

Company Registration No. 10671489 (England and Wales)

ASTUTE CAPITAL ADVISORS LIMITED (PREVIOUSLY TAR ASSET MANAGEMENT LIMITED)

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

FILLETED ACCOUNTS

**ASTUTE CAPITAL ADVISORS LIMITED (PREVIOUSLY TAR ASSET
MANAGEMENT LIMITED)**

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ASTUTE CAPITAL ADVISORS LIMITED (PREVIOUSLY TAR ASSET MANAGEMENT LIMITED)

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investments	6		9,882		-
Current assets					
Debtors falling due after more than one year	7	6,978,474		-	
Debtors falling due within one year	7	2,244,039		11,865	
Cash at bank and in hand		23,677		54	
		<u>9,246,190</u>		<u>11,919</u>	
Creditors: amounts falling due within one year	8	<u>(1,575,445)</u>		<u>(222,751)</u>	
Net current assets/(liabilities)			<u>7,670,745</u>		<u>(210,832)</u>
Total assets less current liabilities			<u>7,680,627</u>		<u>(210,832)</u>
Creditors: amounts falling due after more than one year	9		<u>(11,078,387)</u>		<u>-</u>
Net liabilities			<u><u>(3,397,760)</u></u>		<u><u>(210,832)</u></u>
Capital and reserves					
Called up share capital	11		3		3
Profit and loss reserves	12		<u>(3,397,763)</u>		<u>(210,835)</u>
Total equity			<u><u>(3,397,760)</u></u>		<u><u>(210,832)</u></u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**ASTUTE CAPITAL ADVISORS LIMITED (PREVIOUSLY TAR ASSET
MANAGEMENT LIMITED)**

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2019

The financial statements were approved and signed by the director and authorised for issue on 26 March 2020

Mr R A Symonds
Director

Company Registration No. 10671489

**ASTUTE CAPITAL ADVISORS LIMITED (PREVIOUSLY TAR ASSET
MANAGEMENT LIMITED)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 15 March 2017	-	-	-
Period ended 31 March 2018:			
Loss and total comprehensive income for the period	-	(210,835)	(210,835)
Issue of share capital	11 3	-	3
Balance at 31 March 2018	3	(210,835)	(210,832)
Period ended 31 March 2019:			
Loss and total comprehensive income for the period	-	(3,186,928)	(3,186,928)
Balance at 31 March 2019	3	(3,397,763)	(3,397,760)

ASTUTE CAPITAL ADVISORS LIMITED (PREVIOUSLY TAR ASSET MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Astute Capital Advisors Limited (Previously TAR Asset Management Limited) is a private company limited by shares incorporated in England and Wales. The registered office is 96-98 Baker Street, London, W1U 6TJ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

The preparation of financial statement in compliance with FRS 102 section 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

1.2 Going concern

The Company is still in its early years of existence. During the year the Company recorded a loss of £3,186,928. 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 2021/22 financial year.

The Director is 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 Director have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors have prepared the financial statements on a going concern basis.

1.3 Reporting period

The comparative period is not entirely comparable as it is a period of 54 weeks from the date of incorporation to 31 March 2018.

1.4 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.

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

ASTUTE CAPITAL ADVISORS LIMITED (PREVIOUSLY TAR ASSET MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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

1.6 Cash and cash equivalents

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

1.7 Financial instruments

Basic financial assets

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

Basic financial liabilities

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.

1.8 Equity instruments

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

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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 tax

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 is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

ASTUTE CAPITAL ADVISORS LIMITED (PREVIOUSLY TAR ASSET MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (Continued)

1.10 Employee benefits

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

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

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

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

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

1.13 Administration expenses

Administration expenses are expensed or accrued in the period the services are incurred. Costs can include, but are not limited to, commission and lead costs paid to introducers, collateral interest paid to Astute Capital PLC, advertising and marketing, consulting, salaries, printing and stationery, audit and accountancy fees, and rent.

2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Recoverability of loans to 3rd party borrowers

All loans made by the Company must be asset backed and must not breach Astute Capital PLC prospectus.

Beyond this the Company includes 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 these loans it would call upon the security held in the form of legal charges over all the assets lent against.

ASTUTE CAPITAL ADVISORS LIMITED (PREVIOUSLY TAR ASSET MANAGEMENT LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

3 Turnover	2019	2018
	£	£
Consultancy fees	-	56,783
Loan - exit fees	11,182	-
Loan - arrangement fees	99,596	-
Loan - interest	847,339	-
	<u>958,117</u>	<u>56,783</u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 3 (2018 - 0).

The Director (included above) waived remuneration or benefits for services rendered to the company during the year.

5 Taxation

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

	2019	2018
	£	£
Loss before taxation	(3,186,928)	(210,835)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(605,516)	(40,059)
Tax effect of expenses that are not deductible in determining taxable profit	6,349	289
Unutilised tax losses carried forward	599,167	39,770
Taxation charge for the period	<u>-</u>	<u>-</u>

6 Fixed asset investments

	2019	2018
	£	£
Investments	<u>9,882</u>	<u>-</u>

Investments represent warrants to acquire 49% shareholding in Parneus Limited and 49% shareholding in Simple Car Funding Limited,. The balance represents 80% shareholding in Astute Capital Partners Ltd and 100% shareholding in AIM Distribution Limited.

