

For immediate release

25 September 2019

Octagonal plc
("Octagonal", the "Group" or the "Company")

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2019

DECLARATION OF DIVIDEND

NOTICE OF ANNUAL GENERAL MEETING

The Company has today published its audited Report and Accounts for the year ended 31 March 2019, a copy of which is being posted to Shareholders along with a Notice of AGM and is also available on the Company's website, www.octagonalplc.com. The AGM will be held at Broadgate Tower, 20 Primrose Street London EC2A 2EW at 11.00 a.m. on 18 October 2019

Company has also declared and will pay a dividend of 0.1 pence per ordinary share as per the timetable below:

- Ex-Dividend Date: 3 October 2019
- Record Date: 4 October 2019
- Payment Date: 18 October 2019

For further information please visit www.octagonalplc.com or contact:

Octagonal Plc
John Gunn, Chairman

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Beaumont Cornish (Nominated Adviser and Broker) +44 (0) 20 7628 3396

James Biddle / Roland Cornish

CHAIRMAN'S STATEMENT

YEAR TO 31 March 2019

I am pleased to present the annual report and accounts for the year ended 31 March 2019.

It has been another challenging year for Octagonal Plc ("Octagonal" or the "Company" or "Group") incorporating its wholly owned subsidiaries Global Investment Strategy UK Ltd ("GIS") and Global Investment Strategy HK Limited ("GIS HK") and majority owned subsidiaries Synergis Capital Plc ("Synergis")

Some of the key highlights for the Group during the year:

- Grant of Securities and Futures Commission (SFC) approval for GIS HK to carry out Type 1 regulated activity in Hong Kong
- Group revenues down 18.32% to £5.3m (2018: £6.5m), - Non-core corporate finance income reduced to £129,000 (2018: £920,000)
- Group profit before taxation £926,000 (2018: £1,517,000) -Non-core corporate finance income reduced by £800,000 year on year.
- Core operating margin increased to 15.67% (2018: 11.97%)
- Core pre-tax profits increased by 33.3% to £0.796m (2018: £0.597m)
- Cash balance £5.5m (2018: £5.3m)
- Declared and paid a dividend of 0.1pence per share, totalling £567,255, on 26 October 2018
- The Company declares a dividend of 0.1 pence per share payable to Shareholders on 18 October 2019

Business overview

Our business's core focus is on providing global settlement and safe custody services to investors worldwide, priding ourselves on customer satisfaction through personalised service delivered by experienced industry individuals. Additionally, the business looks to leverage off its operational capabilities to increase its product offerings and services to new and existing clients.

Our business model has maintained its focus on driving profitability and longer-term shareholder value through several key areas:

- (i) growing revenues organically through seeking new clients and identifying and implementing new services to existing and new clients,
- (ii) improving margins through investing in technology, creating efficiencies and a drive to reduce operating costs.

The first half of the year saw sales and earnings come in-line with expectations, as detailed in the interim statement, with the second half of the financial year presenting many challenges.

Political deadlock and shut down in Washington during our 3rd quarter coupled with the domestic concerns over Brexit have undoubtedly had its impact on trading volumes in equity and bond markets both domestically and overseas.

As a highlight, and included within our longer-term business plan, GIS has incurred costs associated with the regulatory governance of the Synergis business brand in key areas of oversight, IT infrastructure, and mandatory control. This increased level of commitment is commensurate with our future growth expectations that are integral in supporting the long-term strategy in all areas of the business.

We were naturally pleased with the outcome of our application to the Securities and Futures Commission in Hong Kong for permission to conduct regulatory activity. We continue to review the potential of this opportunity and we have recently moved to a new office location in the Central District of Hong Kong. The businesses tri-lingual website (www.gishkltd.com) has been launched and operations have commenced with a number of appointments being made in Hong Kong and trade execution being offered in the first instance to existing GIS clients.

Financial review

The 2019 financial results reflect geopolitical uncertainty in the current market that impacted volatility and market volumes. Against this backdrop of challenging externalities, the core business within the group continued to deliver strong results with a 33.3% increase in profit before tax to £0.8m from £0.6m (2018) This was achieved on the back of reduced core turnover of £5.18m (2018: £5.5M) but made possible by a significant increase in operating profit margins to 15.67% (2018: 11.97%) which reflects an increase of 31% from 2018. In all cases our core results exclude non-core corporate finance activities which saw a reduction of £0.8m of income during the year

The 33.3% increase in core business operating profit include the consolidation of both Synergis and GIS HK administration costs totalling £590,000 for the period (Synergis 2018: £872,000 and HIS HK 2018: £0). Whilst the investments in both are seen as significant, the Board expects positive contributions from both within the next financial year and beyond

Core gross margins showed an increase to 74.8% (2018: 73.74%) with core operating margin increased to 15.67% (2018: 11.97%) and these margins include the additional Synergis and GIS HK consolidated costs mentioned above. Operating costs attributable to just Octagonal PLC amounted to £174,000 (2018: £437,000). The Octagonal costs included an share-based payment charge of £63,000.

Group cash reserves increased by 3.7% to £5.5m (2018: £5.3m) despite expenditure of the following: payment of a dividend to shareholders totalling £567,225, investment of £176,277 in Synergis and capitalised start-up costs of £190,520 for GIS HK. The cash resources represent more than adequate cash reserves for our current operations with Net Assets of £8.9 million (2018: £8.4 million).

The cash balance result has clearly demonstrated the Group's ability to be cash generative and profitable in the current challenging environment and positions the Group to grow and improve margins and profitability as markets return and once the longer term strategy crystallises, we hope, to traditional patterns post recent global political events.

We remain very optimistic that the measures we have put in place will see this business grow further this year and increase profitability.

Future Developments

Global Investment Strategy UK (GIS)

Trading for the first 3 months of the current financial year to 31 March 2020 is above management's expectations, and the Company will update shareholders after the half year period which ends on 30th September 2019.

As per the previous year, management and the team have been working extremely hard on the development of the new enterprises SynerGIS and GIS HK which we believe will add significant value to the group and we have further commented on them below.

With the current core business and diversification into the new enterprises below, this is an exciting growth phase in the business and the board remain very optimistic that the work to date will translate into rewarding value for all shareholders.

Synergis Capital Plc (Synergis)

The Company remains ready and appears to have now completed all material elements for the preparation of the prospectus (for the base programme for debt securities) with the CBI (the Central Bank of Ireland) and Euronext Dublin (Irish Stock Exchange).

Discussions continue with the FCA as regards Synergis' activity and the business is undergoing an evaluation process with our regulator and we believe we've made good progress in demonstrating the businesses' robust processes and controls that are essential for intended specialist lending activity. We are of the opinion that we have satisfied the regulator in respect of their questions and now await the outcome following their panel review.

Since the financial year end in March 2019, Synergis has raised capital again from shareholders, with GIS taking up its full entitlement of shares by investing a further £275,000.

Synergis has developed proprietary fintech applications and systems that include bond issuance, asset lending management platforms that directly interface into the internal ledger and produce both real time exposure risk weighting and capital adequacy scenario planning with projected liquidity reporting. Synergis plans to reorganise its capital in the next few months should the company want to acquire back Synergis shares.

On a very positive point and following a long-term consultation open to all regulated financial firms, the FCA and Financial Services Compensation Scheme (FSCS) announced an update to their compensation limits on 1st April 2019. Effective immediately, the compensation limit for eligible claimants has risen from £50,000 to £85,000. This brings the level of FSCS compensation for investment products in line with that of bank and savings accounts at £85,000.

