

**Astute Capital PLC**


**Interim Report and Financial Statements**

For the Six Months to

30 September 2019

Company Number 10407229

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**Astute Capital PLC**  
**Interim report and financial statements for the six months to 30 September 2019**

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**Directors**

Richard Anthony Symonds  
Adrian Francis Bloomfield

**Secretary**

D&A Secretarial Services Limited

**Registered office**

96-98 Baker Street, London, W1K 4QG

**Company number**

10407229

**Astute Capital PLC**  
**Interim report for the six months to 30 September 2019**

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**Director's statement**

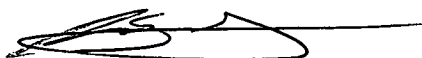
I am pleased to report on our interim results for the six months ended 30 September 2019.

Astute Capital Plc issues debt on Euronext Dublin (Irish Stock Exchange) to allow investors to access 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.

Our annual internal review in April 2019 resulted in the company closing its Leeds operations and the termination of all relationships with non-regulated introducers. We appointed Thistle Initiatives to conduct a full compliance review to ensure Astute Capital remained fully compliant throughout the entire investor marketing and on-boarding process. The appointment of Dave Symondson as head of lending has enabled the company to thoroughly review all lending including existing structures, legal documents and future pipeline loans. We are pleased to confirm many positive changes were made which provides our investors with further security.

Our interim results for the period ended 30 September 2019 show a profit of £0.1m, total debt raised through listed securities under the Astute Capital Listed bond programme of £19.8m. Current loan book to ACA and other related parties of £15.6m, secured against assets of £43.3m, net cash in the bank of £2.6m, and asset-backed loan pipeline with agreed heads of terms of £7.7m.

We are pleased with the level of debt raised, performance of our loan book and our lending pipeline. We have faced several difficulties with external counter-parties such as stock brokers that have had their own regulatory issues during a difficult time for bonds due to a knock on effect from the non-listed bond market which has seen a large amount of unlawful activity exposed in 2019. Our listed structure along with our corporate policy to embrace compliance and transparency has enabled us to build new relationships and continue operating successfully. We have provided third parties including the FCA with due diligence packs prepared by our compliance consultants, Thistle, and although our activities do not require us to be FCA regulated, we will consider potentially becoming FCA regulated in 2020 to ensure we continue to do all we can to provide investors with transparency and security.



Richard Symonds  
Director

**Financial highlights**

**Bond Programme**

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

As at 30 September 2019, the company had issued to date £19,775k of bonds under its bond issuance program represented by £3,677k maturing in 1 years time, a further £8,028k within the next two years, with the balance of £8,070k maturing in more than two years but less than five years time. Coupon payments on these bonds are paid either bi-annually or upon maturity.

Total interest expense to 30 September 2019 was £669k, comprising the nett coupon payment made in September 2019 of £374k, due in accordance with the respective bond terms, and an accrual of £295k for interest accrued but not yet due to be paid for the period 1 April to 30 September 2019.

**Astute Capital PLC**  
**Interim report for the six months to 30 September 2019**

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Loans advanced to Astute Capital Advisors Limited (*formerly TAR Asset Management*)

As at 30 September 2019, Astute Capital PLC has advanced a total of £12,234k to its collateral manager Astute Capital Advisors Limited for the purposes of providing loans to borrowers.

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

A total of £999k of interest income was earned on these loans advanced for the interim financial year to 30 September 2019, based on the bond value issued to this date.

Key performance indicators at 30 September 2019:

|                          | <b>Sept'2019</b> | <b>Sept'2019</b> | <b>Sept'2018</b> | <b>Sept'2018</b> |
|--------------------------|------------------|------------------|------------------|------------------|
|                          | <b>%</b>         | <b>£'000</b>     | <b>%</b>         | <b>£'000</b>     |
| Initiated Bond programme | (100.00%)        | 100,000          | (100.00%)        | 100,000          |
| Bonds issued             | (19.8%)          | 19,775           | (8.1%)           | 8,083            |
| Of which:                |                  |                  |                  |                  |
| Loans advanced to ACA    | (61.9%)          | 12,234           | (61.8%)          | 4,999            |

