

**ALL ACTIVE ASSET CAPITAL LIMITED**

**(formerly All Asia Asset Capital Limited)**

(Incorporated and registered in the British Virgin Islands with registered no. 1733571)

**2019 ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

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## **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

This Annual Report 2019 contains forward-looking statements that state the Company's beliefs, expectations, intentions or predications for the future. The forward- looking statements reflect the current view of the Board with respect to future events and are, by their nature, subject to risks, uncertainties and assumptions.

In some cases, words such as "believe", "will", "would", "could", "may", "should", "expect", "intend", "consider", "anticipate", "estimate", "project", "plan", "potential" or similar expressions are used to identify forward-looking statements. The Board can give no assurances that those expectations and intentions will prove to have been correct, and you are cautioned not to place undue reliance on such statements. All forward-looking events or circumstances contained in this report might not occur in the manner the Board expects. Accordingly, you should not place undue reliance on such forward-looking statements. All forward-looking statements contained in this report are qualified by reference to these cautionary statements.

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

James Normand  
(Independent Non-Executive Chairman)

Rodger Sargent (Executive Director)

Simon Grant-Rennick  
(Independent Non-Executive Director)

Peter Antonioni (Non-Executive Director)

### **REGISTERED OFFICE**

c/o Codan Trust Company (B.V.I.) Ltd.  
Commerce House  
Wickhams Cay 1  
P.O. Box 3140  
Road Town  
Tortola  
British Virgin Islands, VG1110

### **REGISTRARS**

Computershare Investor Service (BVI) Limited  
Woodbourne Hall  
PO Box 3162  
Road Town, Tortola  
British Virgin Islands

### **COMPANY AUDITORS**

Elite Partners CPA Limited  
10/F, 8 Observatory Road,  
Tsim Sha Tsui, Kowloon,  
Hong Kong

### **NOMINATED ADVISER AND BROKER**

Allenby Capital Limited  
5 St Helen's Place  
London EC3A 6AB  
United Kingdom

### **SOLICITORS TO THE COMPANY**

#### **AS TO ENGLISH LAW**

Fladgate LLP  
16 Great Queen Street  
London  
WC2B 5DG

### **SOLICITORS TO THE COMPANY**

#### **AS TO BVI LAW**

Conyers Dill & Pearman  
Commerce House  
Wickhams Cay 1  
P.O. Box 3140  
Road Town, Tortola  
British Virgin Islands, VG1110

**COMPANY WEBSITE:** [www.aaacap.com](http://www.aaacap.com)

## **CHAIRMAN'S STATEMENT**

I am pleased to report the results of All Active Asset Capital Limited ("the Company"), formerly known as All Asia Asset Capital Limited, together with its subsidiaries ("the Group") for the year ended 31 December 2019.

### **Review of 2019**

At 31 December 2019 the Company's only investment (as it was at the end of 2018) was a 7% investment in Myanmar Allure Group Co., Ltd., ('MAG'), which owns and operates the Allure Resort, a combined hotel, resort and gaming facility located in Tachileik province of Myanmar. As noted in the previous interim report, the Company continues to seek a buyer for its investment in MAG.

On 14 May 2019, Mr. Wai Tak Jonathan Chu stepped down as an executive director of the Company. On 17 September 2019, AAA announced a placing of 31,250,000 new shares, a widening of the geographic focus of the Company's investing policy to include investments in Europe and a change in name, to All Active Asset Capital Limited, to reflect this new investment mandate. On 23 September 2019 the placing was completed, raising a net £108,750 for the Company, and I was appointed to the Board as an executive director.

### **Events since the year-end**

Two placings were completed on 24 February 2020 and 16 June 2020, raising aggregate gross proceeds of £1.4 million. Since the beginning of the year, the Company has invested a total of £1,056,000 (being the value of AAA shares issued to vendors) in relation to Asimilar Group plc ('ASLR') in the form of shares, warrants and options over warrants.

The Company has acquired and holds the following interests in ASLR:

- 1,200,000 ASLR shares, the details of which were announced by AAA on 30 March 2020.
- an option to acquire warrants over 15,500,000 ASLR shares, exercisable at 6p per ASLR share each, expiring on 31 October 2020, the details of which were announced by AAA on 14 May 2020, with certain revised terms being announced on 7 August 2020.
- an option to acquire warrants over 5,000,000 ASLR shares, exercisable at 18p per ASLR share each, expiring on 30 September 2020, the details of which were announced by AAA on 14 May 2020, with certain revised terms being announced on 7 August 2020.
- an option to acquire warrants over 1,200,000 ASLR shares, exercisable at 5p per ASLR share each, expiring on 31 May 2022, the details of which were announced by AAA on 20 March 2020.
- warrants over 240,000 ASLR shares, exercisable at 5p per ASLR share each, expiring on 31 May 2022, the details of which were announced by AAA on 20 March 2020.

There have been three appointments to the Board of directors in 2020: Simon Grant-Rennick was appointed on 31 January; Rodger Sargent on 28 May; and Peter Antonioni on 9 July. (Dominic) Seah Boon Chin resigned on 31 January 2020 and, having handed over the executive chairmanship to me with effect from 10 March, Robert Berkeley resigned on 16 June 2020.

The Board believes that the investment in ASLR holds significant promise; and, with more than £1 million of cash resources as at the date of these accounts, the Company is back to a position where it can consider further investment opportunities to add to its portfolio.

## **Financial results**

In the year ended 31 December 2019 the Company incurred a loss of £704,000 (2018: loss of £530,000), which was entirely attributable to administrative expenses and the write-down in the value of the Company's investment in MAG.

The sole investment of the Group throughout 2019 remained its investment in MAG. AAA's investment in MAG was valued as at 31 December 2019 by an independent valuer at US\$637,000.

At 31 December 2019, net assets amounted to £487,000 (2018: £1,109,000). As at 31 December 2019, the Group did not have bank accounts. Cash amounting to £77,737 was held in trust by a third party in a financial institution and was classified as other receivables, as stated in Note 14.

## **Appreciation**

I should like to thank my fellow Board members and our advisers for all of their hard work and, of course, our shareholders for their continuing support for AAA. In particular, I should like to pay tribute to Robert Berkeley, who stepped down from the Board in June 2020, having been a member from the foundation of the Company. Robert held the business together through difficult times and left it in the healthy position in which it finds itself today.

## **James Normand**

Chairman

London, 28 September 2020

## **DIRECTORS' REPORT**

The directors of the Company present their report and the audited financial statements for the year ended 31 December 2019.