Global Investment Strategy HK Limited (GIS HK)

GIS HK (formally GIS (FS) HK Limited and now rebranded to Global Investment Strategy HK Limited) has gone live after obtaining 'approval in principle' to carry on Type 1 regulated activity(ies) for professional clients under the Securities and Futures Ordinance (SFO). Type 1 regulated activity(ies) include the provision of dealing in securities, stock options, and bonds, but also includes the provision of providing other additional GIS core services such as safe custody and trade settlement.

GIS HK is now running with a team of 4 full time employees, supported by an additional responsible officer, with John Gunn, our Chairman, taking an active role in this business development. Revenues have started from inbound business flows that we have been able to generate in the region, but the larger emphasis has been placed on the focusing of the development of local business lines, with an anticipated formal launch in October 2019. The feedback we have received locally for our services has been very encouraging and our expectations are that the timing and thought management have put into the planning will result in a positive return within the current financial year.

Finally, I would like to thank the Board and the entire team in the Group who have worked exceptionally well in delivering these results and strengthening the business to deliver greater returns for shareholders in the year ahead.

We will accompany these results with notice of the Annual General Meeting, where the Board will be seeking shareholders' approval to increase the authorised share capital and a waiver of shareholders pre-emption rights. This plan is part of our contingency funding plan, which will provide the business with access to capital should it be required.

The board are also pleased to announce a maintained dividend of 0.1 pence per share and will consider increasing this once the new business initiatives are implemented and core activities continue to grow in line with expectations.

John Gunn

Chairman

24 September 2019

The Directors present their strategic report for the Group for the year ended 31 March 2019.

PRINCIPAL ACTIVITIES

The principal activity of Octagonal is as a Financial Services group through its subsidiary Global Investment Strategy UK Ltd (“GIS”) which provides global settlement and safe custody services to investors, hedge funds, institutions, family offices and high net worth individuals, along with other ancillary services. GIS is the trading entity of the Group, authorised and regulated by the Financial Conduct Authority, and is a member of The London Stock Exchange.

During the year the Group submitted an application for regulatory approval in Hong Kong and proceeded with the development of its majority owned subsidiary company, Synergis Capital plc, which it is intended will provide commercial asset backed lending, financed by an investment bond which will be issued in tranches and distributed by GIS.

RESULTS AND DIVIDENDS

Group revenue from continuing operations during the year was £5.3million (2018: £6.5 million) resulting in a pre-tax profit of £926,000 (2018: £1,517,000) a 39% decrease pre-tax profit. Attributable profit for the year after tax was £927,000 (2018: £1,025,000). However, Core group business activities were favourable with an increase of 33.3% in Profit before taxation and a 30.9% increase in the operating profit margin.

The Directors propose a dividend of £586,576 (2018: £567,225). The dividend will be paid in one amount, representing 0.1 pence per Ordinary Share, to shareholders on the register as at 4 October 2019 (with an ex-date of 3 October 2019) and will be paid on 18 October 2019.

KEY PERFORMANCE INDICATORS

The Group seeks to grow both the top and bottom lines through organic growth, the development of new business lines, cost controls and financial conservatism. These factors have enabled it to improve margins and seek higher margin revenues, while offering competitive services to its clients.

The key performance indicators are set out below:

<u>GROUP STATISTICS</u> (Including non-core Corporate finance income)	2019	2018	Change %
Turnover	£5,311,000	£6,502,000	-18.32%
Group profit before tax	£926,000	£1,517,000	-38.96%
Non-core finance income	£129,000	£920,000	
<u>CORE BUSINESS ACTIVITY ANALYSIS</u>			
<u>CORE OPERATING</u> (Excluding non-core Corporate finance income)	2019	2018	Change %
Turnover	£5,182,000	£5,582,000	7.2%
Group profit before tax	£796,000	£597,000	33.3%
Gross Margin	74.76%	73.74%	1.4%
Group operating profit margin	15.67%	11.97%	30.94%

KEY RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

The Group is exposed to a number of business risks. The risk appetite of the Group is determined by the Board.

The Group has identified the following as the key risks and their mitigation:

MARKET RISK

The Group has limited market risk in respect of its trading as agent in equities and debt instruments as its services are principally settlement and custody, which do not have market risk. Our execution services are minimal and are only carried out under strict criteria. The Group does have counterparty risk, but we do not see this as significant given the high level of

regulation in our industry. Market exposure arising from unsettled trades is closely monitored and managed during each trading day. Market risk also gives rise to variations in asset values and thus management fees, and variations in the value of investments held by GIS.

STOCK MARKET CONDITIONS

The Group's business is highly dependent on stock market conditions, especially volumes of equities and other financial products traded. Adverse market conditions resulting in reducing volumes of trading may have a significant negative effect on revenues and profitability.

CURRENCY RISK

A large proportion of the Group's income and expenses are incurred in foreign currency, particularly US Dollar. As a result, fluctuations in currency exchange rates could have an adverse effect on the financial condition, results of operation or cash flow of the Group.

OPERATIONAL RISK

There is a range of operational risks to which the Group is exposed, including reputational risks and the Group seeks to mitigate operational risk to acceptable residual levels, in accordance with its risk appetite policy, by maintenance of its control environment, which is managed through the Group's operational risk management framework. The Group's controls include appropriate segregation of duties and supervision of employees; ensuring the suitability and capability of the employees; relevant training programmes that enable employees to attain and maintain competence, and identifying risks that arise from inadequacies or failures in processes and systems.

The Group has a business continuity and disaster recovery plan which provides, inter alia, back-up premises and back-office systems, and which is regularly reviewed.

LOSS OF STAFF

Staff are a key asset in the business and retaining the services of key staff is essential to ongoing revenue generation and development of the business.

CHANGES IN REGULATION OR LEGISLATION

The regulatory regime applicable to companies such as Octagonal, and more specifically its trading subsidiary, GIS, is under regular review and future changes made by a regulatory body could impose a greater burden on the Group with consequential additional costs. As GIS is a regulated business, it relies on continuing to be authorised under the Financial Conduct Authority ("FCA") to be able to undertake certain roles and operations.

The Group's business is subject to substantial regulation both in the UK, US and other jurisdictions. Adverse regulatory developments could have a material, adverse effect on the Group's operating results, financial condition and prospects.

The Group conducts its businesses subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and interpretations in the UK and the other markets where it operates. Future changes in regulation, fiscal or other policies are unpredictable and beyond the control of the Directors and could materially adversely affect the Group's business.

KEY RISKS AND UNCERTAINTIES AND RISK MANAGEMENT (continued)

Areas where changes could have an adverse impact include, but are not limited to:

- other general changes in regulatory requirements, such as prudential rules relating to the capital adequacy or liquidity frameworks;
- further developments in the financial reporting, corporate governance, conduct of business and employee compensation; and
- other unfavourable political, military or diplomatic developments producing social instability or legal uncertainty which, in turn, may affect demand for the Group's products and services.

INFLUENCE OF CONTROLLING SHAREHOLDER

John Gunn has an interest in approximately 52.7 per cent. of the Company's issued share capital. John Gunn consequently is in a position to exert significant influence over the Company, its strategy, directors and operations. In order to partially mitigate this risk the Company and John Gunn have agreed a Relationship Agreement governing his behaviour as the majority shareholder in the Company.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of the Group's financial risk management objectives and policies are set out in Note 21 to these financial statements.