**Astute Capital PLC**  
**Interim Statement of Comprehensive Income for the six months ended 30 September 2019**

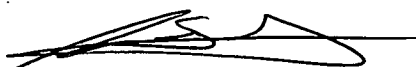
|   | Note | 6 months to<br>30 September<br>2019<br>(Unaudited)<br>£'000 | 6 months to<br>30 September<br>2018<br>(Unaudited)<br>£'000 |
|---|------|---|---|
| Interest receivable and similar income                      | 3    | 999   | 77  |
| Interest payable and similar charges                        | 4    | (739)   | (201)   |
| <b>Net interest income</b>                                  |      | <u>260</u>  | <u>(124)</u>  |
| Administrative expenses                                     |      | (183)   | (68)  |
| <b>Operating profit/(loss)</b>                              | 6    | <u>77</u>   | <u>(192)</u>  |
| <b>Profit/(loss) on ordinary activities before taxation</b> |      | <u>77</u>   | <u>(192)</u>  |
| Taxation on profit/loss                                     | 7    | -   | -   |
| <b>Profit/(loss) for the period</b>                         |      | <u>77</u>   | <u>(192)</u>  |
| <b>Total comprehensive profit/(loss) for period</b>         |      | <u>77</u>   | <u>(192)</u>  |
| <b>Profit/(loss) for the period attributable to:</b>        |      |   |   |
| Owners of the Company                                       |      | <u>77</u>   | <u>(192)</u>  |
| <b>Total comprehensive profit/(loss) attributable to:</b>   |      |   |   |
| Owners of the Company                                       |      | <u>77</u>   | <u>(192)</u>  |

The notes on pages 7 to 15 form part of these interim financial statements

**Astute Capital PLC**  
**Interim Statement of Interim Financial Position at 30 September 2019**

| Company number 10407229  | Note | 6 months to 30<br>September 2019<br>(Unaudited)<br>£'000 | 6 months to 30<br>September 2018<br>(Unaudited)<br>£'000 |
|--|------|--|--|
| <b>Fixed assets</b>  |      |  |  |
| Amounts owed by related parties                                | 8    | 3,378  | 1,237  |
| Loans to collateral manager                                    | 8    | 8,556  | -  |
|  |      | 11,934   | 1,237  |
| <b>Current assets</b>  |      |  |  |
| Debtors  | 9    | 5,767  | 4,985  |
| Cash at bank and in hand                                       |      | 2,579  | 1,774  |
|  |      | 8,346  | 6,759  |
| <b>Creditors: amounts falling due within one year</b>          | 10   | (4,345)  | (246)  |
| <b>Net current assets</b>                                      |      | 4,001  | 6,513  |
| <b>Total assets, less current liabilities</b>                  |      | 15,935   | 7,750  |
| <b>Creditors: amounts falling due after more than one year</b> | 11   | (15,941)   | (8,022)  |
| <b>Net liabilities</b>   |      | (6)  | (272)  |
| <b>Capital and reserves</b>                                    |      |  |  |
| Called up share capital  | 13   | 50   | 50   |
| Profit and loss account  |      | (56)   | (322)  |
| <b>Equity attributable to owners of the Company</b>            |      | (6)  | (272)  |

The interim financial statements were approved by the Board of Directors and authorised for issue on 28 November 2019.



Richard Anthony Symonds  
**Director**

The notes on pages 7 to 15 form part of these interim financial statements

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

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

**Astute Capital PLC**  
**Interim Statement of changes in equity for the six months ended 30 September 2018**

|  | 6 months to 30<br>September 2018<br>(Unaudited)<br>Share capital<br>£'000 | 6 months to 30<br>September 2018<br>(Unaudited)<br>Profit and loss<br>account<br>£'000 | 6 months to 30<br>September 2018<br>(Unaudited)<br>Total equity<br>attributable to<br>owners of the<br>Company<br>£'000 |
|--|---|--|---|
| 1 April 2018 (audited)                             | 50  | (130)  | (80)  |
| Loss for the period                                | -   | (192)  | (192)   |
| <b>Total comprehensive loss for the period</b>     | <b>-</b>  | <b>(322)</b>   | <b>(272)</b>  |
| <b>Transaction with owners</b>                     |   |  |   |
| Issues of shares                                   | -   | -  | -   |
| <b>Total transactions with owners</b>              | <b>-</b>  | <b>-</b>   | <b>-</b>  |
| <b>Balance as at 30 September 2018 (unaudited)</b> | <b>50</b>   | <b>(322)</b>   | <b>(272)</b>  |

