

Astute Capital PLC

Interim Report and Financial Statements

For the Six Months to

30 September 2020

Company Number 10407229

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Astute Capital PLC
Interim report and financial statements for the six months to 30 September 2020

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Directors

Richard Anthony Symonds
Adrian Francis Bloomfield

Secretary

D&A Secretarial Services Limited

Registered office

96-98 Baker Street, London, W1U 6TJ

Company number

10407229

Astute Capital PLC
Interim Director's report for the six months to 30 September 2020

Financial highlights

Bond Programme

Astute Capital PLC (PLC) raises capital through publicly listed bond programmes on Euronext Dublin and the Frankfurt Stock Exchange. The funds raised by the issuer are in turn lent to Astute Capital Advisors Ltd (ACA) under a Collateral Management Agreement (CMA) under which ACA will originate, approve and enter into borrower loans on behalf of Astute Capital PLC. The CMA sets its rate to ensure PLC will receive a greater amount of interest from ACA than 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.

As at 30 September 2020, the company had issued to date £22,082k (2019 - £19,775k) of bonds under its bond issuance programs of which £3,670k has been repaid to investors in line with bond maturity dates. A further £8,345k will mature in 1 year's time and a further £9,895k matures within the next five years. Coupon payments on these bonds are paid either bi-annually or upon maturity.

Total interest payable to investors in the six months to 30 September 2020 was £877k (2019 - £669k), comprising the net coupon payment made in September 2020 of £431k (2019 - £374k), due in accordance with the respective bond terms, and an accrual of £446k (2019 - £295) for interest accrued but not yet due to be paid for the period 1 April to 30 September 2020.

Loans advanced to Astute Capital Advisors Limited

As at 30 September 2020, PLC has a total of £12,641k (September 2019 - £12,234k) outstanding to its collateral manager ACA for the purposes of providing loans to borrowers.

Borrower loans will broadly fall into two categories: (a) secured loans to companies for the purpose of commercial property acquisition, refinance 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.

A total of £1,181k (2019 - £999k) of interest income was earned on these loans advanced for the 6 months to 30 September 2020, based on the bond value issued to this date.

Key performance indicators at 30 September 2020:

	Sept'2020	Sept'2020	Sept'2019	Sept'2019
	%	£'000	%	£'000
Initiated Bond programme	(100.00%)	100,000	(100.00%)	100,000
Bonds issued	(22.1%)	22,082	(19.8%)	19,775

The Company's KPI for money held 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.

Loan Book

The net book value owed to PLC by ACA at 30 September 2020 is £12,641k and 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 has 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.

PLC has collateral in place pledged to the bondholders by the company via a floating charge PLC has over the collateral manager. The terms and conditions are ultimately limited to those as set out in the loan agreements between the collateral manager and its underlying borrowers. The collateral is further reinforced in the event of the company being in default to its bond holders by way of an appointed security trustee that has rights over the collateral in the event of a default with the sole purpose of using the collateral to repay bondholders in such an event. NCM fund services is the appointed security trustee and has a £500m charge over both PLC and ACA.

PLC generated interest income of £1,181k during the financial period on advancing loans to ACA. Interest payments are managed on an on-going basis between PLC and ACA and interest due to PLC is paid as and when required by PLC.

Astute Capital PLC
Interim strategic report for the six months to 30 September 2020

Amounts owed from related parties

The amounts owed from related parties (ACA) relating to costs incurred by the PLC on behalf of the related parties which are ultimately due to be repaid from profits only, rather than being repaid to meet loan redemptions total £2,984k (2019 - £3,254k). The terms of the loans are that they are repayable on demand and interest free, though it is anticipated that repayment will start to commence in the 2021/22 financial year. The PLC has no intentions to start recalling these loans within the 2020/21 financial year.