GOING CONCERN

The Directors have a reasonable expectation that the Group has adequate resources to continue in operation or existence for the foreseeable future thus we continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in note 4 of the financial statements.

Samantha Esqulant
Director

24 September 2019

DIRECTORS' REPORT

YEAR TO 31 March 2019

The Directors present their annual report and the audited financial statements of the Group for the year ended 31 March 2019.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

This information is now included within the Strategic Report above, as part of the 'Review of the Business' under the Amendment to the Companies Act 2006 of s.414c(2a).

DIRECTORS

The Board comprised the following directors who served throughout the year and up to the date of this report save where disclosed otherwise:

Name	Position
John Gunn	Executive Chairman
Samantha Esqulant	Chief Executive Officer
Nilesh Jagatia	Chief Financial Officer / Secretary
Anthony Binnie	Non-Executive Director

The Group has qualifying third party indemnity provisions for the benefit of its Directors which remain in force at the date of this report.

DIRECTORS' INTERESTS

The Directors' interests in the share capital of the Company at 31 March 2019, held either directly or through related parties, were as follows:

Name of director	Number of ordinary shares	% of ordinary share capital and Voting Rights
John Gunn	299,044,931	52.7%

On 7 May 2019, John Gunn purchased an additional 1,700,000 ordinary shares and thus increasing his holding to 300,744,931 shares representing 52.89% of the Company's issued share capital.

Details of the Directors' share options are shown below:

Name of Director	Number outstanding at 31 March 2019	Exercise price	Vesting date	Expiry Date
OPTIONS:				
J Gunn	5,250,000	3p	Various	6.09.2021
S Esqulant	3,750,000	3p	Various	6.09.2021
N Jagatia	3,000,000	3p	Various	6.09.2021
	12,000,000			

DONATIONS

The Group made charitable donations during the year of £9,475 (2018: £9,000).

EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on various factors affecting the performance of the Group. This is achieved through formal and informal meetings. Equal opportunity is given to all employees regardless of their sex, age, colour, race, religion or ethnic origin.

SIGNIFICANT SHAREHOLDINGS

On 19 September 2019 the following were interested in 3 per cent. or more of the Company's share capital (including Directors, whose interests are also shown above):

Name of shareholder	Number of ordinary shares	% of ordinary share capital and voting rights
John Gunn	300,744,931	52.89%
Roger Barby	52,500,436	9.23%
Interactive Investors Services Nominees Limited	28,897,411	5.08%
Jim Nominees	25,713,396	4.52%
Vidacos Nominees Limited	18,770,853	3.30%

POST YEAR END EVENTS

Global Investment Strategy UK Ltd, paid a dividend of £600,000 to the Company after the reporting period.

DISCLOSURE OF INFORMATION TO THE AUDITORS

In the case of each of the persons who are directors of the Company at the date when this report is approved:

- So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- Each of the directors has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the auditors are aware of the information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

AUDITOR

PKF Littlejohn LLP have expressed their willingness to continue in office as auditor and it is expected that a resolution to reappoint them will be proposed at the next annual general meeting.

CORPORATE GOVERNANCE

The Directors recognise the importance of sound corporate governance while taking into account the Group's size and stage of development. As a Group listed on AIM, the Group was not required to comply with any corporate governance code and the Group did not choose to voluntarily comply. However, in the interests of observing best practice on corporate governance, the Group previously had regard to the provisions of the Corporate Governance Code insofar as is appropriate.

With effect from 28 September 2018 new corporate governance regulations apply to all AIM quoted companies and require the Company to:

- provide details of a recognised corporate governance code that the board of directors has decided to apply
- explain how the Company complies with that code, and where it departs from its chosen corporate governance code provide an explanation of the reasons for doing so.

The corporate governance disclosures need to be reviewed annually, and the company will also need to state the date on which these disclosures were last reviewed. The QCA code adopted by the Company is disclosed after the Statement of Director's Responsibilities.

The Board meets regularly and is responsible for formulating, reviewing and approving the Group's strategy, budgets, performance, major capital expenditure and corporate actions.

BOARD OF DIRECTORS

The Company supports the concept of an effective Board leading and controlling the Company. The Board of Directors is responsible for approving Company policy and strategy. It meets regularly and has a schedule of matters specifically reserved to it for decision. All Directors have access to advice from independent professionals at the Company's expense. Training is available for new and existing Directors as necessary.

Matters which would normally be referred to other than the appointed committees are dealt with by the Board as a whole.

AUDIT COMMITTEE

The Audit Committee is chaired by Anthony Binnie and its other member is Samantha Esquant the Chief Executive Director. It is expected that they will be joined by the second independent Non-Executive Director following their appointment. The Audit Committee acts independently to ensure that the interests of the Company and its Group are properly protected in relation to financial reporting and internal controls.

The directors have established the Audit Committee to ensure that appropriate financial reporting procedures are properly monitored, controlled and reported on at a minimum by IFRS approved foreign exchange accounting policies, and rules governed by the FCA and AIM employing general accepted account practices.

The Audit Committee provides a forum for reporting by the Group's external auditors. The Committee is also responsible for reviewing a wide range of matters, including half-year and annual results before their submission to the Board, and for monitoring the controls that are in force to ensure the integrity of information reported to shareholders. The Audit Committee will advise the Board on the appointment of external auditors and on their remuneration for both audit and non-audit work, and will discuss the nature, scope and results of the audit with the external auditors. The Committee will keep under review the cost effectiveness and the independence and objectivity of the external auditors.

The Audit Committee meets not less than twice in each financial year.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for making recommendations to the Board, within agreed terms of reference, on the Company's framework of executive remuneration and its cost. The Remuneration Committee also determines and reviews the performance and the terms of service of the directors, including salary, incentives and benefits, and makes recommendations to the Board. The Board itself determines the remuneration of the Executive Directors.

The Remuneration Committee comprises of the Chief Executive Director Samantha Esquant and is chaired by the Independent Non-Executive Director Anthony Binnie. It is expected that they will be joined by the second independent Non-Executive Director following their appointment. The Committee meets as often as it deems necessary and at least annually to discharge its responsibilities and to support good decision making by the Board.

COMMUNICATIONS WITH SHAREHOLDERS

Communications with shareholders are given a high priority by the management. In addition to the publication of an annual report and an interim report, there is regular dialogue with shareholders and analysts. The Annual General Meeting is viewed as a forum for communicating with shareholders, particularly private investors. Shareholders may question the Managing Director and other members of the Board at the Annual General Meeting.

INTERNAL CONTROL

The Directors acknowledge they are responsible for the Group's system of internal control and for reviewing the effectiveness of these systems. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of the Group failing to achieve its strategic objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss. The Group has well established procedures which are considered adequate given the size of the business.

REMUNERATION

The remuneration of the directors has been fixed by the Board as a whole. The Board seeks to provide appropriate reward for the skill and time commitment required so as to retain the right calibre of director at a cost to the Company which reflects current market rates.

Details of directors' fees and of payments made for professional services rendered are set out in Note 9 to the financial statements and details of the directors' share options are set out in the Directors' Report.