The notes on pages 7 to 15 form part of these interim financial statements

**Astute Capital PLC**  
**Interim Statement of cash flows**  
**for the six months ended 30 September 2019**

|   | 6 months to 30<br>September 2019<br>(Unaudited)<br>£'000 | 6 months to 30<br>September 2018<br>(Unaudited)<br>£'000 |
|---|--|--|
| <b>Cash flows from operating activities:</b>                              |  |  |
| <b>Net Profit/Loss for the interim financial year</b>                     | <b>77</b>  | <b>(192)</b>   |
| <b>Adjustments for:</b>   |  |  |
| Decrease/(Increase) in debtors  | 4  | (1,419)  |
| Increase in creditors   | 17   | 19   |
| (Increase) in loans to collateral manager                                 | (3,454)  | (4,747)  |
| (Increase) in interest owed by collateral manager                         | (999)  | -  |
| (Increase) in amounts owed by related parties                             | (553)  | -  |
| (Decrease) in amounts to related parties                                  | (8)  | -  |
| Increase in bond interest   | 294  | 109  |
|   | <u>(4,622)</u>   | <u>(6,230)</u>   |
| Bond proceeds   | 3,953  | 6,922  |
| <b>Net cash generated from operating activities</b>                       | <u><b>(669)</b></u>                                      | <u><b>692</b></u>  |
| <b>Cash flows from financing activities:</b>                              |  |  |
| Issue of shares   | -  | -  |
| <b>Net cash from financing activities</b>                                 | <u>-</u>   | <u>-</u>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b>               | <b>(669)</b>   | <b>692</b>   |
| Cash and cash equivalents at beginning of period (1 April 2018 - audited) |  | 1,082  |
| Cash and cash equivalents at beginning of period (1 April 2019 - audited) | 3,248  |  |
| <b>Cash and cash equivalents at end of the period</b>                     | <u><b>2,579</b></u>                                      | <u><b>1,774</b></u>                                      |
| <b>Cash and cash equivalents comprise:</b>                                |  |  |
| Cash at bank  | 2,579  | 1,774  |
| Cash held by broker   | -  | -  |
|   | <u><b>2,579</b></u>                                      | <u><b>1,774</b></u>                                      |

The notes on pages 7 to 15 form part of these interim financial statements



**1. Accounting policies**

**a) Basis of preparation**

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

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

The functional and presentational currency of the Company is GBP.

The interim financial statements have been rounded to the nearest thousand.

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

**b) Going concern**

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

During the interim financial year ended 30 September 2019 the company recorded a profit for the period of £77k. The company is still in its early years of existence with funds from its listed debt structure only being received just over 18 months ago. The profit is consistent with the Director's expectations for the underlying loan book which is originated and managed by the collateral manager and has an average loan term of 18 to 24 months.

The company is pleased with the progress its collateral manager has made to date and is confident it will continue to manage and grow its loan book in line with the company's expectations. The company continues to successfully raise funds through its listed bond programme from a range of investors and will explore further avenues to secure funding for its existing listed debt structure via High Net Worth and Institutional investors in order to reduce its reliance on retail investors. The company has successfully paid all interest due to bondholders including interest due at 30 September 2019.

**Reyker Securities Plc**

On the 8th October 2019, Smith & Williamson LLP were appointed Joint Special Administrators (JSA) of Reyker Securities Plc who were acting as custodian on behalf of a large proportion of Astute Capital bondholders. Under the rules of special administration, all assets and monies held by Reyker on or before the 8th October 2019 are frozen and cannot be distributed until such a time the JSA and FCA authorise distribution to the underlying beneficiaries. The JSA have confirmed as at the date of the administration that there is no shortfall in client assets or monies and that the interest Astute Capital Plc paid to its investors on the 30 September 2019 is accounted for and will be distributed in the future once the JSA and FCA have given authorisation.