Principle risks and uncertainties

All ACA underlying borrowers met the criteria required under the terms of the CMA. As at 30 September 2020 the Value of collateral of loans to developers from ACA, being valuation of secured assets of the borrowers was £54,058k. The value of other debt owed by the borrowers to third parties was £26,364k. Net collateral pledged to the Collateral Manager and ultimately the security trustee was £27,693k. The value of loans made by the Collateral Manager was £13,728k. Headroom between collateral pledged to the Collateral Manager and value of loans made by the Collateral Manager was £13,965k. The 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 and strive to maintain.

The financial position of ACA is closely monitored by the PLC. The average forecasted returns for ACA on its loan book is circa 30% per annum, plus profit shares structured by way of minimum earning written in the loan documents and should be taken into consideration when assessing ACA alongside interest earnings. These profit shares will start to crystallise over the next 12 months, and with the increased level of Bond sales the PLC are expecting to achieve over the next 12-24 months ACA is expected to benefit greatly from the economies of scale this offers. The interest rates charged by ACA and the profit shares are sufficient to cover the interest charged to it by PLC. ACA had £12,641k of loans advanced to borrowers at the 30 September 2020 financial year.

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. The credit committee also includes highly experienced independent members as well as having a Risk and Oversight committee comprising of solicitors and professional compliance experts should the credit committee need to refer any one loan proposal before sign off.

UK property market

The last financial period has seen some of the biggest events arising such as Brexit and COVID-19 which will as mentioned previously these events have understandably created a level of uncertainty within the UK property market. These events have ultimately led to considerably longer transaction times with mortgage lenders, valuers and solicitors coming under immense pressure with transaction levels remaining high but with resource being reduced due to the uncertainty. ACA's loans are mainly within the residential housing sector, focusing on houses that appeal to the largest market and fit within the governments help to buy pricing brackets. Fundamentally, demand outweighs supply and government figures quoting an annual need of 300,000 additional homes with the actual figures being expected to be below 50% of this level for the next period. The government is keen for the housing market to gain momentum and has reduced stamp duty to zero where the home is primary residence and below £500,000, with the vast majority of ACA projects falling within these criteria. The RICS market report has buyer demand, with a headline net balance of +61% of survey participants seeing a rise in enquiries over June 2020. The strategy we adopt of providing funding for affordable housing will mean that this is appealing for main residence purchasers but also the buy to let market for investors.



Richard Anthony Symonds
Director
Date: 30th November 2020

Astute Capital PLC
Interim Director's report for the six months to 30 September 2020

Director's statement

I am pleased to report on our interim results for the six months ended 30 September 2020.

Astute Capital Plc issues debt on Euronext Dublin and the Frankfurt Stock Exchange to allow investors access to competitive returns generated through the company's collateral manager, Astute Capital Advisors Ltd (ACA). Returns are generated through asset-backed lending to UK property companies and SMEs. These loans generate strong returns as they are generally short-term loans designed to allow borrowers to access capital quickly in order to acquire or refinance assets on a temporary basis due to restricted timescales or difficulties accessing capital via more mainstream avenues.

In July 2020 the company listed on the Vienna MTF Stock Exchange and then the Frankfurt Stock Exchange in September 2020. These listings are the result of the company's longer-term strategy to have a market maker and increase liquidity of the bonds. The Euronext Dublin Main Security Market does not facilitate market makers and following the first meeting in Frankfurt in February 2020 with the company's listing agent, the decision was finally made to move over towards the Frankfurt Stock Exchange.

In August 2020 the company took steps to increase both the credibility and independence of its credit committee and structure. This resulted in the resignation of Richard Symonds as director of ACA, and the appointment of Adrian David Symondson. It also included the appointment of two new independent credit committee members, Ken Hillen and Stephen Goldstein.

Our interim results for the period ended 30 September 2020 show a profit of £52k (6 months to September 2019 - £0.1m), total debt raised through listed securities under the Astute Capital Listed bond programmes of £18.4m. Current loan book to ACA and other related parties of £19.7m, secured against assets of £27.7m, net cash in the bank of £31k, and asset-backed loan pipeline with agreed heads of terms of £7.7m.



Richard Anthony Symonds
Director
Date: 30th November 2020

Astute Capital PLC
Directors' responsibilities statement for the six months ended 30 September 2020

Directors' responsibilities statement

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 financial statements in accordance with 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. 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and 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.