By order of the Board on 24 September 2019

**Samantha Esquant
Director**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and have also elected to prepare the Company financial statements in accordance with IFRS as adopted by the EU. 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 and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

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

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

The Directors are also responsible for the maintenance and integrity of the corporate, financial and investor information contained on the Company's website. Legislation in the UK concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The Company is compliant with AIM Rule 26 regarding the Company's website.

John Gunn

Executive Chairman

24 September 2019

GROUP INCOME STATEMENT

YEAR TO 31 MARCH 2019

	Notes	2019 £'000	2018 £'000
Revenue	6	5,311	6,502
Cost of sales		(1,308)	(1,466)
Gross profit		4,003	5,036
Administrative expenses		(2,998)	(3,220)
Share based payment expense		(63)	(228)
Operating profit	7	942	1,588
Other gains and losses	10	(16)	(71)
Profit before tax		926	1,517
Tax	11	1	(492)
Profit for the year		927	1,025
Attributable to:			
Shareholders in the parent company		1061	1,276
Non-controlling interests		(134)	(251)
		927	1,025
Earnings per share attributable to owners of the parent company from continuing operations			
Basic and diluted (pence per share)	12		
Basic		0.187	0.226
Fully diluted		0.182	0.221

There are no recognised gains or losses in either period other than the profit for the year and therefore no statement of comprehensive income is presented.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company profit and loss account. The total comprehensive loss for the parent company for the year was £174,000 (2018: £373,000).

The accounting policies and notes are an integral part of these financial statements.

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Notes	GROUP		COMPANY	
		2019	2018	2019	2018
		£'000	£'000	£'000	£'000
Non-Current assets					
Goodwill	13	2,869	2,869	-	-
Other intangible assets	14	657	409	-	-
Property, plant and equipment	15	40	60	-	-
Investment in subsidiaries	16	-	-	9,137	9,137
Deferred tax asset		-	66	-	-
		3,566	3,404	9,137	9,137
Current assets					
Investments held at fair value through profit and loss	17	266	31	-	-
Trade and other receivables	18	708	521	173	152
Cash and cash equivalents	19	5,466	5,324	3	-
		6,440	5,876	175	152
Current liabilities					
Trade and other payables	20	532	285	1,921	1,220
Current tax liabilities		561	582	-	-
		1,093	867	1,921	1,220
Net assets		8,913	8,413	7,392	8,069
Equity					
Share capital	22	285	284	285	284
Share premium account	22	171	171	171	171
Reverse acquisition reserve		679	679	-	-
Merger reserve		-	-	6,555	6,555
Investment reserve		-	-	110	110
Share option and warrant reserve		162	99	162	99
Retained earnings		7,558	6,972	109	850
Equity attributable to owners of the Company		8,855	8,205	7,261	8,069
Non-controlling interests		58	208	-	-
Total equity		8,913	8,413	7,392	8,069

These financial statements were approved by the Board of Directors on 24 September 2019

Signed on behalf of the Board by:

Samantha Esquant
Director

Company number: 06214926

The accounting policies and notes are an integral part of these financial statements



GROUP STATEMENT OF CHANGES IN EQUITY

YEAR TO 31 MARCH 2019

GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital	Share Premium	Reverse acquisition reserve	Share option reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000		£'000
Balance at 31 March 2017	1,104	3,669	679	-	1,148	6,600	37	6,637
Total comprehensive income for the year	-	-	-	-	1,276	1,276	(251)	1,025
Capital reduction	(824)	(3,669)	-	-	4,493	-	-	-
Dividend paid	-	-	-	-	(568)	(568)	-	(568)
Share issues	4	171	-	-	-	175	-	175
Share based payment expense	-	-	-	99	-	99	-	99
Adjustment arising from change in non-controlling interest	-	-	-	-	623	623	422	1,045
Balance at 31 March 2018	284	171	679	99	6,972	8,205	208	8,413
Total comprehensive income for the year	-	-	-	-	1,060	1,060	(134)	926
Dividend paid	-	-	-	-	(568)	(568)	-	(568)
Share issues	1	-	-	-	-	1	-	1
Share based payment expense	-	-	-	63	-	63	-	63
Adjustment arising from change in non-controlling interest	-	-	-	-	94	94	(16)	78
Balance at 31 March 2019	285	171	679	162	7,558	8,855	58	8,913

The accounting policies and notes are an integral part of these financial statements.



COMPANY STATEMENT OF CHANGES IN EQUITY

YEAR TO 31 MARCH 2019

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital	Share Premium	Merger Reserve	Investment reserve	Share option and warrant reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2017	1,104	3,669	6,555	110	-	(2,702)	8,736
Total comprehensive expense for the year	-	-	-	-	-	(373)	(373)
Capital reduction	(824)	(3,669)	-	-	-	4,493	-
Dividend paid	-	-	-	-	-	(568)	(568)
Share issues	4	171	-	-	-	-	175
Share based payment expense	-	-	-	-	99	-	99
Balance at 31 March 2018	284	171	6,555	110	99	850	8,069
Total comprehensive expense for the year	-	-	-	-	-	(174)	(174)
Dividend paid	-	-	-	-	-	(567)	(567)
Share issues	1	-	-	-	-	-	1
Share based payment expense	-	-	-	-	63	-	63
Balance at 31 March 2019	285	171	6,555	110	162	109	7,392

The accounting policies and notes are an integral part of these financial statements.

GROUP AND COMPANY STATEMENTS OF CASH FLOWS

YEAR TO 31 MARCH 2019

	GROUP		COMPANY	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
OPERATING ACTIVITIES				
Profit/(loss) for the year before taxation	925	1,517	(174)	(437)
Adjusted for:				
Depreciation	31	21	-	-
Share based payment expense	63	228	63	228
Shares issued in settlement of termination payment	-	46	-	46
Investment impairment	15	75	-	-
Gain on disposal of investments	-	(4)	-	-
Operating cash flows before movements in working capital	1,034	1,883	(111)	(163)
(Increase)/Decrease in trade and other receivables	(209)	(183)	(20)	(15)
(Decrease)/increase in trade and other payables	246	(1)	-	(29)
Net cash from / (used in) operations	1,071	1,699	(131)	(207)
Tax paid	-	(300)	-	-
Net cash from / (used in) operating activities	1,071	1,399	(131)	(207)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	-	(19)	-	-
Development costs	(248)	(359)	-	-
Purchase of investments	(250)	-	-	-
Disposal of investments	-	24	-	-
Loan to a related party	(14)	(11)	-	-
Related party repayment of loan	-	-	-	-
Net cash used in investing activities	(512)	(365)	-	-
FINANCING ACTIVITIES				
Non-controlling interest investment	150	1,045	-	-
Increase in inter-company loan	-	-	702	775
Dividend paid to Company's shareholders	(568)	(568)	(568)	(568)
Net cash from financing activities	(418)	477	134	207
Net increase/(decrease) in cash and cash equivalents	142	1,511	3	-
Cash and cash equivalents at beginning of year	5,324	3,813	-	-
Cash and cash equivalents at end of year	5,466	5,324	3	-

The accounting policies and notes are an integral part of these financial statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS

YEAR TO 31 MARCH 2019

1 GENERAL INFORMATION

The Company is incorporated and domiciled in England and Wales as a public limited company and operates from its registered office 2nd Floor 2 London Wall Buildings, London, England, EC2M 5PP. Octagonal plc's shares are listed on the AIM of the London Stock Exchange. The Group's main activity is that of a financial services business offering a wide range of services to institutional, family office and high net worth clients.