**c) Interest Income**

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

**d) Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial

liability. When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**e) Administration expenses**

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

**f) Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

- The recognition of deferred tax assets 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.

**g) Cash & cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid assets that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**h) Financial assets**

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

**i) Financial liabilities and equity**

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

**j) Reserves**

The Company's reserves are as follows:

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

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

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

**3. Interest receivable and similar income**

|                | 6 months to<br>30 September<br>2019<br>(Unaudited)<br>£'000 | 6 months to<br>30 September<br>2018<br>(Unaudited)<br>£'000 |
|----------------|---|---|
| Loans advanced | 999   | 77  |
| <b>Total</b>   | <b>999</b>  | <b>77</b>   |

**4. Interest payable and similar charges**

|                                  | 6 months to<br>30 September<br>2019<br>(Unaudited)<br>£'000 | 6 months to<br>30 September<br>2018<br>(Unaudited)<br>£'000 |
|----------------------------------|---|---|
| Bonds Issued                     | 669   | 201   |
| Amortisation of bond issue costs | 70  | -   |
| <b>Total</b>                     | <b>739</b>  | <b>201</b>  |

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

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

Astute Capital PLC

Notes forming part of the interim financial statements for the six months ended 30 September 2019 (continued)

**5. Employees and Directors**

| The average number of employees (including Directors) during the interim year | 30 September 2019 | 30 September 2018 |
|---|-------------------|-------------------|
| Directors   | 2                 | 2                 |

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

**6. Operating loss**

| This is arrived at after charging:   | 6 months to 30 September 2019<br>(Unaudited)<br>£'000 | 6 months to 30 September 2018<br>(Unaudited)<br>£'000 |
|--|---|---|
| Client services  | 45  | 43  |
| Legal expenses   | 64  | 43  |
| Consulting and professional fees   | 27  | 25  |
| IT software and consumables  | 20  | 8   |
| Professional fees  | 12  | 10  |
| Subscriptions  | 10  | 12  |
| 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                           | -   | -   |

**7. Taxation on loss on ordinary activities**

|                                      | 6 months to 30 September 2019<br>(Unaudited)<br>£'000 | 6 months to 30 September 2018<br>(Unaudited)<br>£'000 |
|--------------------------------------|---|---|
| <i>UK Corporation tax</i>            |   |   |
| Current tax losses for the period    | -   | -   |
| Total current tax                    | -   | -   |
| <i>Deferred tax</i>                  |   |   |
| In respect of losses carried forward | -   | -   |
| Taxation on losses                   | -   | -   |

**Astute Capital PLC**

**Notes forming part of the interim financial statements for the six months ended 30 September 2019 (continued)**

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

|   | <b>6 months to 30<br/>September 2019<br/>(Unaudited)<br/>£'000</b> | <b>6 months to 30<br/>September 2018<br/>(Unaudited)<br/>£'000</b> |
|---|--|--|
| Profit/(Loss) before tax  | 77   | (192)  |
| (Profit)/Loss on ordinary activities multiplied by the rate of corporation tax applicable in the UK (19%), (2018 – 19%) | (15)   | 36   |
| Deferred tax liability/(asset) not recognised   | 15   | (36)   |
| Taxation on profit/(loss)   | -  | -  |

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

Deferred tax liability of £15k has not been provided for the interim profit and the September 2018 – (£36k) deferred tax asset has not been provided on tax losses carried forward. This was not recognised due to the uncertainty over the timing of future taxable profits.

**8. Non-current assets**

|                                 | <b>6 months to<br/>30 September<br/>2019<br/>(Unaudited)<br/>£'000</b> | <b>6 months to<br/>30 September<br/>2018<br/>(Unaudited)<br/>£'000</b> |
|---------------------------------|--|--|
| Amounts owed by related parties | 3,378  | 1,237  |
| Loans to collateral manager     | 8,556  | -  |
| <b>Total</b>                    | <b>11,934</b>  | <b>1,237</b>   |

Amounts owed by related parties comprise of £3,237k owed by Astute Capital Advisors Limited and £141k owed by AIM Distribution Limited for expenditure paid on their behalf, both are repayable on demand and interest free (See note 15 for further details).

