
ALPCOT LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

ALPCOT LTD

COMPANY INFORMATION

Directors	B O Bringes C Cappello K Saard G Cimermans
Registered number	10072709
Registered office	2nd Floor 5 Vigo Street London W1S 3HB
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 25 Moorgate London EC2R 6AY

ALPCOT LTD

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ALPCOT LTD

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Alpcot Limited ("the Company") was incorporated on 18 March 2016. The board of directors of the Company ("the Directors") present the Strategic Report for the year ended 31 December 2020.

Introduction

Alpcot Limited was founded in order to acquire three companies: Alpcot Capital Management Ltd, Alpcot AB and Alpcot Capital Management OÜ. The transactions were completed on 31 March 2017 and these are Alpcot Ltd's fifth year accounts.

Business review

Alpcot Limited is a holding company and controls two financial companies. The third daughter company, Alpcot Capital Management OÜ, was voluntarily liquidated in December 2020 as the Group's strategy has changed and it was not needed any longer.

During 2020, mainly existing shareholders invested in total approximately GBP 1.87 million in order to develop the Company's digital platform further. On the 8th of October 2020, Alpcot AB announced the launch of a strategic cooperation with Tydliga AB. Tydliga is an IFA network with some 300 financial advisors in Sweden, which makes Tydliga one of the largest players in the insurance and financial services industry in Sweden. Tydliga's advice includes occupational pension schemes, asset management and corporate insurance. Tydliga has a client base of some 250 000 private clients with an estimated GBP 6 billion in insurance capital and other savings products.

Alpcot Capital Management Ltd ("ACM") is an investment management firm based in London. The company has been regulated by the FCA since 2007. Alpcot has two funds under management: Alpcot Equities (global equities) and Alpcot Fixed Income (global fixed income).

As of the 31st of December 2020, Alpcot Equities had EUR 36 million in assets under management ("AUM") and Alpcot Fixed Income had EUR 10 million in AUM. Due to the Covid-crises in 2020, AUM in Alpcot Equities decreased and as a result of this decrease, one of the largest investors in Alpcot Equities, the Swedish Pension Authority, withdrew their investment. The Swedish Pension Authority has a strict rule that external capital in the fund must exceed SEK 500 million (approximately EUR 50 million). As a result of volatile markets during the Covid-crises, Alpcot Equities dropped below that threshold. Currently, the total AUM is EUR 46 million. The funds are sold primarily in Sweden. The funds are on most of the distribution platforms in Sweden and the AUM is expected to grow steadily going forward. ACM is still voluntarily compensating the funds for the expenses and has capped the Total Expense Ratio "TER" for both funds, in order to keep the funds competitive. As AUM will grow, the TER is going to decrease. In 2021, several new distribution agreements have been signed and the company's goal is to increase the AUM significantly before the end of 2021.

ALPCOT LTD

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Business review (continued)

Alpcot AB is an independent financial advisory group based in Stockholm. The company was started in 2014 and is regulated by Finansinspektionen, Sweden's financial supervisory authority. Alpcot AB was granted an Investment Firm Permission in Sweden in December 2018. Alpcot AB started services under its Investment Firm permission in April 2019. Alpcot AB's clients can invest in other investments funds on Alpcot's fund platform. Alpcot AB also offers security accounts and ISK solutions (equivalent to ISA in the UK). In September 2019, Alpcot AB launched equity trading with Swedish, Danish, Finnish and American shares at very competitive prices. Alpcot has continued investing in developing its digital platform, which is now market leader in several areas. The first version of the platform was launched in April 2019 and targeted existing clients. An updated version was launched in December 2019 and targeted new clients with the help of a marketing campaign. The digital platform is fully integrated with Alpcot's own developed system and is fully automated. All transactions in fund units and shares are done automatically and do not need any manual involvement from backoffice, which will lead to major cost savings as transaction volumes increase. Alpcot AB's result has developed according to plan. In comparison to previous year, cost for personnel and recruitment have slightly increased. The company has employed additional programmers and strengthened some central functions that are needed for the management of securities firm.

Alpcot Capital Management OÜ has been voluntarily liquidated in 2020, as there was no need for this company any longer.