2 STATEMENT OF COMPLIANCE

The following new standards and amendments to standards and interpretations have been issued but are not yet effective and not early adopted. None of these are expected to have a significant effect on the financial statements of the Company:

		Effective for periods beginning on or after
Amendments to IAS 19	Employee Benefits Plan Amendment, Curtailment or Settlement	1 January 2019
IFRS 10 Consolidated Financial Statements and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2019
IFRS 16 Leases	Leases	1 January 2019

3 ACCOUNTING POLICIES

The principal accounting policies adopted and applied in the preparation of the Group and Company Financial statements are set out below.

These have been consistently applied to all the years presented unless otherwise stated:

BASIS OF ACCOUNTING

The financial statements of Octagonal plc (the "Company") and its subsidiaries (the "Group") have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union ("EU") applied in accordance with the provisions of the Companies Act 2006.

IFRS is subject to amendment and interpretation by the International Accounting Standards Board ("IASB") and the International Financial Standards Interpretations Committee ("IFRS IC") and there is an ongoing process of review and endorsement by the European Commission. The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

In accordance with reverse acquisition accounting convention the comparative information for the group for 2015 relates to the business of GIS.

3 ACCOUNTING POLICIES (continued)

GOING CONCERN

Any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain. The ability of the Group to carry out its planned business objectives is dependent on its continuing ability to raise adequate financing from equity investors and/or the achievement of profitable operations.

Nevertheless, at the time of approving these Financial Statements and after making due enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue operating for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Financial Statements.

BASIS OF CONSOLIDATION

The Group's consolidated financial statements incorporate the financial statements of Octagonal Plc (the "Company") and entities controlled by the Company (its subsidiaries). Subsidiaries are entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Company acquired Global Investment Strategy UK Limited on 30 June 2015 through both cash consideration and a share-for-share exchange. As the shareholders of GIS have control of the legal parent, Octagonal plc, the transaction has been accounted for as a reverse acquisition in accordance with IFRS 3 "Business Combinations".

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

BUSINESS COMBINATIONS

The acquisition of subsidiaries is accounted for using the acquisition method under IFRS 3. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for resale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after reassessment, the Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities exceed the cost of the business combination, the excess is recognised immediately in the income statement.

3 ACCOUNTING POLICIES (continued)

REVENUE RECOGNITION

The Group's Revenue includes commission income, corporate advisory fees and other ancillary fees.

Revenue is measured at the fair value of the consideration received or receivable.

Fees for advisory engagements for which the work is substantially complete or which are at a stage where work for which separate payment is due is substantially complete, and which will become due but are not yet invoiced are recorded on a right to consideration basis. Where such fees are contingent on the outcome of a transaction they are only accounted for after the transaction has completed.

Management fees and interest are credited to income in the period in which they relate.

FOREIGN CURRENCIES

At each year end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the year end date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the income statement. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New standards, amendments and interpretations adopted by the Company

The company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 April 2018:

- IFRS 9 Financial Instruments;
- IFRS 15 Revenue from Contracts with Customers
- Annual improvements 2014-2016 cycle;

Impact of adoption of IFRS 9

The classification and measurement requirements of IFRS 9 have been adopted with effect from the date of initial application on 1 April 2018. However, the Company has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 figures are presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and financial liabilities as at 1 April 2018:

1 February 2018	IAS 39 classification	IAS 39 measurement £	IFRS 9 classification	IFRS 9 measurement £
Financial assets				
Cash and cash equivalents	Loans and receivables	5,324,000	Amortised cost	5,324,000
Financial assets at fair value through profit or loss	Held for trading at fair value through profit or loss	31,000	Fair value through profit or loss	31,000
Financial liabilities				
Payables	Other financial liabilities	285,000	Amortised cost	285,000

3 ACCOUNTING POLICIES (continued)

Impact of adoption of IFRS 15

IFRS 15 is effective for accounting periods beginning on or after 1 January 2018 and was adopted by the Company or the accounting period beginning 1 April 2018. The standard requires entities to apportion revenue earned from contracts to individual performance obligations based on a five-step model. The adoption of this standard has not resulted in any material impact on reported profits.

FINANCIAL ASSETS

The Company's financial assets comprise investments, cash and cash equivalents and loans and receivables, and are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as "Net change in fair value of investments".

Financial asset investments

Classification of financial assets

The Company holds financial assets including equities and debt securities. On 1 April 2018, the Company adopted IFRS 9 Financial Instruments (IFRS 9). IFRS 9 replaces the classification and measurement models previously contained in IAS 39 Financial Instruments: Recognition and Measurement. The classification and measurement of financial assets at 31 March 2019 is in accordance with IFRS 9 and the classification and measurement of financial assets at 31 March 2018 is in accordance with IAS 39 as the Group has not restated comparative information.

On the initial recognition, the Company classifies financial assets as measured at amortised cost or fair value through profit or loss ("FVTPL"). A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specific dates to cash flows that are Solely Payments of Principal and Interest (SPPI).

All other financial assets of the Company are measured at FVTPL.

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information on how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realised cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment advisor is compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cashflows collected.

IFRS 9 subsection B4.1.1-B4.1.2 stipulates that the objective of the entity's business model is not based on management's intentions with respect to an individual instrument, but rather determined at a higher level of aggregation. The assessment needs to reflect the way that an entity manages its business.

The company has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents, balances due from brokers and other receivables. These financial assets are held to collect contractual cash flows.
- Other Business model: this includes structured finance products, equity investments, investments in unlisted private equities and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis with frequent sales taking place in respect to equity holdings.

Valuation of financial asset investments

Investment transactions are accounted for on a trade date basis. Assets are de-recognised at the trade date of the disposal. Assets are sold at their fair value, which comprises the proceeds of sale less any transaction cost. The valuations in respect of unquoted investments (Level 3 financial assets) are explained in note 17. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the consolidated statement of comprehensive income as "Net gains/(losses) on investments". Investments are

3 ACCOUNTING POLICIES (continued)

initially measured at fair value plus incidental acquisition costs. Subsequently, they are measured at fair value. This is either the bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted.

GOODWILL

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition and is included as a non-current asset.

Goodwill is tested annually, or more regularly should the need arise, for impairment and is carried at cost less accumulated impairment losses. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

Goodwill is allocated to cash generating units for the purpose of impairment testing.

On disposal of a subsidiary the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

In accordance with IAS 36 the Group values Goodwill at the lower of its carrying value or its recoverable amount, where the recoverable amount is the higher of the value if sold and its value in use. In addition IAS 38 requires intangible assets with finite useful lives to follow the same impairment testing as Goodwill including the use of value in use calculations.

TAXATION

The 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 net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 year end date.

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each year end 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and where they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS EXCLUDING GOODWILL

At each financial year end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an

3 ACCOUNTING POLICIES (continued)

indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount and the impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3 ACCOUNTING POLICIES (continued)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recorded at cost, less depreciation, less adjustments for impairment, if any.

Significant improvements are capitalised, provided they qualify for recognition as assets. The costs of maintenance, repairs and minor improvements are expensed when incurred.

Tangible assets retired or withdrawn from service are removed from the balance sheet together with the related accumulated depreciation. Any profit or loss resulting from such an operation is included in the income statement.

