

REGISTERED NUMBER: 09487689 (England and Wales)

**Strategic Report, Report of the Directors and**

**Audited Financial Statements**

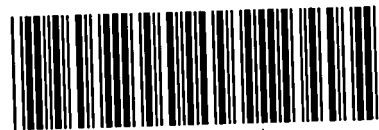
**for the Period**

**1 April 2016 to 30 September 2017**

**for**

**MJS CAPITAL PLC**

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**MJS CAPITAL PLC**

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**for the Period 1 April 2016 to 30 September 2017**

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**MJS CAPITAL PLC**

**Company Information**  
**for the Period 1 April 2016 to 30 September 2017**

<b>Directors:</b>	S S Prince Lord E T Razzall M J Westney
<b>Secretaries:</b>	Prism Cosec Limited
<b>Registered office:</b>	39 St James's Street LONDON SW1A 1JD
<b>Registered number:</b>	09487689 (England and Wales)
<b>Auditor:</b>	Capital Partners London Ltd Chartered Certified Accountants and Statutory Auditors 110 Viglen House Alperton London HA0 1HD

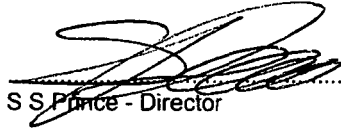
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**MJS CAPITAL PLC**

**Strategic Report**  
**for the Period 1 April 2016 to 30 September 2017**

The directors present their strategic report for the period 1 April 2016 to 30 September 2017.

**On behalf of the board:**

  
.....  
S S Prince - Director

Date: *22<sup>nd</sup> June 2018*  
.....

## **MJS CAPITAL PLC**

### **Report of the Directors** **for the Period 1 April 2016 to 30 September 2017**

The directors present their report with the financial statements of MJS Capital Plc for the period 1 April 2016 to 30 September 2017.

#### **Principal activity**

MJS Capital Plc was formed to create opportunities for investors that will enable them to achieve above average returns coupled with security of capital. MJS Capital Plc puts great importance on security of capital and regards it as an essential attribute of a well balanced portfolio. The Bonds issued by MJS Capital Plc are not an unregulated collective investment scheme for the purposes of the restriction on promotion of collective investment schemes in section 238 of the Financial Services and Markets Act 2000. Further details are at the MJS Capital Plc website [www.mjs.capital](http://www.mjs.capital)

#### **Dividends**

No dividends will be distributed for the period ended 30 September 2017.

#### **Directors**

The directors shown below have held office during the whole of the period from 1 April 2016 to the date of this report.

S S Prince  
Lord E T Razzall  
M J Westney

Other changes in directors holding office in the financial period and including the date of this report are as follows:

A H Shah - appointed 15 May 2017 - resigned 15 May 2017

M J Westney resigned from his duties as director on the 31<sup>st</sup> of December 2017

Lord E T Razzall resigned on 12 March 2018

Marcus Forrester appointed on 25 April 2018

#### **Review of Business**

The Directors have pleasure in submitting their report together with the financial statements for the 18 months ended 30<sup>th</sup> September 2017.

MJS Capital Plc was formed in March 2015 with the aim of providing high return investment opportunities for a limited class of qualified Exempt investors. This was through a series of fixed corporate bonds offering a high yield return over a short-term period. This permits the investor an opportunity to gain entry into investment opportunities that are normally restricted to investors due to the demanding entry requirements.

MJS Capital specialises in raising capital and placing monies with traders via secured fixed income Bonds. Traders operate pure arbitrage strategies that make profit from pre-agreed buy/sell transactions these can include commodities, securities and currency, A new strategy recently implemented follows the arbitrage strategy but also incorporates a delta neutral strategy by utilising algorithms on trading platforms and benefitting from high volumes of trading to create high returns with low underlying risk.

The loss before tax for the 18 months ended 30/9/2017 was £997,216. This figure is the loss accruing to the company over the period and does not reflect the assets under management which are being held by a separate Trustee, Solent House Limited.