### **Principal activity and investing policy**

All Active Asset Capital Limited, formerly known as All Asia Asset Capital Limited, is an investing company, incorporated in the British Virgin Islands on 14 September 2012. The Company was established as a platform for investors looking to access growing markets in the Asia Pacific region. On 10 October 2019, AAA announced it had widened the geographic focus of the Company's investing policy so that this includes investing in the European region, and changed its name to All Active Asset Capital Limited, to reflect this new investment mandate.

### **Review of business**

As at 31 December 2019, the Company held one investment in its portfolio.

### **Myanmar Allure Group Company Limited**

All Asia Asset Capital Limited currently holds a 7 per cent stake in Myanmar Allure Group Co., Ltd. ("MAG"). MAG is a privately held company based in Thailand and Myanmar, which operates in the hospitality and entertainment business. MAG owns and operates the Allure Resort, a combined hotel, resort and gaming facility located in Tachileik province, Myanmar, in the vicinity of the Thailand-Myanmar Mae Sai border. The Company continues to seek realisation of its investment in MAG.

### **Capital Resources and Financing Structure**

During the year ended 31 December 2019, the Company raised additional equity finance of £125,000 (before expenses) in order to provide additional working capital while it sought new investment opportunities.

### **International Financial Reporting Standards**

The consolidated financial statements for the year ended 31 December 2019 together with comparative figures from the year ended 31 December 2018 have been prepared using International Financial Reporting Standards (IFRSs).

### **Results and dividends**

In the year ended 31 December 2019 the Company incurred a loss of £704,000 (2018: loss of £530,000), which was entirely attributable to administrative expenses and the write-down in the value of the Company's investment in MAG.

Further details are set out in the consolidated statement of profit or loss. No dividend has been paid or proposed for the period.

## Directors and their interests

The following Directors who served during the year ended 31 December 2019, together with their beneficial interests in the ordinary share capital of the Company are as follows:

Directors	Position	Shares held at 31 December 2018	Shares held at 31 December 2019	% of issued share capital held at 31 December 2019
Robert Berkeley	Executive Chairman and Finance Director	14,914,575	14,914,575	7.01%
Wai Tak Jonathan Chu (Resigned 14 May 2019)	Executive Director	-	-	-
(Dominic) Seah Boon Chin	Independent Non- Executive Director	-	-	-
James Normand (appointed 23 September 2019)	Independent Non- Executive Director	-	-	-

## Substantial interests

As at 31 December 2019, save for the Directors listed above, the Directors were aware of the following interests amounting to 3% or more of the ordinary share capital of the Company.

Shareholder	Number of shares	Percentage shareholding
W B Nominees Limited	37,546,384	17.64%
Euroclear Nominees Limited	29,829,150	14.02%
Lynchwood Nominees Limited	23,731,001	11.15%
Vidacos Nominees Limited	20,940,193	9.84%
Mr Robert John Sali	16,666,667	7.83%
Mr Blake Gordon Olafson	15,000,000	7.05%
Oxbow Enterprise Limited	14,914,575	7.01%
Chakris Kajkumjohndej	11,000,000	5.17%
Chiefland Trading Limited	7,333,334	3.45%

## Related Party Transactions

During the year ended 31 December 2019, the Company did not have any related party transactions as defined by the AIM Rules.

## Directors' Responsibilities Statement

The Directors are responsible for the preparation of consolidated financial statements for each financial year. The consolidated financial statements must give a true and fair view of the state of affairs of the Company and its subsidiaries ("the Group"), and the Group's profit and loss for that period.



When preparing consolidated financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgments and estimates that are reasonable
- State whether they adhered to applicable accounting standards subject to any material departures disclosed and explained in the consolidated financial statements
- Prepare the consolidated financial statements on a going concern basis, unless it is inappropriate to presume that the Company will continue in business

The Directors must keep proper accounting records, which disclose, with reasonable accuracy at any time, the financial position of the Group and the Company. The Directors must ensure that the consolidated financial statements comply with applicable laws and follow International Financial Reporting Standards. The Directors must also safeguard the assets of the Group and the Company; and take reasonable steps to prevent and detect fraud or other irregularities.

### **Website publication**

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with AIM Rules. The maintenance and integrity of information presented in the Company's website is the responsibility of the Directors and therefore the Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

### **Auditors**

Elite Partners CPA Limited was appointed auditor at the conclusion of the Company's annual general meeting held on 30 July 2019. A resolution to re-appoint Elite Partners CPA Limited as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on behalf of the Board.

James Normand

Chairman

London, 28 September 2020

## **CORPORATE GOVERNANCE STATEMENT**

### **Board of Directors**

During the year ended 31 December 2019, the following persons served as directors of the Company:

Executive Directors:

Robert Anthony Rowland Berkeley

Wai Tak Jonathan Chu (resigned on 14 May 2019)

Independent Non-Executive Directors:

(Dominic) Seah Boon Chin

James Normand (appointed 23 September 2019)

The Directors are not related to each other.

### **Responsibilities of the Board**

The Directors are responsible for the overall management and control of the Company as well as identifying investment opportunities, managing the investment/acquisition process and monitoring the investee companies' operating performance. The Directors will review the operations of the Company at regular board meetings and it is currently intended that the Board will meet at least four times a year and at other times as and when required.

### **Board Committee**

As there was for most of the year only one independent non-executive director of the Company, the Board has not established remuneration, nomination and audit committees. The Board as a whole monitors the performance of the Board and plans for succession and the functions usually carried out by a nominations committee. Also, the Board as a whole is responsible for reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant, considering annual and interim accounts and audit reports, considering the appointment and remuneration of the Company's auditor and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications.

The Directors recognise the need for sound corporate governance. As a company whose shares are traded on AIM, the Board has determined that it will apply the Quoted Companies Alliance's Corporate Governance Code ("the QCA Code"). An updated corporate governance statement including any disclosures required pursuant to the QCA Code will be published on the Company's website: <http://www.aacap.com/>

## INVESTING POLICY

(Adopted at the Extraordinary General Meeting of the Company on 10 October 2019)

The Company intends to invest in companies with at least the majority of their operations (or early stage companies that intend to have at least the majority of their operations) in the Asia Pacific or European regions. The Company intends to invest in a portfolio of companies with an initial focus on companies that operate (or early stage companies that intend to operate) in industries with likely high growth potential including, but not limited to: agriculture, forestry and plantation, mining, natural resources, property and/or technology.