Tangible assets are depreciated on straight-line method based on the estimated useful lives from the time they are put into operations, so that the cost is diminished over the lifetime of consideration to estimated residual value as follows:

- Office equipment - Over 5 years
- Other Fixtures & Fittings - Over 10 years
- Leasehold property - Over period of the lease
- Other Motor Vehicles - Over 4 years

INTANGIBLES

Expenditure on internally developed intangible asset is capitalised if it can be demonstrated that:

- there is an intention to complete the development,
- adequate resources are available to complete the development,
- it is probable that the asset will generate future economic benefits, and
- expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the group expects to benefit from using the asset developed. The amortisation expense is included within the cost of sales line in the consolidated Statement of Comprehensive Income.

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated Statement of Comprehensive Income as incurred.

TRADE RECEIVABLES, LOANS AND OTHER RECEIVABLES

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified under 'loans and receivables'. Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

Other receivables, that do not carry any interest, are measured at their nominal value as reduced by any appropriate allowances for irrecoverable amounts.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents.

3 ACCOUNTING POLICIES (continued)

FINANCIAL LIABILITIES

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("FVTPL") or 'other financial liabilities'.

There were no financial liabilities 'at FVTPL' during the current, or preceding, period.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

OTHER FINANCIAL LIABILITIES, BANK AND SHORT-TERM BORROWINGS

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges are accounted for on an accruals basis in profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. Other short-term borrowings being intercompany loans and unsecured convertible loan notes issued in the year are recognised at amortised cost net of any financing or arrangement fees.

TRADE PAYABLES

Trade payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

EQUITY INSTRUMENTS INCLUDING SHARE CAPITAL

Equity instruments issued by the Company are recorded at the proceeds received, net of incremental costs attributable to the issue of new shares.

An equity instrument is any contract that evidences a residual interest in the assets of a company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received net of direct issue costs.

Share capital represents the amount subscribed for shares at nominal value.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits. Any bonus issues are also deducted from share premium.

The merger reserve represents the premium on the shares issued less the nominal value of the shares, being the difference between the fair value of the consideration and the nominal value of the shares.

The reverse acquisition reserve arises from the acquisition of Global Investment Strategy UK Limited by the Company and represents the total amount by which the fair value of the shares issued in respect of the acquisition exceed their total nominal value.

The investment reserve represents the fair value adjustment to the investment in subsidiary in connection with the reverse acquisition.

The warrant reserve represents the fair value, calculated at the date of grant, of warrants unexercised at the balance sheet date.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

3 ACCOUNTING POLICIES (continued)

REVERSE ACQUISITION

The acquisition of Global Investment Strategy UK Limited on 30 June 2015 was accounted for using the reverse acquisition method. The following accounting treatment was applied in respect of the reverse acquisition:

- The assets and liabilities of the legal subsidiary were recognised and measured in the consolidated financial statements at their pre-combination carrying amounts without restatement to fair value;
- The identifiable assets and liabilities of the legal parent (the accounting acquiree) are recognised in accordance with IFRS 3 at the acquisition date. Goodwill is recognised in accordance with IFRS 3;
- The retained earnings and other equity balances recognised in the consolidated financial statements are those of the legal subsidiary (the accounting acquirer) immediately before the business combination.

The amount recognised as issued equity instruments in the consolidated financial statements is determined by adding the fair value of the legal parent (which is based on the number of equity interests deemed to have been issued by the legal subsidiary) determined in accordance with IFRS 3 to the legal subsidiary's issued equity immediately before the business combination. However, the equity structure (that is, the number and type of equity instruments issued) shown in the consolidated financial statements reflects the legal parent's equity structure, including the equity instruments issued by the legal parent to effect the combination. The equity structure of the legal subsidiary (accounting acquirer) is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares issued by the legal parent (the accounting acquiree) in the reverse acquisition.

SHARE-BASED PAYMENTS

All share based payments are accounted for in accordance with IFRS 2 - "Share-based payments". The Company issues equity-settled share-based payments in the form of share options to certain directors and employees. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

Fair value is estimated using the Black-Scholes valuation model. The expected life used in the model has been adjusted, on the basis of management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings.

4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATIONS

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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 on-going basis. Revisions to accounting estimates are recognised in the period. Judgements and estimates that may affect future periods are as follows:

GOING CONCERN

The Directors consider that, based upon financial projections, the Company will be a going concern for the next twelve months. For this reason, the directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATIONS (continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group holds investments that have been designated as available for sale on initial recognition. Where practicable the Group determines the fair value of these financial instruments that are not quoted (Level 3), using the most recent bid price at which a transaction has been carried out. These techniques are significantly affected by certain key assumptions, such as market liquidity. Other valuation methodologies such as discounted cash flow analysis assess estimates of future cash flows and it is important to recognise that in that regard, the derived fair

value estimates cannot always be substantiated by comparison with independent markets and, in many cases, may not be capable of being realised immediately.

5 SEGMENTAL INFORMATION

A segment is a distinguishable component of the Group or Company's activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about the allocation of resources and assessment of performance and about which discrete financial information is available.

As the chief operating decision maker reviews financial information for and makes decisions about the Group's activities as a whole, the directors have identified a single operating segment, that of corporate broking and advisory services. The Group operates in a single geographical segment which is the UK.

6 ANALYSIS OF TURNOVER

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

	2019	2018
	£'000	£'000
Commissions	3,624	4,426
Share sales	-	-
Corporate finance and advisory	130	44
Special charges and recharges	1,557	2,032
	5,311	6,502

7 OPERATING PROFIT

	2019	2018
	£'000	£'000
Operating loss is stated after charging:		
Staff costs as per Note 9 below	1,254	1,611
Depreciation of property, plant and equipment	14	21
Operating lease rentals	142	142
Write downs of VAT receivable	-	29
Net foreign exchange loss/(gain)	-	3

8 AUDITORS' REMUNERATION

The analysis of auditors' remuneration is as follows:

	2019	2018
	£'000	£'000
Fees payable to the Group's auditors for the audit of the Group's annual accounts	20	20
	20	20

9 STAFF COSTS

The average monthly number of employees (including executive directors) for the continuing operations was:

	2019 No.	2018 No.
Group total staff	18	18

	2019 £'000	2018 £'000
Wages and salaries	1,127	1,104
Bonus shares issued	0	129
Share based payment cost	0	99
Termination benefits	0	46
Pension contributions	12	3
Social security costs	115	101
	1,254	1,482

Directors' emoluments were as follows:

	2019 Directors fees £'000	2019 Bonus shares issued £'000	2019 Other emoluments £'000	2019 Total £'000	2018 Total £'000
Grant Roberts	-	-	-	-	3
John Gunn	12	-	518	530	540
Samantha Esqulant	12	-	174	186	165
Nilesh Jagatia	12	-	66	78	75
Anthony Binnie	12	-	-	12	-
Martin Davison	-	-	-	-	31
	48	-	758	806	814

With the exception of Samantha Esqulant, the fees for all the current directors were invoiced by companies of which they were directors and controlling shareholders.