The majority of profits to MJS Capital are not payable until after investors have been repaid in full for this reason MJS Capital will not show profits on its balance sheet due to operating costs and development costs.

#### **Growth and Key People**

As with any growing company, the initial starting position was radically different to today's with substantially less funds under management. Since incorporation MJS Capital Plc has operated a small team and has kept overheads to a minimum.

### **Changes of Directors**

Our original board included Shaun Prince, Martin Westney, John Russel Murphy and Lord Timothy Razzall.

**John Russell Murphy** was only with us for a short period of time and due to other commitments, he regretfully resigned.

#### **Martin Westney**

Martin has been integral to MJS Capital Plc operations from the start and during the accounting period however as MJS Capital Plc grows in its ambitions it has been decided that the extra workload is not something Martin wishes to be a part of due to other work commitments else where and has stood down in January 2018.

**Lord Timothy Razzall** has been a key figure head and has chaired our board since inception and remains supportive of MJS Capital Plc , continuing to act as Adviser. This decision was taken as a result of Lord Timothy Razzall's status as "politically exposed person" to avoid banking issues for MJS Capital Plc going forward and any potential delays in onboarding with investments.

We have recently appointed **Marcus Forrester** as our new director, Marcus forester has a fantastic CV within the banking industry including acting as an FX trader, heading floor trading, being an original member of LIFFE and establishing various offshore trading entities. Marcus gives MJS Capital Plc access to his considerable experience in the FX market and also to a wide range of low risk/low volatility /close or on delta neutral investments and is able to provide access to market opportunities and collaborations with distribution & structure specialists.

The Board of MJS Capital Plc is looking to further strengthen its representation and is currently considering further appointments with key advisors. Advisors' details of which can be found online.

The Board feels that it has further supplemented its access to experience and capability by establishing a board of advisers which will add more security to MJS Capital Plc.

#### **Advisors**

The Board has further supplemented its access to experience and capability by establishing a board of advisers.

#### **Bonds & their evolution**

MJS Capital Plc has issued 3 corporate bonds over the last 3 years.

The bonds have been carefully created to offer investors significant levels of protection by employing the services of multiple regulated third parties to ensure money flows and management are correctly actioned. With each issue, we look to see how that protection can be further enhanced.

With that objective, the bonds have been wrapped with insurance and indemnity policies in order to further protect MJS Capital Plc and its clients. This has led to a very positive intake of new investors. As we enter stage two of development, we are now assisting other companies in creating bespoke offerings that follow our key philosophies which put investor interests at the core of what we do.

The Board believes MJS Capital Plc is making a positive impact using these working methods which is evidenced by the fact that other companies have adopted our way of combining multiple elements of protection through party contracts.

MJS Capital Plc is looking to expand further through issuing additional corporate bonds in different areas of finance.

#### **Banking**

UK banking has been one of our key challenges up to now. We have pro-actively sought to work with independent regulated firms in the UK to handle all inward investment and inward profits from its underlying investments. However, it has become apparent that the UK banks are becoming less and less willing to work with payment institutions due to the changing regulatory landscape brought on by our decision to leave Europe.

We have experienced several banking issues (directly and indirectly) relating to freezing of accounts or difficulties in opening accounts and the timeframes for which the banks have responded have been increasingly drawn out. This has affected the speed at which we conduct business in multiple areas. It has not, however, affected the underlying assets (the vast majority of which have remained in trade)

We have also been affected by a number of UK investors who still have funds located overseas in countries that are currently on a restricted list this has been a cause for some of the freezes.

Bank freezes have become more common within the sector. With the UK banks reducing their staffing levels, more and more banking checks are being automated which has been the direct reason for some of the bank freezes we and our traders have encountered.

MJS Capital Plc has taken great lengths to reduce operational downtime through no fault of its own by employing

the services of multiple paying agents and is now looking at larger institutional firms for onboarding and reallocation of profits and capital.