The Directors intend to source and identify potential investments in line with the Investing Policy through their own research and network of contacts and possibly strategic partnerships with other companies or persons who can assist the Company in sourcing and identifying potential investments. Investments are expected to be mainly in the form of equity although investments may be by way of debt, convertible securities or investments in specific projects. In the case of equity investments, the Directors intend typically to take minority positions (with suitable minority protection rights), primarily in unquoted companies. Investments will therefore typically be of a passive nature. However, whilst the Directors intend that typical investments will constitute minority positions in investee companies, should the Company make majority investments, the Company may seek participation in the management or board of directors of such an entity with a view to seeking to improve the performance and growth of the business.

There is no limit on the size of an investment in a project. The Directors expect that each investment will typically yield a targeted internal rate of return of at least 20 to 30 per cent. per annum. It is likely that a substantial portion of the Company's financial resources will be invested in a small number of companies, however the Company has not excluded the possibility of making just one investment. Depending on the size of investments, they may be deemed to be reverse takeovers for the purposes of the AIM Rules, which would require Shareholder approval and re-admission of the Company, as enlarged by the acquisition, to trading on AIM.

In addition to paying the costs of the Company's ongoing expenses, the Company's cash resources will primarily be used to identify, evaluate and select suitable investment opportunities and to make investments, either in part or in full, as applicable. The Directors consider that as investments are made, or promising new investment opportunities arise, further funding of the Company will be required and they anticipate further equity fundraisings by the Company. Subject to prevailing authorities to issue new Ordinary Shares or, if required, with Shareholder approval, new Ordinary Shares may be used as consideration, in whole or in part, for investments. The Company will not be subject to any borrowing or leverage limits. In order to mitigate investment risk, the Directors intend to carry out a thorough due diligence process in evaluating each potential investment including: site visits, analysis of financial, legal and operational aspects of each investment opportunity, meetings with management, risk analysis, review of corporate governance and anti-corruption procedures and the seeking of third party expert opinions and valuation reports where the Directors see fit.

The Directors will apply investment criteria including: the potential for capital growth and/or the potential for profit generation with a view to receiving dividend income over time, high attractiveness to potential buyers of the company in question in order to facilitate exits and a strong and experienced management team.

Given the time frame to fully maximise the value of an investment, the Board expects that investments will be held for the medium to long term, although short-term disposals of assets cannot be ruled out in exceptional or opportunistic circumstances. The Directors intend to re-invest the proceeds of disposals in accordance with the Company's Investing Policy unless, at the relevant time, the Directors believe that there are no suitable investment opportunities in which case the Directors will consider returning the proceeds to Shareholders in a tax efficient manner.

Cash held by the Company pending investment, reinvestment or distribution will be managed by the Company and placed in bank deposits or in capital guaranteed schemes offered by major global financial institutions, in order to protect the capital value of the Company's cash assets. The Company may, where appropriate, also enter into agreements or contracts in order to hedge against interest rate or currency risks. Investments are expected to be held by the Company or a subsidiary to be incorporated for the purpose of holding an investment.

Any material change to the Company's Investing Policy will only be made following the approval by ordinary resolution of Shareholders in general meeting. In addition, if the Company has not substantially implemented its Investing Policy within 18 months of Admission, the Company will seek the approval of Shareholders at its next annual general meeting for its Investing Policy and on annual bases thereafter until such time that its Investing Policy has been substantially implemented. If it appears unlikely that the Company's Investing Policy can be implemented at any time, the Directors will consider returning remaining funds to Shareholders.

The Directors will review the Investing Policy on an annual basis and will implement any non-material changes or variations as they consider fit. Details of any such non-material changes or variations will be announced as appropriate. Any material change or variation of the Investing Policy will be subject to the prior approval of Shareholders

## **BOARD OF DIRECTORS**

The current board of directors is as follows:

### **James Normand** (Non-Executive Chairman)

Mr Normand qualified as a Chartered Accountant in 1978, having trained with Spicer and Pegler (now part of Deloitte). Following a secondment to 3i plc, Mr Normand specialised for the next 15 years in the provision of advice to management buy-out and buy-in teams and on private company acquisitions, disposals and capital raisings.

Since 2002 Mr Normand has filled management and finance officer roles for a number of different commercial and charitable organisations, mostly on a part-time basis. From 2009 to 2016, he was the full-time finance director of Pathfinder Minerals Plc, an AIM-listed mining exploration company. He is currently non-executive chairman of Global Resources Investment Trust plc, premium-listed on the London Stock Exchange.

In an unremunerated extra-curricular capacity, Mr Normand is active in the governance of the Church of England, being Chair of the London Diocesan Synod's House of Laity and Chair of the Finance and HR Committees of the Bishop of London's Council.

### **Rodger Sargent** (Executive Director)

Mr Sargent has been the founder and finance director of many quoted and private companies over the past twenty years, including Sports Internet Group plc, Bigblu Broadband plc, Audioboom Group plc and S4 Capital plc. He previously ran the family office of Betfair founder, Andrew Black. He qualified as a chartered accountant with PwC, London in 1996.

### **Simon Grant-Rennick** (Independent Non-Executive Director)

Mr Grant-Rennick is a graduate of the Camborne School of Mines. His expertise encompasses not only mining and minerals but also metals, agriculture and property. He has managed mining companies, both public and private, in Uganda and in Malawi; metal trading businesses in Bermuda and in the UK; was a co-founder of Industrial Mineral Finance House which provides consultancy services covering all aspects of the industrial minerals' sector; and established a property development business (since sold). Mr Grant-Rennick is chairman of Evirma plc and a director of Quetzal Capital Plc, which are both traded on the Aquis Stock Exchange. He is currently involved with mining enterprises in Botswana, Malawi and Mexico; and in agribusinesses producing macadamia nuts, paprika and chilli, in sub-Saharan Africa.

### **Peter Antonioni** (Non-Executive Director)

Peter has been a commodities-market broker in Singapore for twenty-six years. From 1994 to 2019 he was Trading Manager for Energy Derivatives at Tradition, a leading global player in financial derivatives. He is a highly respected figure in the Asian energy markets, building one of the most successful primary energy derivatives teams in Asia's energy trading hub, Singapore.