10 OTHER GAINS AND LOSSES

	2019 £'000	2018 £'000
Impairment of investments	(16)	(75)
Gain on disposal of investments	-	4
	(16)	(71)

11 TAXATION

	2019 £'000	2018 £'000
Current tax charge	300	493
Adjustment in respect of previous year	(302)	
Deferred tax (release) / charge	1	(1)
	(1)	492

Reconciliation of tax charge:

	Continuing operations	
	2019 £'000	2018 £'000
Profit before tax	858	1,517
Tax at the UK corporation tax rate of 19% (2018: 19%)	163	288
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit:	-	38
Prior Year adjustments	(302)	
Permanent differences	29	
Additional deduction for R&D expenditure	(32)	-
Deferred tax not recognised	141	
Unutilised tax losses	-	166
Tax charge for period	(1)	492

The total taxation charge in future periods will be affected by any changes to the corporation tax rates in force in the countries in which the Group operates.

12 EARNINGS PER SHARE

The basic earnings per share is based on the profit/(loss) for the year divided by the weighted average number of shares in issue during the year. The weighted average number of ordinary shares for the year ended 31 March 2019 assumes that all shares have been included in the computation based on the weighted average number of days since issue.

	2019	2018
Profit attributable to owners of the Group	£1,060,000	£1,276,000
Weighted average number of ordinary shares in issue for basic earnings	567,866,749	564,703,598
Weighted average number of ordinary shares in issue for fully diluted earnings	581,616,749	578,453,598
Earnings per share (pence per share)		
Basic	0.187p	0.226p
Fully diluted	0.182p	0.221p

13 GOODWILL

Goodwill arose on the acquisition of Global Investment Strategy UK Limited ("GIS") by the Company in 2015.

	2019	2018
	£'000	£'000
At 1 April	2,869	2,869
At 31 March	2,869	2,869

The amount of £2,869,000 of Goodwill relates to the Goodwill arising on the reverse acquisition of GIS.

Goodwill is monitored by management at the level of the operating segment. The recoverable amount is determined based on value-in-use calculations which uses cash flow projections based on financial budgets approved by the Directors covering a five-year period, and a discount rate of 12% per annum.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates of 10% which is based on the average growth for 5 years covered by the projections. The Directors believe that any reasonably possible change in key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

The Directors have reviewed the carrying value of Goodwill as at 31 March 2019 and consider that no impairment provision is required. The Directors continue to review Goodwill on an on-going basis and where necessary in future periods will request external valuations to further support the valuation basis.

14 OTHER INTANGIBLE ASSETS

	System development costs	Total
	£'000	£'000
As at 1 April 2017	50	50
Additions	359	359
As at 31 March 2018	409	409
Additions	248	248
As at 31 March 2019	657	657

15 PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Fixtures and fittings	Short term leasehold property	Motor Vehicles	Group Total
<i>Cost</i>	£'000	£'000	£'000	£'000	£'000
As at 31 March 2017	56	14	6	63	139
Additions	18	1	-	-	19
As at 31 March 2018	74	15	6	63	158
Additions	10	-	-	-	10
Disposal	-	-	-	(63)	(63)
As at 31 March 2019	84	15	6	-	105
<i>Depreciation</i>					
As at 31 March 2017	25	12	4	36	77
Charge for the year	12	1	2	6	21
As at 31 March 2018	37	13	6	42	98
Charge for the year	8	1	-	5	14
Disposal	-	-	-	(47)	(47)
As at 31 March 2019	45	14	6	-	65
<i>Net book value</i>					
As at 31 March 2019	39	1	-	-	40
As at 31 March 2018	37	2	-	21	60

16 INVESTMENT IN SUBSIDIARY UNDERTAKINGS

The Company's investments in its subsidiary undertakings are as follows

	2019 £'000	2018 £'000
COMPANY		
Cost and net book value		
At 1 April 2018	9,137	9,137
As at 31 March 2019	9,137	9,137

All principal subsidiaries of the Group are consolidated into the financial statements. At 31 March 2019 the subsidiaries were as follows:

Subsidiary undertakings	Country of registration	Principal activity	Holding	Holding %
*Global Investment Strategy UK Limited	UK	Financial services	Ordinary shares	100%
**Synergis Capital Plc	UK	Financial services	Ordinary shares	75%
**Global Investment Strategy HK Limited	Hong Kong	Financial Services	Ordinary shares	100%
** Global Investment Strategy Nominees Limited	UK	Financial Services	Ordinary shares	100%

*Directly held

**Indirectly held

17 AVAILABLE-FOR-SALE INVESTMENTS

	GROUP		COMPANY	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Investments at fair value at 1 April	31	126	-	-
Purchases	250	-	-	-
Impairment of investments	(15)	(75)	-	-
Gain on disposals	-	4	-	-
Disposals	-	(24)	-	-
Fair value of investments at 31 March	266	31	-	-
Categorised as:				
Level 1 Investments	266	31	-	-
Level 3 Investments	-	-	-	-
	266	31	-	-
Classed as:				
Non-current assets	-	-	-	-
Current assets	266	31	-	-
	266	31	-	-

The table above sets out the fair value measurements using the IFRS 7 fair value hierarchy. Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 - valued using quoted prices in active markets for identical assets.

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

There were no transfers between Level 1, Level 2 and Level 3 in either 2019 or 2018.

17 AVAILABLE-FOR-SALE INVESTMENTS (continued)

MEASUREMENT OF FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's management team perform valuations of financial items for financial reporting purposes, including Level 3 fair values. Valuation techniques are selected based on the characteristics of each instrument, with the overall objective of maximising the use of market-based information.

Level 3 financial assets

Reconciliation of Level 3 fair value measurement of financial assets:

COMPANY	GROUP		COMPANY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
At 1 April	-	20	-	-
Disposal proceeds	-	(24)	-	-
Gain on disposal	-	4	-	-
Impairment of investment	-	-	-	-
At 31 March	-	-	-	-

18 TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Prepayments and accrued income	25	17	5	-
Trade receivables	88	182	-	-
Other receivables	501	218	168	152
Loans receivable	94	104	-	-
	708	521	173	152

Balances with the related parties are disclosed in note 25.

Also included in loans receivable is an amount of £85,500 (2019: £93,000) being the balance of an amount due from Amisud S.A. In March 2015 GIS agreed to convert a prior investment in Amisud S.A, an Argentinian based agriculture company, into a debt owed to GIS totalling approximately US\$215,000. Amisud S.A is required to repay the debt to GIS in instalments, two of which were received on schedule. As such the Directors feel no impairment charge is required.

No receivables were past due or provided for at the year-end or at the previous year end.

The Directors consider the carrying amount of intercompany loans and other receivables approximates to their fair value.

19 CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Cash and cash equivalents	5,466	5,324	3	-
	5,466	5,324	3	-

The Directors consider the carrying amount of cash and cash equivalents approximates to their fair value.

20 TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Trade payables	103	100	10	2
Interco loan	-	-	1,877	1,168
Other payables	308	78	-	17
Accrued expenses	121	107	34	33
	532	285	1,921	1,220

Balances with the related parties are disclosed in note 24.

21 FINANCIAL INSTRUMENTS

FINANCIAL ASSETS BY CATEGORY

The IAS 39 categories of financial assets included in the Statement of financial position and the headings in which they are included are as follows:

	2019 £'000	2018 £'000
Financial assets:		
Cash and cash equivalents	5,466	5,324
Available for sale investments	266	31
Loans and receivables	182	286
	5,914	5,641

FINANCIAL LIABILITIES BY CATEGORY

The IAS 39 categories of financial liability included in the Statement of financial position and the headings in which they are included are as follows:

	2019 £'000	2018 £'000
Financial liabilities at amortised cost:		
Trade and other payables	103	100
Short term borrowings	-	-
	103	100

CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, (previously includes the borrowings) cash and cash equivalents and equity attributable to equity holders of the Parent Company, comprising issued capital, reserves and retained earnings, all as disclosed in the Statement of Financial Position.