### **Investments & Arbitrage Trading**

MJS Capital Plc has made a number of investments since its inception. Its hallmark investment is in arbitrage trading and delta neutral trading algorithms. MJS Capital Plc has been effective in its arbitrage trading through directly and indirectly investing with traders that simultaneously purchase and sell assets in a pre-agreed buy/sell transaction and through delta neutral algorithms.

Arbitrage is a low risk style of trading that involves the simultaneous execution of a pre-arranged buy and sells order of an identical asset class, capturing the differential in prices that exists and creates riskless profit.

Another strategy that many traders use in order to reduce risk of price movement is delta neutral hedging. By maintaining a delta neutral portfolio, the overall value of the asset is protected and not affected by movements in the underlying.

MJS Capital Plc trade programmes are successfully able to combine both of these risk adverse styles into a delta neutral arbitrage strategy. This allows our strategy to capture profit with an immediate offsetting trade. The opposing leg of the same asset acts as a hedge and protects against adverse market movements.

To date and since incorporation MJS Capital Plc have agreed contracts in place with a number of traders who have been effective at delivering returns and currently the majority of transactions are in a compounding position.

The Board of MJS Capital Plc expect that over a three-year period MJS Capital Plc will evidence healthy profits once funds invested have completed their agreed compounding timeframes.

### **Insurance**

Since inception the underwriting of MJS Capital Plc and its bonds has been a key focus and we have always gone to great lengths to provide the highest levels of cover.

Our latest bond offerings now include a financial indemnity cover from leading underwriters.

- The policy has been paid in full and is non-cancellable
- The sum insured is GBP30,000,000 in total for all claims for a period of 6 years
- The policy has no excess which is an advantage to investors as any claim will not be reduced and equally there is no minimum claim level.
- Investors capital/security is protected through a bespoke policy designed for Financial Bonds by a leading global insurance and professional services company.
- The Insurance policy is 100% insured through A or A+ (standard and poor's) rated insurers, either through Lloyd's of London or through other reputable companies.
- The Bond indemnity is not reliant upon anything the Company may or may not do and is one single policy specifically for this one bond.

The Financial Bond Indemnity policy provides an indemnity for the MJS Capital Plc Secured Bond 4 and 5 for a sum insured of GBP 30,000,000 in total for any claims and all inclusive of costs and expenses in the event of any Actual or Alleged act, Error, Misstatement, Misleading Statement, Omission, Neglect or Breach of Duty or Loss.

The claim may take the form of a written demand, Civil or criminal, judicial, administrative, tribunal, regulatory or arbitral proceeding, and covers judgments, settlements and awards including fines or penalties and damages. The policy has worldwide territorial coverage with jurisdiction in the UK.

The policy is designed to indemnify the policyholder in the event where the security /capital has been put at risk in line with the policy terms and conditions (which is what the bespoke financial bond indemnity has been designed to protect The policy has no excess and is designed to cover the defence costs as well as indemnifying the investors/ claimant to the sum insured of GBP30,000,000 in aggregate.

The investors would advise the policyholder in (MJS Capital Plc) of an alleged breach of duty/ misleading statement, Misstatement error, omission, or wrongful act. The policyholder is obliged to advise the underwriter in order to trigger the policy. The underwriter is an international insurance broker and has been engaged by MJS Capital Plc the policyholder. This policy is underwritten by Lloyd's and Company insurer with a minimum rating by AM Best/ Standard and Poor's of a or A+ rating. The Financial Bond Indemnity covers investors against loss by covering the bond that they are invested into and ultimately can be called upon in the event that investors are not paid their coupon or capital invested should the company or third parties fail in their respected duties and obligations under the terms of the bond. Subject to policy terms and conditions.

The Financial Bond Indemnity is not a capital guarantee and performance guarantee as no such cover exists in the market place however it works in much the same way that it protects the investor in the event that the company incurs losses due to actions that do not follow the bonds investment policy outlined in its terms and conditions. The company has a trade model that follows a pure arbitrage model for example the trader can only purchase something that they have already presold in order for the traders to incur a loss they would effectively be breaking contract and regulatory agreements and therefor the Financial Bond Indemnity cover would be called upon.