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to be the outcome of the launch of its digital platform, performance of the investments, both absolute and in relation to other funds, retention of key staff and fluctuations in foreign exchange rates.

Financial key performance indicators

The Group's turnover for the year was £2,610,837 (2019 - £2,850,520). AUM in investment funds was EUR 45.8 m (2019 - EUR 102.7m). Revenue per employee for the Group was £124,326 (2019 - £135,739).

ALPCOT LTD

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Section 172(1) statement

This section serves as our section 172 statement and should be read in conjunction with the Strategic Report. Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of shareholders in their decision making.

The directors continue to have regard to the interests of the Company's shareholders, including the impact of its activities on the community, suppliers, customers, the environment and the Company's reputation when making decisions. Acting in good faith and fairly between members, the directors consider what is most likely to promote the success of the Company for its members in the long-term, including:

- As the Company grows, the directors are aware of the importance of our reputation. The directors ensure that the Company acts in a responsible manner with integrity. The directors seek to ensure that this culture is understood and shared across the entire Company.
- When making decisions, the impact of them in the long term is considered as well as the short and medium term.
- The Company undertakes to consider the interests of employees and deems employees a primary factor in the success of the Company. Our daughter companies aim to be responsible employers and that includes temporary employees and consultants. Matters including pay and health & safety are primary considerations when making decisions.
- As the daughter companies are regulated by the FCA and the Finansinspektionen, investor interests and the interest of others, such as the regulators and suppliers, are also important to our decision-making process.
- When making decisions on the Company's strategy and operations, the directors also consider the impact of those decisions on the local community and environment.
- The directors' intention is to behave responsibly and with regards to the interests of all shareholders, treating them fairly and equally so that they may all benefit from the growth of the Company.

This report was approved by the board and signed on its behalf.



K Saard
Director

Date: 31/08/2021

ALPCOT LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The loss for the year, after taxation, amounted to £1,251,623 (2019 - £1,032,477).

The directors do not recommend the payment of a dividend (2019 - £Nil).

Directors

The directors who served during the year were:

B O Bringes
C Cappello
K Saard
G Cimermans

Future developments

Alpcot AB has developed a digital platform for savings and investments and has an ambition to become one of the leading digital marketplaces in Sweden. This goal will be reached through a strategy combining acquisitions, strategic cooperations, PR and online marketing. Alpcot AB has already entered into a strategic cooperation with Tydliga, one of the largest IFA organisations in Sweden and is currently in the process of implementing the close cooperation with Tydliga. Tydliga has around 300 IFAs in their organisation with around 250,000 underlying clients.

Alpcot Capital Management is actively looking to grow its assets through its own distribution network and adding its funds to new distribution platforms.

There is a plan to sell 100% in all daughter companies from Alpcot Ltd to a new holding company in Sweden, Alpcot Holding AB with company number 559321-7234 (the entity is currently named Goldcup 28153 AB and the name is being changed to Alpcot Holding AB) against a promissory note. Alpcot Ltd will become the largest shareholder of Alpcot Holding AB, which will be listed on Nasdaq First North Growth Market in Stockholm.

Financial risk management

The Group's operations expose it to a variety of financial risks. The directors have identified market risk, foreign exchange risk, concentration risk and liquidity risk the key risks to which the Group is exposed.

Market and concentration risk

A significant proportion of the Group's revenue is linked to the value of the AUM ('Assets under Management') of the funds it manages. The Group seeks to manage the risk on behalf of both its clients and, inherently, its own business by diversifying risks across a range of long-term investments in high quality shares, bonds, funds or exchange-traded funds.

Foreign exchange risk

The Group is exposed to foreign exchange risk on its accounts receivable in foreign currency and its non-trading book investments.

Liquidity risk

The Group seeks to manage liquidity risk to ensure that sufficient liquidity is available to meet foreseeable needs.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

The Group deems there is sufficient liquidity for the foreseeable future.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

On 17 March 2021, Alpcot Ltd raised £168,910 from existing shareholders through a new share issue.

On 10 June 2021, Alpcot Ltd was part of an agreement with Effnetplattformen Holding AB (publ), listed on Nasdaq First North Growth Market in Stockholm, outlining an intention for a transaction where Alpcot Holding AB will be listed on Nasdaq First North Growth Market in Stockholm through a reverse takeover.