Astute Capital Partners Ltd was incorporated on 11 February 2019 and did not trade to 31 March 2019. Post year end, the company increased its ownership in Astute Capital Partners Ltd to 100%.

**ASTUTE CAPITAL ADVISORS LIMITED (PREVIOUSLY TAR ASSET
MANAGEMENT LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

6 Fixed asset investments (Continued)

Movements in fixed asset investments

**Shares in group
undertakings
and
participating
interests**

£

Cost or valuation

At 1 April 2018

-

Additions

9,882

At 31 March 2019

9,882

Carrying amount

At 31 March 2019

9,882

At 31 March 2018

-

7 Debtors

2019

2018

Amounts falling due within one year:

£

£

Amounts owed by group undertakings

198,687

-

Loans to 3rd party borrowers

2,032,635

Other debtors

12,717

11,865

2,244,039

11,865

ASTUTE CAPITAL ADVISORS LIMITED (PREVIOUSLY TAR ASSET MANAGEMENT LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

7 Debtors	(Continued)	
	2019	2018
	£	£
Amounts falling due after more than one year:		
Loans to 3rd party borrowers	6,978,474	-
	<u>6,978,474</u>	<u>-</u>
Total debtors	9,222,513	11,865
	<u>9,222,513</u>	<u>11,865</u>
8 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	43,915	33,658
Amounts owed to group undertakings	30,797	-
Taxation and social security	17,070	-
Collateral interest due to the issuer	1,047,342	-
Collateral loans due to the issuer	385,000	-
Other creditors	51,321	189,093
	<u>1,575,445</u>	<u>222,751</u>
	<u>1,575,445</u>	<u>222,751</u>
9 Creditors: amounts falling due after more than one year	2019	2018
	£	£
Amounts due to related parties	2,683,861	-
Collateral loans due to the issuer	8,394,526	-
	<u>11,078,387</u>	<u>-</u>
	<u>11,078,387</u>	<u>-</u>

Amounts owed to related parties comprise £2,683,861 owed to Astute Capital PLC for expenditure paid on behalf of the company. This is repayable on demand and is interest free.

Collateral loans to the issuer represent loans due to Astute Capital PLC. These loans are contractually due for repayment one month prior to the relevant bond series redemption date.

**ASTUTE CAPITAL ADVISORS LIMITED (PREVIOUSLY TAR ASSET
MANAGEMENT LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

10 Loans and overdrafts

	2019	2018
	£	£
Loans from group undertakings and related parties	8,779,526	-
	<u> </u>	<u> </u>
Payable within one year	385,000	-
Payable after one year	8,394,526	-
	<u> </u>	<u> </u>

11 Called up share capital

	2019	2018
	£	£
Ordinary share capital Issued and fully paid		
3 Ordinary of £1 each	3	3
	<u> </u>	<u> </u>

12 Profit and loss reserves

Retained earnings represents the cumulative profits or losses, net of dividends paid and other adjustments.

ASTUTE CAPITAL ADVISORS LIMITED (PREVIOUSLY TAR ASSET MANAGEMENT LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

13 Related party transactions

Astute Capital PLC

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 are 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.

At the 31 March 2019, Astute Capital Advisors Limited had a creditor balance with Astute Capital PLC of £8,779,526 representing monies lent to it for 3rd party borrower loans. In addition at 31 March 2019 there was a further £2,683,861 owing to Astute Capital PLC for expenditure relating to Astute Capital Advisors Limited paid on its behalf. At 31 March 2018 Astute Capital PLC owed Astute Capital Advisors £11,865 for expenditure incurred on their behalf.

AIM Distribution Ltd

AIM Distribution Limited was established to pay and contract all marketing related activities on bond sales for internal sales staff and commissions to external agents. On 25th February 2019 AIM Distribution Limited became a 100% subsidiary of Astute Capital Advisors Limited incurring intercompany debt on its related expenditure paid by and Astute Capital Advisors Limited. At 31 March 2019, the balance owed by AIM Distribution Limited to Astute Capital Advisors Limited was £198,687.

Prior to 25th February 2019, expenditure paid by AIM Distribution Limited on behalf Astute Capital Advisors Limited totalled £30,797. This is shown as other creditors.

Symonds Capital

£41,337 (2018: £Nil) was paid in rent, £100,000 (2018: £Nil) in consultancy fees and £260,218 (2018: £25,930) in introducer commissions to Symonds Capital, a company under common control.

At 31 March 2019 £6,231 (2018: £Nil) was due to Astute Capital Advisors Ltd.

Parneus Limited and Simple Car Funding Limited

Astute Capital Advisors Ltd hold a warrant to acquire 49% shareholding in Parneus Limited and Simple Car Funding Limited. At 31 March 2019 these companies owed Astute Capital Advisors Ltd £144,666 (2018: £Nil).

Other transactions

14 **Controlling party** At 31 March 2019 the Director owed the company £175 (2018: £Nil)

The company is controlled by Richard Anthony Symonds, who owns 100% of the issued share capital of the company.

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