This represents expenditure paid by AIM Distribution Limited on its behalf.

Brunswick Court Limited (previously Astute Investment Management Limited-AIM)

Brunswick Court Limited is a limited liability Company established in the United Kingdom with its registered office at 42 Park Cross Street, Leeds LS1 2QH. The Company is owned by a former director of Astute Capital PLC and was established as a special purpose vehicle to carry on select property development projects. During the first few months of trading, Astute Capital PLC established a short-term related party facility with Brunswick Court Limited to conduct its banking transactions.

At the 31 March 2019, the balance owing was £0k, with the balance from the previous financial year recovered.

As at 31 March 2018, the debtor balance owing to Astute Capital PLC was £1,082k.

Alistair Moncrieff

At the year ended 31 March 2019, a balance in the Director's loan account owed by Alistair was overdrawn by £11.6k, the Board agreed to write off the monies owing due to the debt being irrecoverable.

16. Controlling party and ultimate controlling party

The controlling party as at 31 March 2019 was the charitable trust, established by the deed dated 27th July 2017, called Astute Capital Charitable Trust, who were gifted 100% of the shares of the Company. Druces LLP were the ultimate controlling party of D&A Nominees Ltd, the trustees of the charity. Following the year end the trustees namely, D&A Nominees Ltd, were replaced by the Directors, Adrian Bloomfield and Richard Symonds who are now the ultimate controlling parties.

17. Post balance sheet events

There were no material post balance sheet events that occurred.