As a seasoned international entrepreneur, Peter has been a co-founder and investor in sophisticated entertainment ventures in Singapore, Malaysia, Thailand and China. Peter is the founder of One Nine Two Private Limited, a next-generation private investment vehicle focused on identifying and capturing exponential growth opportunities in, amongst others, human advanced technologies, artificial intelligence and machine learning, robotics and economic digitalisation.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF ALL ACTIVE ASSET CAPITAL LIMITED**

*(formerly known as All Asia Asset Capital Limited)*

*Incorporated in the British Virgin Islands with limited liability*

#### **Opinion**

We have audited the consolidated financial statements of All Active Asset Capital Limited (the "Company", formerly known as "All Asia Asset Capital Limited") and its subsidiaries (collectively referred to as the "Group") set out on pages 18 to 46, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board ("IAASB"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' "Code of Ethics for Professional Accountants" (the "Code") and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are the matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ALL ACTIVE ASSET CAPITAL LIMITED

(formerly known as All Asia Asset Capital Limited)

Incorporated in the British Virgin Islands with limited liability

<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<i>Valuation of the Group's investments in unlisted equity securities measured at fair value categorised as level 3 of fair value hierarchy</i>	
<p>As at 31 December 2019, the Group's financial assets at fair value through profit or loss of GBP480,501 was an investment in unlisted equity securities whose fair value measurements were categorised as level 3 in the fair value hierarchy defined in IFRS 13.</p> <p>The valuation of the investment in unlisted equity securities involved a high degree of estimation uncertainty, subjectivity and management judgement.</p> <p>We have identified the fair value measurement of the Group's investments in unlisted equity securities as a key audit matter because the fair value of which were derived from valuation techniques that include inputs for assets that are not based on observable market data and a high degree of management judgement was required in determining the assumptions to use in arriving at the unobservable inputs.</p>	<p>Our major audit procedures in relation to this matter included the following:</p> <ul style="list-style-type: none"><li>• We evaluated the competence, capabilities and independence of the Group's external valuer;</li><li>• We assessed the appropriateness for the selection of the discounted cash flow model as the valuation technique used by management based on the market practice and our knowledge of the nature of the financial assets;</li><li>• We evaluated the judgement made by management in determining the key assumptions, including credit spread rate and volatility, by comparing the supporting documentation to external market analysis.</li><li>• We also performed an independent sensitivity analysis to evaluate those assumptions applied to the valuation model for calculating the fair value of the financial assets; and</li><li>• We checked the mathematical accuracy of the discounted cash flow model prepared by management via reperformance.</li></ul>

### Information other than the Consolidated Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF ALL ACTIVE ASSET CAPITAL LIMITED**

*(formerly known as All Asia Asset Capital Limited)*

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#### **Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements**

The directors are responsible for the preparation and fair presentation of the consolidated financial statements that in accordance with IFRSs issued by the IFAC, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF ALL ACTIVE ASSET CAPITAL LIMITED**

*(formerly known as All Asia Asset Capital Limited)*

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We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Leung Man Kin with Practising Certificate number P07174.

***Elite Partners CPA Limited***  
*Certified Public Accountants*

10/F., 8 Observatory Road,  
Tsim Sha Tsui, Kowloon,  
Hong Kong

28 September 2020

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 GBP	2018 GBP
Other income	5	787	10,943
Changes in fair value of equity investments at fair value through profit or loss		(462,833)	(294,000)
Administrative expenses		(241,643)	(246,822)
Loss before tax	6	(703,689)	(529,879)
Income tax	8	-	-
Loss for the year		(703,689)	(529,879)
Loss per ordinary share (in pence)			
- Basic	9	(0.32)	(0.25)
- Diluted	9	(0.32)	(0.25)

The notes on pages 23 to 46 form part of these financial statements

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Notes	<u>2019</u>	<u>2018</u>
		<b>GBP</b>	GBP
Loss for the year		<b>(703,689)</b>	(529,879)
Other comprehensive income:			
<i>Items that may reclassified subsequently to profit or loss</i>			
Exchange difference on translating financial statements of foreign subsidiaries		<b>(27,919)</b>	74,514
Other comprehensive (expense) / income, net of tax		<u><b>(27,919)</b></u>	<u>74,514</u>
Total comprehensive expense for the year		<u><b>(731,608)</b></u>	<u>(455,365)</u>

The notes on pages 23 to 46 form part of these financial statements

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019**

	Notes	<u>2019</u>	<u>2018</u>
		<b>GBP</b>	<b>GBP</b>
<b>ASSETS</b>			
<i>Non-current assets</i>			
Property, plant and equipment	11	-	4,186
Equity investments at fair value through profit or loss	13	<b>480,501</b>	971,252
		<u><b>480,501</b></u>	<u>975,438</u>
<i>Current assets</i>			
Prepayments, deposits and other receivables		<b>138,006</b>	4,128
Cash and bank balances	14	-	196,262
Total current assets		<u><b>138,006</b></u>	<u>200,390</u>
<b>Total assets</b>		<u><b>618,507</b></u>	<u>1,175,828</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	15	<b>6,392,944</b>	6,284,194
Reserves	17	<b>(5,906,314)</b>	(5,174,706)
<b>Total equity</b>		<u><b>486,630</b></u>	<u>1,109,488</u>
<b>LIABILITIES</b>			
<i>Current liabilities</i>			
Other payables and accruals		<b>131,877</b>	66,340
<b>Total liabilities</b>		<u><b>131,877</b></u>	<u>66,340</u>
<b>Total equity and liabilities</b>		<u><b>618,507</b></u>	<u>1,175,828</u>
<b>Net current assets</b>		<u><b>6,129</b></u>	<u>134,050</u>
<b>Total assets less current liabilities</b>		<u><b>486,630</b></u>	<u>1,109,488</u>
<b>Net assets</b>		<u><b>486,630</b></u>	<u>1,109,488</u>

Approved by the board of directors on 28 September 2020

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**James Normand**  
Chairman

The notes on pages 23 to 46 form part of these financial statements

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

	Share capital	Fair value reserve	Exchange reserve	Accumulated loss	Total
	GBP	GBP	GBP	GBP	GBP
<b>At 1 January 2018</b>	<b>6,284,194</b>	<b>(350,618)</b>	<b>300,051</b>	<b>(4,668,774)</b>	<b>1,564,853</b>
Reclassification of investment revaluation reserve under IFRS 9	-	350,618	-	(350,618)	-
<b>At 1 January 2018 (Restated)</b>	<b>6,284,194</b>	<b>-</b>	<b>300,051</b>	<b>(5,019,392)</b>	<b>1,564,853</b>
Loss for the year	-	-	-	(529,879)	(529,879)
Other comprehensive income:					
Exchange difference on translating of financial statement of overseas subsidiaries	-	-	74,514	-	74,514
Total comprehensive income for the year	-	-	74,514	(529,879)	(455,365)
<b>At 31 December 2018 and 1 January 2019</b>	<b>6,284,194</b>	<b>-</b>	<b>374,565</b>	<b>(5,549,271)</b>	<b>1,109,488</b>
Loss for the year	-	-	-	(703,689)	(703,689)
Other comprehensive income:					
Exchange difference on translating of financial statement of overseas subsidiaries	-	-	(27,919)	-	(27,919)
Total comprehensive income for the year	-	-	(27,919)	(703,689)	(731,608)
Placing of shares	108,750	-	-	-	108,750
<b>At 31 December 2019</b>	<b>6,392,944</b>	<b>-</b>	<b>346,646</b>	<b>(6,252,960)</b>	<b>486,630</b>