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

**9. Debtors**

|  | <b>6 months to<br/>30 September<br/>2019<br/>(Unaudited)<br/>£'000</b> | <b>6 months to<br/>30 September<br/>2018<br/>(Unaudited)<br/>£'000</b> |
|--|--|--|
| Collateral Interest owed by Collateral Manager | 2,046  | -  |
| Amounts owed by related parties                | -  | 4,945  |
| Prepayments                                    | 6  | -  |
| Other debtors                                  | -  | 2  |
| Called up share capital not paid               | 38   | 38   |
| Loans to collateral manager                    | 3,677  | -  |
| <b>Total</b>                                   | <b>5,767</b>   | <b>4,985</b>   |

Astute Capital PLC

Notes forming part of the interim financial statements for the six months ended 30 September 2019 (continued)

10. Creditors: amounts falling due within one year

|                                 | 6 months to 30<br>September 2019<br>(Unaudited)<br>£'000 | 6 months to 30<br>September 2018<br>(Unaudited)<br>£'000 |
|---------------------------------|--|--|
| Amounts owed to related parties | 11   | -  |
| Accounts payable                | 104  | -  |
| Accruals                        | 19   | -  |
| Accruals - bond interest        | 500  | -  |
| Other creditors                 | 56   | 94   |
| Issued Bonds                    | 3,655  | 152  |
| <b>Total</b>                    | <b>4,345</b>   | <b>246</b>   |

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

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

|                        | 6 months to 30<br>September 2019<br>(Unaudited)<br>£'000 | 6 months to 30<br>September 2018<br>(Unaudited)<br>£'000 |
|------------------------|--|--|
| Issued bonds           | 15,899   | 8,022  |
| Deferred bond interest | 42   | -  |
| <b>Total</b>           | <b>15,941</b>  | <b>8,022</b>   |

The maturity of sources of debt finance are as follows:

|   | Issued bonds<br>6 months to 30<br>September 2019<br>'000 | Total<br>6 months to 30<br>September 2019<br>£'000 | Issued bonds<br>6 months to 30<br>September 2018<br>'000 | Total<br>6 months to 30<br>September 2018<br>£'000 |
|---|--|--|--|--|
| In one year or less, or on demand                   | 724  | 3,655  | -  | -  |
| In more than one year but not more than two years   | 8,028  | 7,965  | 2,988  | 2,988  |
| In more than two years but not more than five years | 8,070  | 7,934  | 5,034  | 5,034  |
| <b>Total</b>  | <b>16,822</b>  | <b>19,554</b>                                      | <b>8,022</b>   | <b>8,022</b>                                       |

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 2019 the Company has issued £19,775k of Bonds across sixteen series, ranging in maturity dates of 1, 3, and 5 years. Coupon payments are paid either bi-annually or upon maturity at 3.2% (1-year access), 7.5% (3-year income), 8.24% (3-year balance), or 8.9% (5-year growth).

Issued bonds are stated at the issued cost of £19,775k (September 2018 - £8,083k), less costs directly attributable to the bond issue amounting to £221k (September 2018 - £60k).

**12. Financial instruments**

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

|  | <b>6 months to 30<br/>September 2019<br/>(Unaudited)<br/>£'000</b> | <b>6 months to 30<br/>September 2018<br/>(Unaudited)<br/>£'000</b> |
|--|--|--|
| <b>Financial assets</b>                          |  |  |
| Financial assets measured at amortised cost      | 20,274   | 7,996  |
|  | 20,274   | 7,996  |
| <b>Financial liabilities</b>                     |  |  |
| Financial liabilities measured at amortised cost | 20,286   | 8,268  |
|  | 20,286   | 8,268  |

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.