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

K Saard
Director

Date: 31/08/2021

ALPCOT LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPCOT LTD

Opinion

We have audited the financial statements of Alpcot Ltd (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPCOT LTD (CONTINUED)

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company'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 the Parent Company or to cease operations, or have no realistic alternative but to do so.

ALPCOT LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPCOT LTD (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained a general understanding of the Group's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Group's industry and regulation.

We understand that the Group complies with the framework through:

- The directors being accredited experts under the Senior Managers and Certification Regime ('SMCR') legislation, which requires them to keep their knowledge of relevant laws and regulations up to date.
- Outsourcing statutory accounts preparation, management accounts preparation and tax compliance to external experts.
- Subscribing to relevant updates from external experts and making changes to internal procedures and controls as necessary.
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Group's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Group:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements;
- The UK and Swedish regulatory principles, including those governed by the FCA and the Finansinspektionen.

To gain evidence about compliance with the significant laws and regulations above we reviewed board minutes, inspected correspondence with the FCA relating to the year and obtained written management representations regarding adequacy of procedures in place.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via fraudulent journal entries, particularly as the size of the Group means that there is little opportunity for segregation of duties.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Testing of a sample of revenue transactions to underlying documentation; and
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those posted at unusual times.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

ALPCOT LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALPCOT LTD (CONTINUED)

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Guy Swarbreck (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants

Statutory Auditor

25 Moorgate

London

EC2R 6AY

Date: 31 August 2021

ALPCOT LTD

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	2,610,837	2,850,520
Cost of sales		(615,835)	(1,138,601)
Gross profit		1,995,002	1,711,919
Administrative expenses		(3,340,116)	(3,110,056)
Other operating income	5	93,670	368,938
Other operating charges		229	(2,583)
Operating loss	6	(1,251,215)	(1,031,782)
Interest receivable and similar income		-	1
Interest payable and expenses	9	(408)	(696)
Loss before taxation		(1,251,623)	(1,032,477)
Tax on loss	10	-	-
Loss for the financial year		(1,251,623)	(1,032,477)
Other comprehensive income for the year			
Exchange differences on retranslation of subsidiary undertakings		119,724	17,290
Total comprehensive income for the year		(1,131,899)	(1,015,187)

The notes on pages 18 to 33 form part of these financial statements.

ALPCOT LTD
REGISTERED NUMBER:10072709

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	1,355,713	1,363,623
Tangible assets	12	12,413	14,090
Investments	13	1,185,950	-
		<u>2,554,076</u>	<u>1,377,713</u>
Current assets			
Debtors: amounts falling due after more than one year	14	266,679	294,206
Debtors: amounts falling due within one year	14	430,951	400,961
Cash at bank and in hand		1,439,206	1,187,307
		<u>2,136,836</u>	<u>1,882,474</u>
Creditors: amounts falling due within one year	15	(1,171,652)	(1,824,510)
Net current assets		<u>965,184</u>	<u>57,964</u>
Total assets less current liabilities		<u>3,519,260</u>	<u>1,435,677</u>
Creditors: amounts falling due after more than one year	16	(2,521)	(6,868)
Net assets		<u><u>3,516,739</u></u>	<u><u>1,428,809</u></u>
Capital and reserves			
Called up share capital	18	7,716,600	5,203,670
Share premium account	19	1,494,751	787,852
Other reserve	19	185,113	65,389
Profit and loss account	19	(5,879,725)	(4,628,102)
Shareholders' funds		<u><u>3,516,739</u></u>	<u><u>1,428,809</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


K Saard
Director

Date: 31/08/2021

The notes on pages 18 to 33 form part of these financial statements.