The notes on pages 23 to 46 form part of these financial statements

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>2019</b>	2018
	<b>GBP</b>	GBP
<b>Operating activities</b>		
Loss before taxation	<b>(703,689)</b>	(529,879)
Adjustments for:		
Depreciation of property, plant and equipment	<b>4,186</b>	2,225
Change in fair value of equity investment at fair value through profit or loss	<b>490,751</b>	237,563
Interest income	<b>(72)</b>	-
	<b>(208,824)</b>	(290,091)
Operating loss before working capital changes	<b>(208,824)</b>	(290,091)
(Increase) decrease in prepayments, deposits and other receivables	<b>(133,878)</b>	6,419
Increase in other payables and accruals	<b>65,537</b>	50,002
	<b>(277,165)</b>	(233,670)
Cash used in operations	<b>(277,165)</b>	(233,670)
Interest received	<b>72</b>	-
	<b>(277,093)</b>	(233,670)
<b>Net cash used in operating activities</b>	<b>(277,093)</b>	(233,670)
<b>Financing activities</b>		
Proceeds from issue of shares	<b>108,750</b>	-
	<b>108,750</b>	-
<b>Net cash from financing activities</b>	<b>108,750</b>	-
	<b>(168,343)</b>	(233,670)
<b>Net decrease in cash and cash equivalents</b>	<b>(168,343)</b>	(233,670)
Effect of foreign exchange rate changes, net	<b>(27,919)</b>	74,514
Cash and cash equivalents at the beginning of the year	<b>196,262</b>	355,418
	<b>-</b>	196,262
<b>Cash and cash equivalents at the end of the year</b>	<b>-</b>	196,262
	<b>-</b>	196,262
<b>Analysis of balances of cash and cash equivalents</b>		
Cash and bank balances	<b>-</b>	196,262

The notes on pages 23 to 46 form part of these financial statements

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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## 1. GENERAL INFORMATION

The Company was incorporated in the British Virgin Islands on 14 September 2012 with limited liability and its ordinary shares were admitted to trading on the AIM market of the London Stock Exchange on 2 May 2013. The registered office of the Company is located at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands.

The principal activity of the Company and its subsidiaries (collectively referred to as the "Group") is to invest in growing markets of Asia Pacific and Europe.

The consolidated financial statements are presented in Great British Pounds ("GBP"), which is the same as the functional currency of the Company, and all values are rounded to the nearest GBP. The consolidated financial statements are prepared on historical cost basis except for available-for-sale financial assets which are stated at fair value.

## 2. APPLICATION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

### 2.1 *New and amendments to IFRSs that are mandatorily effective for the current year*

In the current year, the Group has applied, for the first time, the following new and amendments to IFRSs and an interpretation issued by the IASB which are mandatorily effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's condensed consolidated financial statements:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IFRS 19	Plan Amendment, Curtailment or Settlement
Amendments to IFRS 28	Long-term Interests in Associates and Joint Ventures

The adoption of the amendments to IFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior years and/or the disclosures set out in the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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### 2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

#### 2.2 *New and amendments to IFRSs that are not mandatorily effective for the current year*

The Group has not applied any of the following new and revised IFRSs that have been issued but are not yet mandatorily effective:

IFRS 17	Insurance Contracts <sup>1</sup>
Amendments to IFRS 3	Definition of a Business <sup>2</sup>
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to IAS 1 and IAS 8	Definition of Material <sup>4</sup>
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2021.

<sup>2</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2020.

The Directors consider that the application of all new and amended IFRSs and IASs is unlikely to have a material impact on the Group's financial position and performance as well as disclosure in the foreseeable future.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on a going concern basis. The preparation of these financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the directors of the Company to exercise judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in Note 4.

#### (a) **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (a) Basis of consolidation (continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the members of the Group.

All intra-group transactions, balance, income and expenses are eliminated in full on consolidation.

The Group does not have any non-controlling interests during the year.

#### (b) Segment reporting

For the purpose of IFRS 8 "Operating Segments" the Company currently has one segment being the "Investment sector". No further operating segment financial information is therefore disclosed.

#### (c) Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rates are used for the depreciation of property, plant and equipment:

Office equipment	30%
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If there is an indication that there has been a significant change in the depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and other short-term highly liquid investments with original maturities of three months or less.

#### (e) Financial instruments

##### Financial assets

###### *Recognition and derecognition*

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

###### *Classification and measurement*

###### Financial assets

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income ("Mandatory FVOCI"); (iii) equity investment measured at fair value through other comprehensive income ("Designated FVOCI"); or (iv) measured at fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model (the "reclassification date").

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Financial instruments (continued)**

*Financial assets measured at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

- (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

*Financial assets at FVPL*

These investments include financial assets held for trading, financial assets designated upon initial recognition as at FVPL, and financial assets resulting from a contingent consideration arrangement in a business combination to which IFRS 3 applies. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

- (i) acquired principally for the purpose of selling it in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

*Impairment of financial assets*

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost, to which the impairment requirements apply in accordance with IFRS 9. The Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Financial instruments (continued)**

*Measurement of ECL*

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

*Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument meets any of the following criteria.

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or (ii) there is a breach of financial covenants by the counterparty.

*Write-off*

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(f) Current assets and current liabilities**

Current assets are expected to be realised within twelve months of the date of the reporting period or in the normal course of the Group's operating cycle. Current liabilities are expected to be settled within twelve months of the date of the reporting period or in the normal course of the Group's operating cycle.

**(g) Foreign currency translation**

*(i) Functional and presentation currency*

Items included in the financial statements of each of the group entities are measured using the currency in accordance to the location where shares of the Company are traded (the functional currency). These consolidated financial statements are presented in Great British Pound ("GBP"), which is the Company's functional and the Group's presentation currency.

*(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**(h) Revenue recognition**

Revenue is recognised when it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably. Interest income is recognised on a time-proportion basis using the effective interest method.

**(i) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the Group's best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and are discounted to present value where the effect of the time value of money is material.