The Financial Bond Indemnity is in force for the investor and no excess is required therefor if the company fails the Financial Bond Indemnity will protect investors. Cover is taken out for 100% of investment made in the Bonds and is topped up in £10m amounts to ensure 100% cover. (subject to separate negotiation with underwriters and insurers)

### **Regulatory Compliance**

MJS Capital Plc does not perform any regulated activities and activities deemed to be regulated have been contracted out to relevant professional companies. MJS Capital Plc has been extremely proactive in its approach to this and has followed measures set out by professional advisors in how to adhere to these rulings.

Insofar as any future developments in MJS Capital Plc require regulation, or new regulations are brought into effect, MJS Capital Plc will seek counsel on the best course of action for this (eg GDPR where MJS Capital Plc ensured it was fully GDPR compliant in accordance with the timescales).

Since incorporation MJS Capital Plc has been distributing its offering amongst the restricted class of investors that meet the required limited investor class which includes:

The five categories of investor are:

- investment professional within the meaning of article 19(5) of the Promotion Order
- certified high net-worth individual. This category is applicable to an investor who has earned more than £100,000 a year in the previous 12 months, or has net assets of more than £250,000, and who has signed a statement to that effect.
- high net worth companies, etc. within the meaning of article 49(2) of the Promotion Order
- certified sophisticated investor. A certified sophisticated investor is an individual who has a written certificate signed within the last 36 months by an authorised firm confirming that he or she has been assessed by that firm as sufficiently knowledgeable to understand the risks associated with engaging in investment activity in unquoted securities and who has signed, within the period of 12 months ending with the day on which the communication is made, a statement to that effect.
- self-certified sophisticated investor. This category applies to a person who has invested in more than one unlisted company in the last two years, or has been a member of a business angel syndicate or network for at least six months, or is working, or has worked in the last two years prior to the date below, in a professional capacity in the private equity sector, or in the provision of finance for small and medium enterprises, or is currently, or has been in the last two years, a director of a company with an annual turnover of at least £1 million. The investor must sign a statement to that effect.

Investment has come by way of introducers and third party marketers and to date we have seen an increase year on year of new monies raised and traded. Future investment is now being directly sourced through institutions and family offices with less focus on UK investment and more focus on larger funds this will be evidenced by a number of connections with established pension and fund managers.

### **Marketing and PR**

MJS Capital Plc has kept a very low profile in regards to marketing and PR and some of the challenges it has faced since incorporation has been down to unapproved marketers promoting MJS Capital Plc and its offerings without consent this has been addressed and moving forward we have developed advanced services that track all documents. Following regulatory guidelines we are now releasing detailed updates and news on MJS Capital Plc by employing specialised and trained professionals for whom correct PR and marketing are their strengths.

### **Financial Instruments**

MJS Capital Plc intends to participate in arbitrage trading programmes not as the end-buyer in the chain but as the provider of capital used to facilitate them.

### **Risk Management Policies**

In pursuing the investment objective our investment memorandum details that we may hold a number of asset classes in order to create the most opportune portfolio. These asset classes include, FX, Equities, debt trading programmes and commodities as well as cash balances and debtors and creditors that arise directly from operations.

The main risks from any portfolio's financial holdings are the following:

#### **Credit risk:**

Credit risk is the risk that a counterparty may be unable or unwilling to make a payment or fulfil obligations. We endeavour to reduce this exposure by conducting stringent due diligence checks on all investment opportunities. We find that more opportunities fail our stringent requirements and seek to only invest into those that represent the highest of potential and security. Even with this an investment credit quality can from time to time deteriorate, and as such we maintain an on going diligence with all counterparties.

#### **Interest rate risk:**



Interest rate risk is the risk that the value of an investment will fluctuate as a result of interest rate changes. As we seek to gain return from asset classes that have no significant exposure to interest rate risk, no analysis of this is required.