ALPCOT LTD
REGISTERED NUMBER:10072709

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	13	9,151,689	6,811,739
		<u>9,151,689</u>	<u>6,811,739</u>
Current assets			
Debtors: amounts falling due within one year	14	138,158	44,469
Cash at bank and in hand		6,928	79,450
		<u>145,086</u>	<u>123,919</u>
Creditors: amounts falling due within one year	15	(105,295)	(874,563)
Net current assets/(liabilities)		<u>39,791</u>	<u>(750,644)</u>
Net assets		<u><u>9,191,480</u></u>	<u><u>6,061,095</u></u>
Capital and reserves			
Called up share capital	18	7,716,600	5,203,670
Share premium account	19	1,494,751	787,852
Profit and loss account brought forward		69,573	41,458
Loss/(profit) for the year		(89,444)	28,115
Profit and loss account carried forward	19	(19,871)	69,573
Shareholders' funds		<u><u>9,191,480</u></u>	<u><u>6,061,095</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

K Saard
Director

Date: 31/08/2021

The notes on pages 18 to 33 form part of these financial statements.

ALPCOT LTD

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Share premium account £	Other reserve £	Profit and loss account £	Total equity £
At 1 January 2019	4,310,330	202,678	48,099	(3,595,625)	965,482
Comprehensive income for the year					
Loss for the year	-	-	-	(1,032,477)	(1,032,477)
Other comprehensive income	-	-	17,290	-	17,290
Shares issued during the year	893,340	585,174	-	-	1,478,514
At 1 January 2020	5,203,670	787,852	65,389	(4,628,102)	1,428,809
Comprehensive income for the year					
Loss for the year	-	-	-	(1,251,623)	(1,251,623)
Other comprehensive income	-	-	119,724	-	119,724
Shares issued during the year	2,512,930	706,899	-	-	3,219,829
At 31 December 2020	7,716,600	1,494,751	185,113	(5,879,725)	3,516,739

ALPCOT LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2019	4,310,330	202,678	41,458	4,554,466
Comprehensive income for the year				
Profit for the year	-	-	28,115	28,115
Total comprehensive income for the year	-	-	28,115	28,115
Contributions by and distributions to owners				
Shares issued during the year	893,340	585,174	-	1,478,514
Total transactions with owners	893,340	585,174	-	1,478,514
At 1 January 2020	5,203,670	787,852	69,573	6,061,095
Comprehensive income for the year				
Loss for the year	-	-	(89,444)	(89,444)
Total comprehensive income for the year	-	-	(89,444)	(89,444)
Contributions by and distributions to owners				
Shares issued during the year	2,512,930	706,899	-	3,219,829
Total transactions with owners	2,512,930	706,899	-	3,219,829
At 31 December 2020	7,716,600	1,494,751	(19,871)	9,191,480

ALPCOT LTD

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Loss for the financial year	(1,251,623)	(1,032,477)
Adjustments for:		
Amortisation of intangible assets	330,325	278,018
Depreciation of tangible assets	112,211	11,304
Government grants	(93,670)	-
Interest paid	408	696
Decrease/(increase) in debtors	108,612	(310,698)
(Decrease)/increase in creditors	(601,008)	153,539
Corporation tax (paid)/received	(30,540)	3,197
Effects of forex on translation	-	93,749
Net cash generated from operating activities	(1,425,285)	(802,672)
Cash flows from investing activities		
Purchase of intangible fixed assets	(351,760)	(317,842)
Sale of intangible assets	-	570,677
Purchase of tangible fixed assets	-	(3,303)
Purchase of unlisted and other investments	(1,185,950)	6,562
Government grants received	93,670	-
Net cash from investing activities	(1,444,040)	256,094
Cash flows from financing activities		
Issue of ordinary shares	3,125,979	1,478,514
Repayment of other loans	(4,347)	(5,439)
Interest paid	(408)	(696)
Net cash used in financing activities	3,121,224	1,472,379
Net increase in cash and cash equivalents	251,899	925,801
Cash and cash equivalents at beginning of year	1,187,307	261,506
Cash and cash equivalents at the end of year	1,439,206	1,187,307
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,439,206	1,187,307
	1,439,206	1,187,307

ALPCOT LTD

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	1,187,307	251,899	1,439,206
Debt due after 1 year	(6,868)	4,347	(2,521)
Debt due within 1 year	(150)	(22,451)	(22,601)
	1,180,289	233,795	1,414,084