FINANCIAL RISK MANAGEMENT OBJECTIVES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management is coordinated by the board of directors, and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets.

The main risks the Group is exposed to through its financial instruments are credit risk and liquidity risk.

21 FINANCIAL INSTRUMENTS (continued)

CURRENCY RISK MANAGEMENT

The Group undertakes transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. The Group does not enter into forward exchange contracts to mitigate the exposure to foreign currency risk as amounts paid and received in specific currencies are expected to largely offset one another and the currencies most widely traded are relatively stable. The Directors consider the balances most susceptible to foreign currency movements to be the Cash and cash equivalents.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follow:

	2019	2018
	£'000	£'000
USD		1,086
EUR		3
CAD	43	
HKD	625	
Other	12	-

Sensitivity analysis

The Group is mainly exposed to USD / GBP and EUR / GBP exchange rates. The following table shows the Group's sensitivity to a 5% increase and decrease in the GBP against these foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the yearend for a 5% in foreign currency rates:

	Profit/(loss)		Exchange rate	
	2019	2018	At 31 March	
	£'000	£'000	2019	2018
Effect of 5% decrease in value of GBP				
USD	-	39	-	1.402
EUR	-		-	1.14
CAD	2		1.304	-
HKD	27		1.162	-
Effect of 5% increase in value of GBP				
USD	-	(39)	-	1.402
EUR	-	-	-	1.14
CAD	(2)		1.304	-
HKD	(27)		1.162	-

In the Directors' opinion, the sensitivity analysis is unrepresentative of the inherent exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

21 FINANCIAL INSTRUMENTS (continued)

CREDIT RISK MANAGEMENT

The Company's financial instruments, which are subject to credit risk, are considered to be cash and cash equivalents and trade and other receivables, and its exposure to credit risk is not material. The credit risk for cash and cash equivalents is considered negligible since the counterparties are reputable banks.

The Group's maximum exposure to credit risk is £5,845,000 (2018: £5,610,000) comprising trade and other receivables and cash.

LIQUIDITY RISK MANAGEMENT

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which monitors the Group's short, medium and long-term funding and liquidity management requirements on an appropriate basis. The Group manages liquidity risk by maintaining adequate reserves and banking facilities.

22 CALLED UP SHARE CAPITAL

	Deferred shares of 0.5p		Ordinary shares of 0.05p		Share premium
	Number of shares	Nominal value £'000	Number of shares	Nominal value £'000	£'000
ISSUED AND FULLY PAID:					
At 31 March 2016	56,255,351	281	1,193,098,159	597	1,713
1 for 11 share consolidation	108,463,469	543	108,463,469	54	-
Ordinary shares issued in year			451,763,417	226	8,608
Classified as merger reserve in respect of reverse acquisition					(6,555)
Share issue expenses					(97)
At 31 March 2017	164,718,820	824	560,226,886	280	3,669
Share issues			7,000,000	4	171
Capital reduction	(164,718,820)	(824)			(3,669)
At 31 March 2018	-	-	567,226,886	284	171
Share issues			1,350,000	1	-
At 31 March 2019	-	-	568,576,886	285	171

The Company has one class of ordinary shares, which carry no right of fixed income.

On 8 October 2018, the company announced that awarded a total of 1,350,000 Ordinary 0.05 pence shares in the company to staff and employees that were in employment during the initial public floatation in July 2015

23 EVENTS AFTER THE REPORTING PERIOD

Global Investment Strategy UK Ltd, paid a dividend of £600,000 to the Company after the reporting period.

24 RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries which are related parties have been eliminated on consolidation and are not disclosed in these financial statements.

KEY MANAGEMENT PERSONNEL

The remuneration of the directors and other key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*. Further information about the remuneration of individual directors of the Company is provided in Note 9.

	2019 £'000	2018 £'000
Short term employee benefits	819	827
Termination benefits	-	46
	819	873

Short term employee benefits include payments made to personal service companies of key management during the year totalled £543,000 (2017: £543,000).

Balances with the directors at the yearend are:

	2019 £'000	2018 £'000
Directors' remuneration payable	-	8
Loan receivable from John Gunn (included in other payables / other receivables)	29	54

The amount due from John Gunn was repaid in full on 20 August 2019

TRANSACTIONS WITH OTHER RELATED PARTIES

In previous years the Group charged rent and administration services to Inspirit Energy Holdings Limited ("Inspirit"), a Company connected to the Group, by way of John Gunn being a director and substantial shareholder in Inspirit. The amount due from Inspirit in respect of rent and services is summarised as follows:

	2019 £'000	2018 £'000
Total charges/(reversal of charges) in year (including VAT)	-	-
Amount due from Inspirit at 31 March (included in trade and other receivables)	95	95

The amount owed by Inspirit at the year end was settled by the issue to GIS of £95,000 convertible loan notes.

All balances with related parties are unsecured, interest free and do not have fixed terms of repayment.

25 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Group had no capital commitments or contingent liabilities as at the year end (2018: £nil).

26 CONTRACTUAL OBLIGATIONS

The Group's future minimum lease payments in respect of non-cancellable operating leases are as follows:

	2019 £'000	2018 £'000
Payable within 1 year	168	43
Payable within 2-5 years	42	-
	210	43

27 SHARE BASED PAYMENTS

EQUITY-SETTLED SHARE OPTION SCHEME

On 6 September 2017, a total of 12,000,000 options were granted to three directors of the Company, exercisable at 3p per share. Half of the options vested immediately and the other half vested on the anniversary of the date of grant. The options expire on the fourth anniversary of the date of grant.

On 28 September 2017, 1,750,000 options were granted on the same terms to a fourth director.

The fair value of the options was determined using the Black-Scholes option pricing model.

The significant inputs to the model in respect of the options granted were as follows:

	6 Sep 2017	28 Sep 2017
Grant date share price	2.575p	2.825p
Exercise share price	3p	3p
No. of share options	12,000,000	1,750,000
Risk free rate	1%	1%
Expected volatility	50%	50%
Option life	4 years	4 years
Calculated fair value per share	0.89714p	1.06409p

The total share-based payment expense recognised in the income statement for the year ended 31 March 2019 in respect of the share options granted was £63,000 (2018: £99,000).

Number of options at 1 Apr 2017	Granted in the year	Exercised in the year	Cancelled in the year	Number of options at 31 Mar 2018	Average exercise price	Vesting Date	Expiry date
–	6,875,000	–	–	6,875,000	0.92p	6.09.2017	6.09.2021
–	6,875,000	–	–	6,875,000	0.92p	6.09.2018	6.09.2021
–	13,750,000	–	–	13,750,000	0.92p		

28 ULTIMATE CONTROLLING PARTY

The Directors regard Mr. J Gunn as being the ultimate controlling party, by way of his controlling interest in the issued share capital of the Company.

Auditors' Report

The comparative figures for the financial year ended 31 March 2019 are not the Company's statutory accounts for that financial year but the consolidated accounts. Those accounts have been reported on by the Company's auditors and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) did not give any reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under sections 498 (2) or (3) of the Companies Act 2006, relating to the accounting records of the company.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.