**(j) Retirement benefit cost**

Payments to retirement benefits plans and government-managed retirement benefits schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(k) Share-based payment transactions**

The fair value of services received determined by reference to the fair value of share warrants and options granted under the share warrants and share award scheme of the Company on the grant date is expensed on the year of grant.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss such that cumulative expenses reflect the revised estimate, with a corresponding adjustment to equity. At the time when the share options are exercised, forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised will continue to be held in equity.

**(l) Taxation**

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of income and retained earnings because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. However, the measurement of deferred tax liabilities associated with an investment property measured at fair value does not exceed the amount of tax that would be payable on its sale to an unrelated market participant at fair value at the reporting date. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(m) Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the Group. A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

**(n) Related parties**

For the purpose of these financial statements, a related party includes a person and entity as defined below:

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
  - (iii) both entities are joint ventures of a third entity.
  - (iv) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
  - (vi) the entity is controlled or jointly controlled by a person identified in (a).
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) Close members of the family of a person are those family members who may be expected to influence or be influenced management personnel of the entity (or of a parent of the entity).
- (c) A related party as defined in the AIM Rules for Companies.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Valuation of financial instruments**

The Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 13 provides information on the estimation of the fair value of financial instruments.

The directors of the Company believe that the chosen valuation techniques used are appropriate in determining the fair value of financial instruments.

**5. OTHER INCOME**

Other income represents the bank interest income and foreign exchange gain incurred during the year, as presented below:

	<u>2019</u>	<u>2018</u>
	<b>GBP</b>	<b>GBP</b>
Bank interest income	<b>72</b>	-
Foreign exchange gain	<b>715</b>	10,943
	<u><b>787</b></u>	<u>10,943</u>

**6. LOSS BEFORE TAX**

The loss before tax is arrived at after charging:

	<u>2019</u>	<u>2018</u>
	<b>GBP</b>	<b>GBP</b>
Auditors' remuneration	<b>24,976</b>	21,061
Depreciation of property, plant and equipment	<b>4,186</b>	2,225
Staff costs (including directors' remuneration)		
- Fees	<b>47,750</b>	52,500
- Salaries and other benefits	<b>12,000</b>	24,000
Total staff costs	<u><b>59,750</b></u>	<u>76,500</u>



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**7. DIRECTORS' REMUNERATION**

During the year, no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office.

**For the year ended 31 December 2019:**

	<u>Fees</u>	<u>Salaries and other benefits</u>	<u>Retirement scheme contribution</u>	<u>Total</u>
	GBP	GBP	GBP	GBP
<b>Executive directors</b>				
Mr. Robert Berkeley <sup>(iv)</sup>	30,000	-	-	30,000
Mr. James Normand <sup>(ii)</sup>	6,500	-	-	6,500
Mr. Wai Tak Jonathan Chu <sup>(i)</sup>	-	-	-	-
	<u>36,500</u>	<u>-</u>	<u>-</u>	<u>36,500</u>
<b>Independent non-executive director</b>				
Mr. Seah Boon Chin <sup>(iii)</sup>	11,250	-	-	11,250
	<u>11,250</u>	<u>-</u>	<u>-</u>	<u>11,250</u>
	<u><b>47,750</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>47,750</b></u>

**For the year ended 31 December 2018:**

	<u>Fees</u>	<u>Salaries and other benefits</u>	<u>Retirement scheme contribution</u>	<u>Total</u>
	GBP	GBP	GBP	GBP
<b>Executive directors</b>				
Mr. Robert Berkeley <sup>(iv)</sup>	30,000	-	-	30,000
Mr. Wai Tak Jonathan Chu <sup>(i)</sup>	-	-	-	-
	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
<b>Independent non-executive director</b>				
Mr. Seah Boon Chin <sup>(iii)</sup>	22,500	-	-	22,500
	<u>52,500</u>	<u>-</u>	<u>-</u>	<u>52,500</u>

During the years ended 31 December 2019 and 31 December 2018, no non-cash benefits were received by the directors and no director received any grants of share options or awards under any other long-term incentive plans.

Notes:

- (i) Mr. Wai Tak Jonathan Chu resigned on 14 May 2019.
- (ii) Mr James Normand was appointed on 23 September 2019, re-designated from executive director to executive chairman on 10 March 2020 and assumed the role of non-executive chairman on 28 May 2020.
- (iii) Mr. Seah Boon Chin resigned on 31 January 2020.
- (iv) Mr. Robert Berkeley was re-designated from executive director to non-executive director on 10 March 2020 and resigned on 16 June 2020.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**8. INCOME TAX**

	<u>2019</u>	<u>2018</u>
	GBP	GBP
Current income tax	<u>-</u>	<u>-</u>

Pursuant to the rules and regulations of the BVI, the Company is not subject to any income tax in the BVI.

Tax charge for the year is reconciled to loss before taxation as follows:

	<u>2019</u>	<u>2018</u>
	GBP	GBP
Loss before taxation	<u>(703,689)</u>	<u>(529,879)</u>
Tax credit at the applicable income tax rate	<u>175,922</u>	<u>132,470</u>
Tax effect of losses not deductible	<u>(175,922)</u>	<u>(132,470)</u>
Tax charge and effective tax rate for the year	<u>-</u>	<u>-</u>

**9. LOSS PER SHARE**

During the year ended 31 December 2019 and 2018, the calculation of the loss per share is based on the net loss for the year of GBP703,689 (2018: GBP529,879) attributable to the equity holders of the Company, and the weighted average of 221,302,099 (2018: 212,826,072) ordinary shares in issue during the year.

During the year, there were no dilutive potential ordinary shares and therefore, diluted loss per share is the same as the basic loss per share.

**10. DIVIDEND**

No dividend has been paid or declared by the Company during the year ended 31 December 2019 (2018: nil).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**11. PROPERTY, PLANT AND EQUIPMENT**

	<b>Office equipment GBP</b>
<b>At cost:</b>	
<b>At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019</b>	<b>14,836</b>
<b>Accumulated depreciation:</b>	
At 1 January 2018	8,425
Charge for the year	2,225
At 31 December 2018 and 1 January 2019	10,650
Charge for the year	4,186
At 31 December 2019	<b>14,836</b>
<b>Net carrying value:</b>	
<b>At 31 December 2019</b>	<b>-</b>
At 31 December 2018	<b>4,186</b>

**12. SUBSIDIARIES**

Particulars of the subsidiaries of the Company are as follows:

Name of subsidiaries	Place of incorporation	Issued/Paid-up share/registered capital	Effective interest held by the Company		Principal activities
			Direct	Indirect	
All Asia Asset Energy Limited	British Virgin Islands	Ordinary Share US\$1	100%	-	Investment holding
Fortune House Group Limited	British Virgin Islands	Ordinary Share US\$1	-	100%	Investment holding

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**13. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS**

Equity investment at fair value through profit or loss comprise of:

	<u>2019</u>	<u>2018</u>
	<u>GBP</u>	<u>GBP</u>
Unlisted equity securities, at cost	1,239,926	1,239,926
Fair value adjustment	(1,118,771)	(655,938)
Exchange realignment	359,346	387,264
	<u>480,501</u>	<u>971,252</u>

The unlisted equity securities are measured at fair value and are classified as Level 3 fair value measurement. Fair value is estimated using a Discounted Cash Flow (“DCF”) method. Details of the parameters adopted in the DCF model are shown in the corresponding note.