#### **Foreign currency risk:**

Foreign currency risk is the risk that the sterling value of investments will fluctuate as a result of exchange rate movements. Our investments to date have been placed in sterling denomination, and given our FX arbitrage strategy involves hedging each trade with an opposing trade – only the profits have any exposure. As soon as trades are closed all profits are automatically converted back to the base currency of sterling.

#### **Leverage:**

At times the fund has used leverage of 100:1 in currency trades. This is something that is very rare, and as the fund grows leverage becomes increasingly reduced by liquidity providers. Currently there is no leverage being implemented or offered by liquidity providers.

#### **Liquidity risk:**

The main areas of liquidity the firm has to address are transactional and redemption of bonds by any investors. In regards to transactional, the FX markets are the largest markets in the world with \$5.3trillion per day in transaction value. This is five times the top five equity markets combined global volume. Our trading volumes and relationships with multiple tier 1 liquidity providers ensures our trading ability is never reduced. To reduce liquidity risk on redemption the firm ensures that a substantial portion of the investment assets are held by the security trustee within a security fund as readily realisable investments.

#### **Market Price Risk:**

Market price risk is the risk that the value of the funds financial instruments will fluctuate as a result of changes in market movements. The arbitrage strategy is designed not profit from predictions in market price movement, instead its profitability is uncorrelated to price movement and focuses on capturing discrepancies and efficiencies between prices. This ensures that the strategy can capture profits regardless of market direction and volatility.

As a hedging strategy initial profits are captured with an identical and opposing trade. The algorithm adheres to strict guidelines within the coding that ensure it avoids excessive exposure to any one trade and only opens a trade with a minimum spread between pricing that accounts for trading fees and potential slippage in pricing.

### **Principal risks and uncertainties**

#### **Unforeseen events**

MJS Capital Plc investment strategies are designed to be relatively non-correlated with respect to the movements in equity markets in general. Notwithstanding, MJS Capital Plc may be adversely affected by unforeseen events involving such matters as political crises, changes in currency exchange rates, interest rates, forced redemption of securities or the disposal of banks. MJS Capital Plc believes that its investment strategy moderates these risks.

#### **General risks**

All investments in investment undertakings involve risks. These risks may include or relate to stock market and bond market risks, exchange rate risks, credit risks, volatility risks and political risks any such risk can also occur in combination with other risks.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of MJS Capital Plc and of the profit or loss of MJS Capital Plc 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 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 MJS Capital Plc will continue in business.

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

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which MJS Capital Plc auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that MJS Capital Plc auditor is aware of that information.

**Auditor**

The auditor, Capital Partners London Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**On behalf of the board:**

  
.....  
S S Prince - Director

Date: 22<sup>nd</sup> June 2018

**Report of the Independent Auditor to the Members of  
MJS CAPITAL PLC**

I have audited the financial statements of MJS CAPITAL Plc for the period ended 30 September 2017 on pages seven to sixteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

**Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Use of this report**

This report is made solely to MJS Capital Plc members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. My audit work has been undertaken so that I might state to MJS Capital Plc members those matters I am required to state to them in a Report of the Auditor and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than MJS Capital Plc and MJS Capital Plc members as a body, for my audit work, for this report, or for the opinions I have formed.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to MJS Capital Plc circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, I read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

**Basis for qualified opinion on financial statements**

MJS Capital Plc has based its investment fair value as at 30/9/2017 of £9.4m on the basis of expected returns from third party investments. We have not received sufficient and appropriate evidence to support this fair value. MJS Capital Plc issued £12.3m corporate bonds of which £7 million have been invested in unlisted debentures issued by an independent third party based in the United Arab Emirates. This third party has re-invested original interest due and MJS Capital Plc is currently renegotiating new terms based on the compounding nature of the investment. Draft Heads of Terms requiring regular payments over a twelve-month period are being renegotiated between the parties with a view to ongoing relationships and partnerships. A contract is yet to be signed. In the event that these funds are not received then the company may not have sufficient surplus funds to repay bondholders.