This statement was approved by the board and signed on its behalf:



Richard Anthony Symonds
Director
Date: 30th November 2020

Astute Capital PLC
Directors' responsibilities statement for the six months ended 30 September 2020

	Note	6 months to 30 September 2020 (Unaudited) £'000	6 months to 30 September 2019 (Unaudited) £'000
Interest receivable and similar income	5	1,181	999
Interest payable and similar charges	6	(966)	(739)
Net interest income		215	260
Administrative expenses		(151)	(183)
Operating profit/(loss)	8	64	77
Profit/(loss) on ordinary activities before taxation		64	77
Taxation on profit/loss	9	(12)	-
Profit/(loss) for the period		52	77
Total comprehensive profit/(loss) for period		52	77
Profit/(loss) for the period attributable to:			
Owners of the Company		52	77
Total comprehensive profit/(loss) attributable to:			
Owners of the Company		52	77

The notes on pages 9 to 16 form part of these interim financial statement

Astute Capital PLC
Directors' responsibilities statement for the six months ended 30 September 2020

Company number 10407229	Note	30 September 2020 (Unaudited) £'000	31 March 2020 (audited) £'000
Fixed assets			
Amounts owed by related parties	10	2,984	3,254
Loans to collateral manager	10	8,155	14,238
		11,139	17,592
Current assets			
Debtors	10	8,668	3,409
Cash at bank and in hand		31	276
		8,699	3,685
Creditors: amounts falling due within one year	11	(9,204)	(3,325)
Net current (liabilities)/ assets		(910)	360
Total assets, less current liabilities		10,634	(17,952)
Creditors: amounts falling due after more than one year	12	(10,517)	17,870)
Net liabilities		117	82
Capital and reserves			
Called up share capital	14	50	50
Profit and loss account		67	32
Equity attributable to owners of the Company		117	82

The interim financial statements were approved by the Board of Directors and authorised for issue on 30 November 2020.

Richard Anthony Symonds
Director
Date: 30th November 2020

The notes on pages 9 to 16 form part of these interim financial statement

Astute Capital PLC
Directors' responsibilities statement for the six months ended 30 September 2020

	6 months to 30 September 2020 (Unaudited) Share capital £'000	6 months to 30 September 2020 (Unaudited) Profit and loss account £'000	6 months to 30 September 2020 (Unaudited) Total equity attributable to owners of the Company £'000
Balance as at 1 April 2020 (audited)	50	31	81
Profit for the period	-	52	52
Total comprehensive profit/(loss) for the period	<u>50</u>	<u>83</u>	<u>133</u>
Transaction with owners			
Dividends	-	(16)	(16)
Issues of shares	-	-	-
Total transactions with owners	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 30 September 2019 (unaudited)	<u><u>50</u></u>	<u><u>67</u></u>	<u><u>117</u></u>

Astute Capital PLC
Interim Statement of changes in equity for the six months ended 30 September 2019

	6 months to 30 September 2019 (Unaudited) Share capital £'000	6 months to 30 September 2019 (Unaudited) Profit and loss account £'000	6 months to 30 September 2019 (Unaudited) Total equity attributable to owners of the Company £'000
1 April 2019 (audited)	50	(132)	(82)
Loss for the period	-	76	76
Total comprehensive loss for the period	<u>-</u>	<u>(56)</u>	<u>(6)</u>
Transaction with owners			
Issues of shares	-	-	-
Total transactions with owners	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 30 September 2018 (unaudited)	<u><u>50</u></u>	<u><u>(56)</u></u>	<u><u>(6)</u></u>

The notes on pages 9 to 16 form part of these interim financial statement

Astute Capital PLC
Directors' responsibilities statement for the six months ended 30 September 2020