The details of movement in equity investment at fair value through profit or loss have been set out as follow:

**As at 31 December 2019**

	Place of Incorporation	At cost GBP	Fair value adjustment GBP	Exchange difference GBP	At fair value GBP
<b>Myanmar Allure Group Company Limited (a)</b>	<b>Myanmar</b>	<b>1,239,926</b>	<b>(1,118,771)</b>	<b>359,346</b>	<b>480,501</b>

**As at 31 December 2018**

	Place of Incorporation	At cost GBP	Fair value adjustment GBP	Exchange difference GBP	At fair value GBP
Myanmar Allure Group Company Limited (a)	Myanmar	1,239,926	(655,938)	387,264	971,252

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**13. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)**

**Notes:**

- (a) As at 31 December 2019, the Group owns a 7% equity interest of Myanmar Allure Group Company Limited ("MAG"). MAG, a private company with limited liability, owns and operates a resort hotel in Tachileik, Shan Province of Myanmar.

As at 31 December 2019, a fair value of approximately US\$637,000 (equivalent to GBP480,501) (2018: US\$1,239,000 (equivalent to GBP971,252) was derived by an independent professional valuer using a DCF method. In determining the fair value, a risk-adjusted discount rate of 14.20% (2018: 13.60%) was being used.

**14. CASH AND BANK BALANCES**

	<u>2019</u>	<u>2018</u>
	<b>GBP</b>	<b>GBP</b>
Cash and bank balance	-	<u>196,262</u>

At 31 December 2019, the Group did not have bank accounts. Cash amounting to GBP 77,737 was held in trust by a third party in a financial institution and was classified as other receivables.

At 31 December 2018, bank balances carried interest at a market rate of 0.05% (2017: 0.05%) per annum. The bank balances are deposited with creditworthy banks of high credit rating.

**15. SHARE CAPITAL**

	<b>Number of ordinary shares</b>	<b>GBP</b>
<b>Authorised</b>		
At 31 December 2018 and 2019	<u>1,000,000,000</u>	<u>N/A</u>
<b>Issued</b>		
As at 1 January 2018 and 31 December 2018	212,826,072	6,284,194
Placing of shares on 23 September 2019	<u>31,250,000</u>	<u>108,750</u>
At 31 December 2019	<u>244,076,072</u>	<u>6,392,944</u>

All issued ordinary shares rank *pari passu* in all respects with the existing ordinary shares of the Company.

A placing was completed on 23 September 2019. A total of 31,250,000 new shares were placed with not less than 10 independent placees at the placing price of 0.4 pence per placing share. The net proceeds from the placing, after deducting relevant expenses of approximately GBP16,250 incurred in relation to the placing, amounted to approximately GBP108,750, all of which was credited to the share capital account.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**16. WARRANTS**

*Warrants*

On 25 April 2013, the Company issued one-off warrants to the executive directors of the Company which gave the right to subscribe for new Ordinary Shares of the Company at 3 pence per ordinary share and are exercisable two years after the date of grant and will lapse if not exercised within five years from the date of grant. There are no performance conditions that are required to be satisfied in order for the Warrants to become exercisable.

	<b>2019</b>		<b>2018</b>	
	<b>No. of share</b>	<b>Weighted average exercise price per share (pence)</b>	<b>No. of share</b>	<b>Weighted average exercise price per share (pence)</b>
Outstanding at 1 January	-	-	4,176,082	3
Lapsed during the year	-	-	(4,176,082)	3
Outstanding at 31 December	-	-	-	-
Exercisable at 31 December	-	-	-	-

The fair value of the warrants as initially recognised on the grant date was GBP133,839. The fair value was estimated by the directors with reference to a valuation report issued by an independent valuer using the Black-Scholes option pricing model by Bloomberg and taking into account the terms and conditions upon which the warrants granted.

The number, exercise price and earliest and latest dates of exercise of the warrants to subscribe for new Ordinary Shares of the Company held by directors during the year ended 31 December 2018 were as follows:

Name	Number of warrants	Exercise price (pence)	Earliest exercise date	Latest exercise date
Mr. Robert Anthony Rowland Berkeley	4,176,082	3 pence	24 April 2015	24 April 2018

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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### 17. RESERVES

#### Nature and purpose of the reserves

##### (i) Fair Value reserve

The fair value reserve comprises the change in fair value of available-for-sale financial assets as at the end of each reporting period. These amounts will be reclassified to profit or loss as gains realised on the disposal of available-for-sale financial assets when the available-for-sale financial assets have been disposed of.

##### (ii) Exchange reserve

The exchange fluctuation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Company's overseas subsidiaries.

### 18. RELATED PARTY TRANSACTIONS

Compensation of key management personnel of the Group

	<u>2019</u>	<u>2018</u>
	<u>GBP</u>	<u>GBP</u>
Short term employee benefits	<b>47,750</b>	52,500
Post-employment benefit	-	-
	<u><b>47,750</b></u>	<u>52,500</u>

### 19. CAPITAL RISK MANAGEMENT

The Group manages its capital so that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to shareholders of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure by considering the cost of capital and the risks associated with capital. In view of this, the Group will balance its overall capital structure through new share issues as well as issues of new debt (as appropriate).

### 20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's major financial instruments include equity investments, deposits and other receivables, other payables and bank and cash balances. Details of such financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies applied by the Group to mitigate these risks are set out below. Management monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

**Foreign currency risk**

At the end of the reporting period, the carrying amounts of the Group's foreign currency denominated monetary assets which consists of bank balances and cash, prepayments, deposits and other receivables that are denominated in United States dollars ("USD") amounted to GBP39,465 (2018: GBP196,580). If exchange rates of the GBP against the USD had been 5% weaker and all other variables were held constant, the effect on loss after taxation is as follows:

	<u>2019</u>	<u>2018</u>
	<u>GBP</u>	<u>GBP</u>
Increase in loss after taxation	<u>1,973</u>	<u>9,829</u>

There would be an equal and opposite impact on the loss after taxation where the GBP strengthens against the USD.