ALPCOT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Alpcot Ltd is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 10072709). The registered office address is 2nd Floor, 5 Vigo Street, London, W1S 3HB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Group and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in profit or loss from the date on which control is obtained. They are deconsolidated from the date control ceases.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Going concern

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

The directors have carefully reviewed the future prospects of the Company and its future cash flows, including an assessment of the potential impact of the COVID-19 pandemic. The full impact of the COVID-19 pandemic on our business remains uncertain and as a result unquantifiable at this stage. Nevertheless, having assessed this the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least the next 12 months from signing of these financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover represents investment management services to external customers and commission income from insurance intermediation to external customers. Turnover is measured as the fair value of the consideration received or receivable excluding discounts, rebates, value added tax and other sales taxes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to profit or loss over its useful economic life, which is between five and ten years.

Negative goodwill is similarly included in the Balance Sheet, released on a straight-line basis and is credited to 'administrative expenses' in profit or loss over a period of ten years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25%
Office equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the assets (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.15 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.16 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Goodwill and intangible assets

The Group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Carrying value of investments in subsidiaries

The directors exercise judgement in considering whether any impairment of investments in subsidiaries is required by the Company. The carrying value is dependent on the ability of the subsidiaries to produce profits in order to support the carrying value.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Investment management services	936,584	1,373,396
Insurance intermediation	1,674,253	1,477,124
	<u>2,610,837</u>	<u>2,850,520</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	936,584	1,373,396
Rest of Europe	1,674,253	1,477,124
	<u>2,610,837</u>	<u>2,850,520</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Other operating income

	2020 £	2019 £
Government grants	93,670	-
Sundry income	-	368,938
	<u>93,670</u>	<u>368,938</u>

6. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Exchange differences	78,845	58,087
Operating lease rentals	164,946	32,773
	<u>164,946</u>	<u>32,773</u>

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	30,700	30,700
	<u>30,700</u>	<u>30,700</u>

Fees payable to the Group's auditor and its associates in respect of:

Audit-related assurance services	2,150	2,150
Other services related to taxation	15,250	15,250
All other services	9,050	9,050
	<u>26,450</u>	<u>26,450</u>

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8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £
Wages and salaries	1,000,165	1,322,753
Social security costs	281,547	224
Cost of defined contribution scheme	144,857	706
	1,426,569	1,323,683

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Management, office and sales	21	21

The Company has no employees other than the directors, who did not receive any remuneration (2019 - £Nil).

9. Interest payable and similar expenses

	2020 £	2019 £
Other loan interest payable	408	696

ALPCOT LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Taxation

Tax on loss on ordinary activities for the year was £Nil (2019 - £Nil).

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(1,251,623)	(1,032,477)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(237,808)	(196,171)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	237,808	155,224
Deferred tax not recognised	-	40,947
Total tax charge for the year	-	-

Factors that may affect future tax charges

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the balance sheet date, as a result deferred tax balances as at 31 December 2020 continue to be measured at 19%.

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NOTES TO THE FINANCIAL STATEMENTS
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11. Intangible assets

Group and Company

	Intellectual property £	Goodwill £	Negative goodwill £	Total £
Cost				
At 1 January 2020	1,524,310	1,594,784	(15,977)	3,103,117
Additions	351,760	-	-	351,760
At 31 December 2020	1,876,070	1,594,784	(15,977)	3,454,877
Amortisation				
At 1 January 2020	674,107	1,071,380	(5,993)	1,739,494
Charge for the year	335,849	99,937	(9,984)	425,802
Foreign exchange movement	(66,132)	-	-	(66,132)
At 31 December 2020	943,824	1,171,317	(15,977)	2,099,164
Net book value				
At 31 December 2020	932,246	423,467	-	1,355,713
At 31 December 2019	850,203	523,404	(9,984)	1,363,623

Negative goodwill has been fully written back during the year following the entering into dormancy of the underlying subsidiary.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Tangible fixed assets

Group

	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost				
At 1 January 2020	36,577	1,753	71,828	110,158
At 31 December 2020	36,577	1,753	71,828	110,158
Depreciation				
At 1 January 2020	36,577	1,642	57,849	96,068
Charge for the year	-	88	444	532
Exchange adjustments	-	-	1,145	1,145
At 31 December 2020	36,577	1,730	59,438	97,745
Net book value				
At 31 December 2020	-	23	12,390	12,413
At 31 December 2019	-	111	13,979	14,090