**Qualified opinion**

The financial statements are true and fair except for Turnover, Financial Liabilities, Receivables, Unlisted asset balances and disclosure of uncertainty regarding going concern.

**Opinion on other matter prescribed by the Companies Act 2006**

In my opinion, based on the work undertaken in the course of my audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the MJS Capital Plc and its environment, I have not identified any material misstatements in the Strategic Report or the Report of the Directors

**Report of the Independent Auditor to the Members of  
MJS CAPITAL PLC**

**Matters on which I am required to report by exception**

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by me; 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
- I have not received all the information and explanations I require for my audit.

Capital Partners London Ltd

Mr. Atul Sharma (Senior Statutory Auditor)  
for and on behalf of Capital Partners London Ltd  
Chartered Certified Accountants  
and Statutory Auditors  
110 Viglen House  
Alperton  
London  
HA0 1HD

Date: 25/06/2018

**MJS CAPITAL PLC**

**Income Statement**  
**for the Period 1 April 2016 to 30 September 2017**

	Notes	Period 1.4.16 to 30.9.17 £	Period 13.3.15 to 31.3.16 £
<b>Turnover</b>		6,519,919	-
Cost of sales		<u>(3,516,931)</u>	<u>-</u>
<b>Gross profit</b>		3,002,988	-
Distribution costs		(43,081)	-
Administrative expenses		<u>(3,957,123)</u>	<u>(75,200)</u>
<b>Operating loss</b>		<u>(997,216)</u>	<u>(75,200)</u>
<b>Loss before taxation</b>	6	(997,216)	(75,200)
Tax on loss	7	<u>189,471</u>	<u>-</u>
<b>Loss for the financial period</b>		<u><u>(807,745)</u></u>	<u><u>(75,200)</u></u>

**MJS CAPITAL PLC**

**Other Comprehensive Income**  
**for the Period 1 April 2016 to 30 September 2017**

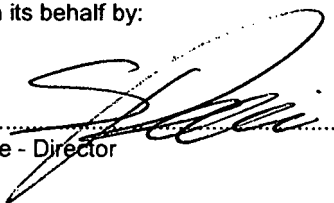
	Notes	Period 1.4.16 to 30.9.17 £	Period 13.3.15 to 31.3.16 £
<b>Loss for the period</b>		<b>(807,745)</b>	<b>(75,200)</b>
<b>Other comprehensive income</b>		<b>—</b>	<b>—</b>
<b>Total comprehensive income for the period</b>		<b><u>(807,745)</u></b>	<b><u>(75,200)</u></b>

**MJS CAPITAL PLC (Registered number: 09487689)**

**Statement of Financial Position**  
**30 September 2017**

	Notes	30.9.17 £	31.3.16 £
<b>Current assets</b>			
Debtors	8,10	420,003	-
Investments	9	11,180,000	-
Cash at bank	10	-	194
		<u>11,600,003</u>	<u>194</u>
<b>Creditors</b>			
Amounts falling due within one year	11	<u>(4,193,000)</u>	<u>(62,893)</u>
<b>Net current assets/(liabilities)</b>		<u>7,407,003</u>	<u>(62,699)</u>
<b>Total assets less current liabilities</b>		7,407,003	(62,699)
<b>Creditors</b>			
Amounts falling due after more than one year	12	<u>(8,239,948)</u>	-
<b>Net liabilities</b>		<u>(832,945)</u>	<u>(62,699)</u>
<b>Capital and reserves</b>			
Called up share capital	14	50,000	12,501
Retained earnings	15	<u>(882,945)</u>	<u>(75,200)</u>
<b>Shareholders' funds</b>		<u>(832,945)</u>	<u>(62,699)</u>

The financial statements were approved by the Board of Directors on 22<sup>nd</sup> June 2018 and were signed on its behalf by:

  
.....  
S S Prince - Director

**MJS CAPITAL PLC**

**Statement of Changes in Equity**  
**for the Period 1 April 2016 to 30 September 2017**

	Called up share capital £	Retained earnings £	Total equity £
<b>Changes in equity</b>			
Issue of share capital	12,501	-	12,501
Total comprehensive income	<u>-</u>	<u>(75,200)</u>	<u>(75,200)</u>
<b>Balance at 31 March 2016</b>	<u>12,501</u>	<u>(75,200)</u>	<u>(62,699)</u>
<b>Changes in equity</b>			
issue of share capital	37,499	-	37,499
Total comprehensive income	<u>-</u>	<u>(807,745)</u>	<u>(807,745)</u>
<b>Balance at 30 September 2017</b>	<u>50,000</u>	<u>(882,945)</u>	<u>(832,945)</u>







**MJS CAPITAL PLC**

**Notes to the Statement of Cash Flows**  
**for the Period 1 April 2016 to 30 September 2017**

1. **Reconciliation of loss before taxation to cash generated from operations**

	Period 1.4.16 to 30.9.17 £	Period 13.3.15 to 31.3.16 £
Loss before taxation	(997,216)	(75,200)
Increase in trade and other debtors	(11,201,066)	-
Increase in trade and other creditors	196,335	27,400
<b>Cash generated from operations</b>	<b>(12,001,947)</b>	<b>(47,800)</b>

2. **Cash and cash equivalents**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Period ended 30 September 2017**

	30.9.17 £	1.4.16 £
Cash and cash equivalents	-	194

**Period ended 31 March 2016**

	31.3.16 £	13.3.15 £
Cash and cash equivalents	194	-

## **MJS CAPITAL PLC**

### **Notes to the Financial Statements** **for the Period 1 April 2016 to 30 September 2017**

#### **1. Statutory information**

MJS CAPITAL Plc is a public limited company, registered in England and Wales. MJS Capital Plc registered number and registered office address can be found on the Company Information page.

#### **2. Statement of compliance**

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

#### **3. Accounting policies**

##### **Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

##### **Turnover**

Turnover is recognised as all returns on invested bonds before deduction of coupon payments and capital repayments. Additional amounts are recognised from appreciation of investment in FX trade.

##### **Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax has been calculated using the anticipated applicable rate of 19% for all available trade losses.

#### **4. Employees and directors**

No Staff cost occurred during the current year.

#### **5. Directors' emoluments**

	Period 1.4.16 to 30.9.17 £	Period 13.3.15 to 31.3.16 £
Directors' remuneration	<u>90,000</u>	<u>38,000</u>

**MJS CAPITAL PLC**

**Notes to the Financial Statements - continued**  
**for the Period 1 April 2016 to 30 September 2017**

**6. Loss before taxation**

The loss is stated after charging:

	Period 1.4.16 to 30.9.17 £	Period 13.3.15 to 31.3.16 £
Auditors' remuneration	16,000	2,400
Formation costs	<u>258</u>	<u>-</u>

**7. Taxation**

**Analysis of the tax credit**

The tax credit on the loss for the period was as follows:

	Period 1.4.16 to 30.9.17 £	Period 13.3.15 to 31.3.16 £
Deferred tax	<u>(189,471)</u>	<u>-</u>
Tax on loss	<u>(189,471)</u>	<u>-</u>

**8. Debtors**

	30.9.17 £	31.3.16 £
Amounts falling due within one year:		
Directors' current accounts	202,711	-
Deferred tax asset	<u>189,471</u>	<u>-</u>
	<u>392,182</u>	<u>-</u>
Amounts falling due after more than one year:		
Other debtors	<u>27,821</u>	<u>-</u>
Aggregate amounts	<u>420,003</u>	<u>-</u>

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## **MJS CAPITAL PLC**

### **Notes to the Financial Statements - continued** **for the Period 1 April 2016 to 30 September 2017**

#### **9. Current asset investments**

	30.9.17	31.3.16
	£	£
Unlisted investments	<u>11,180,000</u>	<u>-</u>

MJS Capital Plc has invested in high-yield debentures (£7,000,000) and fx-trades (£1,332,448,) and estimates the fair value of these investments to be £9.4m and £1.78m respectively as at 30/9/2017.