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

**13. Called-up Share capital**

|   | <b>2019<br/>£'000</b> | <b>2018<br/>£'000</b> |
|---|-----------------------|-----------------------|
| <i>Allotted, called up and partly paid</i><br>50,000 ordinary shares of £1 each | 50                    | 50                    |
|   | 50                    | 50                    |

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

|                               | <b>Ordinary shares of £1 each</b> |              |
|-------------------------------|-----------------------------------|--------------|
|                               | <b>Number</b>                     | <b>£'000</b> |
| Shares issued                 | 50,000                            | 50           |
|                               | 50,000                            | 50           |
| In issue at 30 September 2019 | 50,000                            | 50           |

**14. Contingent liabilities**

There were no contingent liabilities of the Company at 30 September 2019.

**15. Related party disclosures**

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

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

## Astute Capital PLC

### Notes forming part of the interim financial statements for the six months ended 30 September 2019 (continued)

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

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

Astute Capital Advisors Limited will pay a fixed rate of interest of 11.5% to Astute Capital PLC in respect of funds provided for the purpose of entering into borrower loans on behalf of the Company compared with a current fixed rate of interest on issued bonds between the range of 7.5% to 8.9%, dependent on the Bond series subscribed.

At the 30 September 2019, Astute Capital PLC had a debtor balance with Astute Capital Advisors Limited of £12,234k representing monies lent to it for 3<sup>rd</sup> party borrower loans. It is forecasted repayment will commence in Q4 of the 2019/20 financial year. As at 30 September 2018 the balance of monies lent for 3<sup>rd</sup> party borrower loans was £3,256k.

In addition, there was a further £3,237k owing to Astute Capital PLC for expenditure relating to Astute Capital Advisors Limited paid on its behalf. This amount is repayable on demand and interest free. It is anticipated that repayment will commence in March 2021, as the collateral manager realises its loans.

As at 30 September 2018, Astute Capital Advisors Limited had a creditor balance with Astute Capital PLC of £87k.

#### *AIM Distribution Limited*

AIM Distribution Limited was established by the Directors of Astute Capital PLC at the time of its incorporation, to pay and contract all marketing related activities on bond sales for internal sales staff and commissions to external agents. On 25 February 2019 AIM Distribution Limited became a 100% subsidiary of Astute Capital Advisors Limited which from this point to the 30 September 2019 had incurred an intercompany debt on its related expenditure paid by and owing to Astute Capital PLC. The balance owed by AIM Distribution Limited to Astute Capital PLC on the 30 September 2019 was £141k, representing expenditure paid by Astute Capital PLC on behalf of AIM Distribution Limited. This amount is repayable on demand and interest free. It is anticipated that repayment will commence in March 2021, as the collateral manager realises its loans.

Before the 25 February 2019, AIM Distribution Limited was considered an 'Other creditor', the balance owed by Astute Capital PLC as at 30 September 2019 to AIM Distribution Limited, whilst under this arrangement is £11k. This represents expenditure paid by AIM Distribution Limited on its behalf.

#### *Brunswick Court Limited (previously Astute Investment Management – AIM)*

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

At the 30 September 2019, the balance owing was £0k, with the balance from the previous interim financial year recovered.

As at 30 September 2018, the debtor balance owing to Astute Capital PLC was £2,733k.

#### **16. Controlling party and ultimate controlling party**

The controlling party as at 30 September 2019 was the charitable trust, established by the deed dated 27<sup>th</sup> July 2017, called Astute Capital Charitable Trust, who were gifted 100% of the shares of the Company. Druces LLP were the ultimate controlling party of D&A Nominees Ltd, the trustees of the charity. Following the year end the trustees namely, D&A Nominees Ltd, were replaced by the Directors, Adrian Bloomfield and Richard Symonds who are now the ultimate controlling parties.



**17. Post balance sheet events**

**Reyker Securities Plc**

On the 8th October 2019, Smith & Williamson LLP were appointed Joint Special Administrators (JSA) of Reyker Securities Plc who were acting as custodian on behalf on a large proportion of Astute Capital bondholders. Under the rules of special administration, all assets and monies held by Reyker on or before the 8th October 2019 are frozen and cannot be distributed until such a time the JSA and FCA authorise distribution to the underlying beneficiaries. The JSA have confirmed as at the date of the administration that there is no shortfall in client assets or monies and that the interest Astute Capital Plc paid to its investors on the 30 September 2019 is accounted for and will be distributed in the future once the JSA and FCA have given authorisation.