	6 months to 30 September 2020 (Unaudited) £'000	6 months to 30 September 2019 (Unaudited) £'000
Cash flows from operating activities:		
Net Profit/Loss for the interim financial year	52	77
Dividends paid	(16)	-
<u>Adjustments for:</u>		
Decrease/(Increase) in debtors	19	4
Increase in creditors	239	17
(Increase) in loans to collateral manager	1,541	(3,454)
(Increase) in interest owed by collateral manager	(742)	(999)
(Increase) in amounts owed by related parties	273	(553)
(Decrease) in amounts to related parties	(11)	(8)
Increase in bond interest	223	294
	<u>1,578</u>	<u>(4,622)</u>
Bond proceeds	(1,937)	3,953
Net cash generated from operating activities	<u>(359)</u>	<u>(669)</u>
Cash flows from financing activities:		
Issue of shares	-	-
	<u>-</u>	<u>-</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	(359)	(669)
Cash and cash equivalents at beginning of period (1 April 2019 - audited)		3,248
Cash and cash equivalents at beginning of period (1 April 2020 - audited)	400	
Cash and cash equivalents at end of the period	<u><u>41</u></u>	<u><u>2,579</u></u>
Cash and cash equivalents comprise:		
Cash at bank	31	2,579
Cash held by broker	10	-
	<u>41</u>	<u>2,579</u>

The notes on pages 9 to 16 form part of these interim financial statement

1. General Information

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 the Company information 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 Republic of Ireland.

2. Accounting policies

2.1 Basis of preparation

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. 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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going Concern

The financial statements have been prepared on a going concern basis. During the 6 months to 30 September 2020 the Company recorded a profit for the period of £52k (2019 £77k). The Company is still in its early years of existence with its first bond subscriptions occurring just over 30 months ago.

The impacts of COVID-19 has been considered by the Directors when preparing these financial statements. All of ACA's developer borrowers remained operational during the outbreak with minimal delays. Geographically, there have been some procurement delays with materials being difficult to source, but this was only at the beginning of lockdown until the end of April 2020. The biggest impact that has been seen so far is the timing of ACA Ltd loan redemptions due to mortgage lenders withdrawing products temporarily whilst surveyors could not attend to inspect and value properties due to social distancing guidelines. Surveyors have now re-opened and the market appears to have caught up. Currently we have seen no declines in values completed post lockdown to pre COVID-19 values suggesting little impact on values at this time.

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 up to 30 September 2020. Going concern is discussed in more detail within the Strategic Report and Director's reports. Accordingly, the Directors have prepared the financial statements on a going concern basis.

2.3 Interest Income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Interest income is recognised when it is probable the economic benefits will flow to the Company and the amount of the revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective 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.

2.4 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.

2.5 Finance Costs

Interest payable is charged to the Statement of comprehensive income over the term of the debt using the effective interest method 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.

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.

2.6 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and 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 in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

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; and

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

2.7 Loans and advances

Short term debtors are measured at transaction price, less any impairment. Loans and advances are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and 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 investments 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.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 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 within the scope of IAS 39 are initially classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.11 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.

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

The preparation of financial statements in conformity with FRS 102 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.

Recoverability of loans from Collateral Manager

It is agreed between Asture 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 and to assist with recoverability, these include but are not limited to: personal guarantees from borrowers, full transparency of borrower operation including the 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 the loans from ACA it would call upon the security held by ACA in the form of legal charges over the assets lent against.

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

The preparation of interim 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 interim 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 interim 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 interim 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 will be available to utilise the tax losses carried forward. The Company has not recognised a deferred tax asset in the interim 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 Asture 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.

5. Interest receivable and similar income

	6 months to 30 September 2020 (Unaudited) £'000	6 months to 30 September 2019 (Unaudited) £'000
Loans advanced	1,181	999

Astute Capital PLC

Notes forming part of the interim financial statements for the six months ended 30 September 2020 (continued)

Total	1,181	999
6. Interest payable and similar charges		
	6 months to 30 September 2020 (Unaudited) £'000	6 months to 30 September 2019 (Unaudited) £'000
Bonds Issued	877	669
Amortisation of bond issue costs	89	70
Total	966	739

The interest payable on bonds issued includes the net coupon payment made in September 2020 of £431k (2019 - £374k), due in accordance with the respective bond terms, and an accrual of £446k (2019 - £295k) for interest accrued, but not yet due to be paid for the period 1 April to 30 September 2020, on all Series that had been subscribed to the 30 September 2020.