In the directors' opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

**Interest rate risk**

The Group's cash flow interest rate risk is mainly concentrated on the bank balances carried at floating interest rates. The Group currently does not have a hedging policy against interest rate exposure. However, the management monitors interest rate exposure and will consider the hedging of significant interest rate exposure as needed.

The directors consider that the Group's exposure to interest rate risk of bank balances, which are short term in nature, is insignificant, and accordingly no sensitivity analysis is presented.

**Credit risk**

The Group's maximum exposure to credit risk is represented by total financial assets held by the Group. The Group did not hold any collateral during the reporting period.

For the purposes of internal credit risk management, the Group uses past and forward-looking information to assess whether credit risk has increased significantly since initial recognition. The internal credit risk grading of the Group comprises 4 categories: performing, doubtful, in default and write-off. The financial assets of the Group which are subject to ECL assessment comprises other receivables and bank balances and cash. The management of the Group reviewed and assessed the impairment for each financial asset individually under the 12-month ECL model. These financial assets are categorised as performing as there is no significant increase in credit risk since initial recognition and the risk of default is low and the counterparties have the capacity to meet their contractual cash flow obligations in the near term. No loss allowance was recognised as the amount was immaterial.

The Group does not provide any financial guarantees which would expose the Group to credit risk.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

***Liquidity risk***

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. The Group manages liquidity risk by maintaining adequate reserves, as well as continuously monitoring cash flow forecast and actual cash flows.

In managing the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents that is adequate in discretion of the directors of the Company. In formulating their strategy, the directors of the Company would consider the financing of the Group's operations and the effects of fluctuation in operating and investing cash flows. As at 31 December 2019, the liquidity of the Group is primarily dependent on its ability to maintain adequate cash flows from operations and to raise funds through the issue of new ordinary shares to meet its obligations and investment project opportunities as they fall due or arise.

The maturity profile of the Group's financial liabilities as at the end of the year is as follows:

	<b>Weighted average effective interest rate</b>	<b>Less than 1 year</b>	<b>More than 1 year</b>	<b>undiscounted cash flows</b>	<b>Total carrying amount</b>
	<b>%</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>	<b>GBP</b>
<b>At 31 December 2019</b>					
Accruals and other payables	N/A	<u>131,877</u>	-	<u>131,877</u>	<u>131,877</u>
<b>At 31 December 2018</b>					
Accruals and other payables	N/A	<u>66,340</u>	-	<u>66,340</u>	<u>66,340</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

**Fair values on financial instruments**

(i) *Financial instruments carried at fair value on a recurring basis*

The following table presents the carrying amount of financial instruments measured at fair value at 31 December 2019 across the three levels of the fair value hierarchy defined in IFRS 13 Fair Value Measurements, with the fair value of each financial instrument categorised in its entirety based on the lowest level of input that is significant to the fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair value measurements are those derived from quoted price (unadjusted) in active markets for identical asset or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 (lowest level): fair value measures are those derived from valuation techniques that include inputs for assets or liability that are not based on observable market data (unobservable inputs).

As at 31 December 2019, the Group had the following financial instruments carried at fair value all of which are based on the Level 3 fair value measurement basis.

	<u>2019</u>	<u>2018</u>
	<b>GBP</b>	<b>GBP</b>
<b>Financial assets:</b>		
Equity investment at fair value through profit or loss	<u><b>480,501</b></u>	<u>971,252</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

**Fair values on financial instruments (Continued)**

(i) *Financial instruments carried at fair value on a recurring basis (continued)*

Level 3 movement tables

**For the year ended 31 December 2019**

	<b>Equity investment at fair value through profit or loss</b>
	<u>GBP</u>
<b>At the beginning of the year</b>	<b>971,252</b>
<b>Total gains or losses in profit or loss</b>	<b>(462,833)</b>
<b>Exchange realignment</b>	<b>(27,918)</b>
	<hr/>
<b>At the end of the year</b>	<b><u>480,501</u></b>

For the year ended 31 December 2018

	<b>Equity investment at fair value through profit or loss</b>
	<u>GBP</u>
At the beginning of the year	1,208,815
Total gains or losses in profit or loss	(294,000)
Exchange realignment	56,437
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At the end of the year	<b><u>971,252</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

**Fair values on financial instruments (Continued)**

(i) *Financial instruments carried at fair value on a recurring basis (continued)*

The following table gives information about how the fair values of the Group's equity investment at fair value through profit or loss are determined (in particular, the valuation technique(s) and inputs used).

	<b>2019</b>	2018	Valuation technique(s)	Significant unobservable inputs	Range	Relationship of unobservable inputs to fair value
<b>Financial assets</b>	<b>GBP</b>	GBP				
Equity investment at fair value through profit or loss	<b>480,501</b>	971,252	Discounted cash flow	Free cash flow	N/A	The higher the free cash flow, the higher the fair value
				Discount rate	14% (2018: 14%)	The higher the discount rate, the lower the fair value

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**20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

**Fair values on financial instruments (Continued)**

*(ii) Fair Value of Financial instruments carried at other than fair value*

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair value as at 31 December 2019 and 2018 due to their short-term maturities.

**2019**

	Carrying amount	Fair value
	GBP	GBP
Deposits and other receivables	138,006	138,006
Accruals and other payable	(131,877)	(131,877)

**2018**

	Carrying amount	Fair value
	GBP	GBP
Bank and cash balances	196,262	196,262
Deposits	4,128	4,128
Accruals and other payable	(66,340)	(66,340)

**Estimation of fair value**

Fair values for unquoted equity investments are estimated using the discounted cash flow valuation technique.

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**20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

**Classification and fair value of financial assets and liabilities**

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	<u>2019</u>	<u>2018</u>
	<u>GBP</u>	<u>GBP</u>
<b>Financial assets</b>		
Financial assets at fair value through profit or loss	<u>480,501</u>	<u>971,252</u>
	<b>480,501</b>	<b>971,252</b>
Financial assets at amortised cost		
- Deposits and other receivables	<u>117,202</u>	-
- Cash and bank balances	<u>-</u>	<u>196,262</u>
	<b>117,202</b>	<b>196,262</b>
<b>Financial liabilities</b>		
Amortised cost	<u>131,877</u>	<u>66,340</u>

**21. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 September 2020.