#### **Insurance**

The investment Bonds issued by MJS Capital Plc are not a regulated investment they are therefore not covered by the Financial Services Compensation Scheme. However, MJS Capital Plc has purchased and paid in full non-cancellable financial indemnity cover from leading underwriters. Details are available in the Directors report and the MJS Capital Plc website at [www.MJS.Capital](http://www.MJS.Capital)

#### **Private Placement**

MJS Capital Plc obtained investor funds by means of private placement of Corporate Bonds from qualified investors classed as Exempt Persons. The Bonds are not an unregulated collective investment scheme for the purposes of the restriction on promotion of collective investment schemes in section 238 of the Financial Services and Markets Act 2000. The original Bond investment structure, parties involved and process are outlined in an investment information memorandum verified by a authorised and regulated firm in the UK. In practice, MJS Capital Plc found it was unable to adopt the intended structure and a revised structure with a new Trustee and process was adopted. Further details and copies of the Information Memorandum are available on the MJS Capital Plc website at [www.MJS.Capital](http://www.MJS.Capital).

#### **10. Cash at bank**

As described in the Directors report MJS Capital Plc has experienced several banking issues (directly and indirectly) relating to freezing of accounts or difficulties in opening bank accounts. In addition to working with its associates and partners some receipts and payments have been managed by executives through personal and associate company accounts. In the financial period MJS Capital Plc set up and used MJS Cap Ltd, a separate company owned and operated by a former director, in order to support banking requirements. The amount of £26,871 is held in this account on behalf of MJS Capital Plc by MJS Cap Ltd.

#### **11. Creditors: amounts falling due within one year**

	30.9.17	31.3.16
	£	£
Trade creditors	25,000	25,000
Client Deposits	4,147,000	-
Directors' current accounts	-	35,493
Accrued expenses	21,000	2,400
	<u>4,193,000</u>	<u>62,893</u>

#### **12. Creditors: amounts falling due after more than one year**

	30.9.17	31.3.16
	£	£
Client Deposits	7,916,453	-
Accruals and deferred income	323,495	-
	<u>8,239,948</u>	<u>-</u>

Non-current client deposits include various zero-coupon bonds maturing in 2019 discounted to present value. Each bond has been discounted at an effective interest rate specific to their terms. These range from 12.557% to 15.2295%.

## **MJS CAPITAL PLC**

### **Notes to the Financial Statements - continued** **for the Period 1 April 2016 to 30 September 2017**

<b>13. Deferred tax</b>				
Provided during period				£ <u>(189,471)</u>
Balance at 30 September 2017				<u>(189,471)</u>

#### **14. Called up share capital**

Allotted, issued and fully paid:					
Number:	Class:	Nominal value:	30.9.17	31.3.16	
			£	£	
50,000	Ordinary Shares	£1	<u>50,000</u>	<u>12,501</u>	

37,499 Ordinary Shares of £1 each were allotted and fully paid for cash at par during the period.

<b>15. Reserves</b>				Retained earnings £
At 1 April 2016				(75,200)
Deficit for the period				<u>(807,745)</u>
At 30 September 2017				<u>(882,945)</u>

#### **16. Related party disclosures**

A cumulative amount of £127,143.22 remains payable by directors at year end. These balances are repayable on demand.

Amounts invested in FX trade valued at £1,780,000 as at 30/09/2017 are managed by a UK limited company, under control of a former director of MJS Capital Plc who left due to a conflict of interest.

#### **17. Ultimate controlling party**

The ultimate controlling party is Mr Shaun Stephen Prince, a director and shareholder of MJS Capital Plc.

#### **18. Going concern**

The financial statements were prepared on a going concern basis. The going concern basis assumes that MJS Capital Plc will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities and commitments in the normal course of business.