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

7. Employees and Directors

	6 months to 30 September 2020 (Unaudited) £'000	6 months to 30 September 2019 (Unaudited) £'000
Wages and salaries	20	-
Social security costs	2	-
Cost of defined contribution scheme	-	-
Total	22	-

The average number of employees (including Directors) during the interim year

	30 September 2020	30 September 2019
Directors	2	2

The highest paid director received remuneration of £19,500 (2019 – Nil).

8. Operating profit

	6 months to 30 September 2020 (Unaudited) £'000	6 months to 30 September 2019 (Unaudited) £'000
This is arrived at after charging:		
Client services	26	45
Legal expenses	15	64
Consulting and professional fees	-	27
Administration expenses	57	-
IT software and consumables	-	20
Professional fees	21	12
Wages and salaries	20	-

Astute Capital PLC

Notes forming part of the interim financial statements for the six months ended 30 September 2020 (continued)

Subscriptions	-	10
Fees payable to the Company's auditor and its associates for the audit of the interim Company's financial statements	-	-
Fees payable to the Company's auditor and its associates for other services to the Company	-	-
9. Taxation on loss on ordinary activities		
	6 months to 30 September 2020 (Unaudited) £'000	6 months to 30 September 2019 (Unaudited) £'000
<i>UK Corporation tax</i>		
Current tax profit/ (losses) for the period	64	-
Total current tax	(12)	-
<i>Deferred tax</i>		
In respect of losses carried forward	-	-
Taxation on losses	52	-
	6 months to 30 September 2020 (Unaudited) £'000	6 months to 30 September 2019 (Unaudited) £'000
Profit/(Loss) before tax	64	77
(Profit)/Loss on ordinary activities multiplied by the rate of corporation tax applicable in the UK (19%), (2019 – 19%)	(12)	(15)
Deferred tax liability/(asset) not recognised	-	15
Taxation on profit/(loss)	52	-
10. Loans and advances		
	30 September 2020 (Unaudited) £'000	31 March 2020 (audited) £'000
Due after more than one year		
Collateral interest owed by Collateral manager		3,361
Amounts owed by related parties	2,984	10,977
Loans to collateral manager	8,155	3,254
Total	11,139	17,592

Astute Capital PLC

Notes forming part of the interim financial statements for the six months ended 30 September 2020 (continued)

	30 September 2020 (Unaudited) £'000	31 March 2020 (audited) £'000
Due within one year		
Amounts owed by related parties	8	-
Prepayments and other receivables	-	41
Cash held by broker in broker's account	32	124
Called up share capital not paid	38	38
Loans to collateral manager	8,590	3,206
Total	8,668	3,409

Amounts owed by related parties comprise of loans to the Collateral Manager of £19,728k (March 2020 - £20,668k) owing to PLC under the CMA with the associated interest on those funds and nil (March 2020 - £130k) owed by AIM Distribution Limited for expenditure paid on their behalf by the PLC. (see note 16 for further details).

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

Collateral Interest owed by Collateral Manager is interest accrued on the loans advanced to the Collateral Manager under the CMA. Interest is no longer repayable within 1 year due to a change in terms of the CMA effective from the start of the financial year.

11. Creditors: amounts falling due within one year

	30 September 2020 (Unaudited) £'000	31 March 2020 (audited) £'000
Accounts payable	95	63
Accruals	-	49
Accruals - bond interest	767	8
Other creditors	24	12
Issued Bonds	8,318	3,193
Total	9,204	3,325

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

	30 September 2020 (Unaudited) £'000	31 March 2020 (audited) £'000
Issued bonds	9,800	16,854
Deferred bond interest	717	1,006
Total	10,517	17,870

The maturity of sources of debt finance are as follows:

	Issued bonds 30 September 2020 '000 (unaudited)	Total 30 September 2020 £'000 (unaudited)	Issued bonds 31 March 2020 '000 (audited)	Total 31 March 2020 £'000 (audited)
In one year or less, or on demand	8,346	8,318	249	3,198

Astute Capital PLC

Notes forming part of the interim financial statements for the six months ended 30 September 2020 (continued)

In more than one year but not more than two years	6,747	6,747	1,125	13,813
In more than two years but not more than five years	3,147	3,147	3,286	3188
Total	18,240	18,240	4,660	20,199

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 30 September 2020 the Company has issued £18,240k (March 2020 - £20,199k) of Bonds across seventeen series, ranging in maturity dates of one to five years. Coupon payments are paid either bi-annually or upon maturity.

13. Financial instruments

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

	30 September 2020 (Unaudited) £'000	31 March 2020 (audited) £'000
Financial assets		
Financial assets measured at amortised cost	19,838	21,409
Financial liabilities		
Financial liabilities measured at amortised cost	(19,721)	(22,190)

Financial assets measured at amortised cost comprise loan to cash at bank, cash held by brokers in client account, 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.

14. Called-up Share capital

	30 September 2020 (Unaudited) £'000	31 March 2020 (audited) £'000
<i>Allotted, called up and partly paid</i>		
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 2020	50,000	50

15. Contingent liabilities

There were no contingent liabilities of the Company at 31 March 2020.

16. Related party disclosures

Astute Capital Advisors Limited – collateral manager

PLC raises capital through publicly listed bond programmes on Euronext Dublin and the Frankfurt Stock Exchange. The funds raised by the issuer are in turn lent to ACA under a Collateral Management Agreement (CMA) under which ACA will originate, approve and enter into borrower loans on behalf of PLC. The CMA sets its rate to ensure PLC will receive a greater amount of interest from ACA than 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.

ACA was established in order to act as collateral manager on behalf of PLC and is incorporated in the United Kingdom with its registered office at 96-98 Baker Street, London, W1U 6TJ. The management of ACA initially included both Directors of PLC until their resignation in July 2017. Richard Symonds became a director of PLC in November 2018 and resigned from ACA in August 2020. He is also a shareholder of ACA. The Directors of PLC continue to exercise significant control over ACA Limited through their close cooperation with the Director ACA around the nature of the collateral agreement.

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

ACA will pay a fixed rate of interest of 11.5% per annum to PLC on all subscribed bonds of PLC.

At the 30 September 2020, PLC had a debtor balance with ACA of £19,728k (March 2020 - £20,668k) owing to PLC under the CMA with the associated interest on those funds.

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 31 March 2020 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 PLC was Nil (March 2020 - £130k), representing expenditure paid by PLC on behalf of AIM Distribution Limited. The loan has been transferred to ACA.

Astute Capital Charitable Trust

Dividends were paid to the Astute Capital Charitable Trust, the controlling party, of £16,342.

Other related party transactions

Within administration costs there are £35,000 of consultancy fees paid to Asset Securities Ltd, a company owned by Richard Symonds, £8,124 loaned to Richard Symonds, and £22,320 of consultancy fees paid to Adrian Bloomfield Ltd, a company owned by Adrian Bloomfield a director of the Company.

17. Controlling party and ultimate controlling party

The controlling party as at 30 September 2020 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.

18. Post balance sheet events

Reyker Securities Plc

On the 16th October 2020 the JSAs distribution plan was approved in court and they wrote to all Reyker clients to inform them that their assets will be transferred to the nominated broker, James Brearley and Co, and that distribution cannot begin until after 21 days following the date the distribution plan was approved. The JSAs advised that distribution of assets will therefore take place towards the end of 2020 and early 2021 with electronic transfers to be the first to be complete. This is positive news for Astute bondholders as since 8th October 2019, Astute Capital Plc have paid £3,854k to clients and likely the coupon payment of £311k paid on 30 September 2019 will also have been held up by the administration process. The approval of the distribution plan will see clients' assets being unfrozen and any shortfalls will be covered under the FSCS subject to the FSCS coverage limit and eligibility.