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Fixed asset investments

Group

	Other fixed asset investments £
Cost or valuation	
Additions	1,185,950
At 31 December 2020	<u>1,185,950</u>

Company

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost or valuation			
At 1 January 2020	6,811,739	-	6,811,739
Additions	1,165,210	1,174,740	2,339,950
At 31 December 2020	<u>7,976,949</u>	<u>1,174,740</u>	<u>9,151,689</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Alpcot Capital Management Limited	Advisory and management services to funds	Ordinary	100%
Alpcot AB (formerly Alpcot & Partners AB)	Securities company and insurance intermediation	A and B Ordinary shares	100%

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

16. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £
Other loans	2,521	6,868
	<u>2,521</u>	<u>6,868</u>

17. Financial instruments

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Financial assets				
Financial assets measured at fair value through profit or loss	1,439,206	1,187,307	6,928	79,450
Financial assets that are debt instruments measured at amortised cost	603,780	368,408	44,308	44,469
	<u>2,042,986</u>	<u>1,555,715</u>	<u>51,236</u>	<u>123,919</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(850,757)	(1,813,881)	(105,295)	(874,563)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise other debtors, accrued income and amounts due from group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, other loans and amounts due to group undertakings.

Details regarding the nature and extent of risks arising from financial instruments are provided in the Directors' Report.

The Company considers its Share Capital, Share Premium and Profit and Loss account as capital for the purposes of capital risk management, as presented in the Statement of Changes in Equity.

ALPCOT LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due after more than one year				
Prepayments and accrued income	266,679	294,206	-	-
	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due within one year				
Amounts owed by group undertakings	-	-	40,346	40,346
Other debtors	238,077	12,860	3,962	4,123
Called up share capital not paid	93,850	-	93,850	-
Prepayments and accrued income	99,024	387,897	-	-
Tax recoverable	-	204	-	-
	430,951	400,961	138,158	44,469

15. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	93,820	145,455	21,864	-
Amounts owed to group undertakings	-	-	61,087	5,425
Corporation tax	-	13,111	-	-
Other taxation and social security	13,310	4,386	-	-
Other creditors	754,416	1,326,918	-	845,724
Accruals and deferred income	310,106	334,640	22,344	23,414
	1,171,652	1,824,510	105,295	874,563

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

21. Commitments under operating leases

At 31 December 2020 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	<i>Group 2019 £</i>
Not later than 1 year	27,172	27,172
Later than 1 year and not later than 5 years	-	27,172
	27,172	54,344

22. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. In the opinion of the board, the Group's key management comprises the directors. Total remuneration paid by the Group in respect of these individuals amount to £31,785 (2019 - £31,785).

23. Controlling party

The directors do not consider the Company to have an ultimate controlling party.

ALPCOT LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

18. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
40,000 A Ordinary shares of £10.00 each	400,000	400,000
731,660 (2019 - 480,367) B Ordinary shares of £10.00 each	7,316,600	4,803,670
	<u>7,716,600</u>	<u>5,203,670</u>

During the year the Company issued 251,293 Ordinary B shares for total consideration of £3,219,829.

A shares have attached to them ten votes per share and have the rights to dividend payments. They rank equally for any distribution made on winding up.

B shares have attached to them one vote per share and full dividend, capital and distribution rights. They do not confer any rights of redemption.

The Company is not subject to any externally imposed capital restrictions.

The Company's subsidiary Alpcot Capital Management Limited is subject to regulatory capital requirements as imposed by the FCA.

The Company's subsidiary Alpcot AB is subject to regulatory capital requirements as imposed by the Finansinspektionen.

19. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Other reserves

This reserve comprises a merger reserve from a previous business combination and translation differences arising from the translation of financial statements of the Group's foreign entities into Sterling.

Profit and loss account

This reserve relates to the cumulative profits and losses less amounts distributed to shareholders.

20. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £144,857 (2019 - £706). Contributions totalling £49,214 (2019 - £150) were payable to the fund at the reporting date.