Annual Financial Report

Apollo Commercial Property Plc announces its annual financial report for the year ended 28 February 2018.

This is included in the attachment below.

The Directors take responsibility for this announcement.

FOR FURTHER INFORMATION PLEASE CONTACT:
Martin Myers - Director
Apollo Commercial Property Plc
Telephone:+44207 935 1762
CSE Nominated Advisor - Nick Michaels and Jon Isaacs
Alfred Henry Corporate Finance Limited
www.alfredhenry.com
Tel: +44 203 772 0021

4 July 2018

Attachment:

1. **Annual Financial Report 2018**

Non Regulated
Publication Date: 04/07/2018

Company Registration No. 09448185 (England and Wales)

APOLLO COMMERCIAL PROPERTY PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2018

APOLLO COMMERCIAL PROPERTY PLC

COMPANY INFORMATION

Directors	Martin Myers David Anderson
Secretary	International Registrars Limited Finsgate 5-7 Cranwood Street London EC1V 9EE
Company number	09448185
Registered office	13 David Mews London W1U 6EQ
Auditors	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Bankers	Metro Bank PLC One Southampton Row London WC1B 5HA

APOLLO COMMERCIAL PROPERTY PLC

CONTENTS

APOLLO COMMERCIAL PROPERTY PLC

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2018

I am pleased to present the results of Apollo Commercial Property Plc ("Company") for the year to 28 February 2018.

The Company has £1,983,816 of fixed term bonds on the Cyprus Stock Exchange.

The loss for the period was £124,731. (2017: £22,975). This loss reflected the fact that the Company is in its initial phase and has incurred administrative expenses and finance costs in advance of future income being generated. The Company made a further loan during the period, secured over property, and expects to find further suitable investments over the next 12 months as relevant opportunities arise.

The Company continues to work towards the business plan and expect the returns to support the coupon payable on the bonds.

Martin Myers

Chairman

3 July 2018

APOLLO COMMERCIAL PROPERTY PLC

STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2018

Principal activities and fair review of the business
The Company was incorporated on 19 February 2015 in order to generate revenue from trading property, asset management, lending to real estate SPV companies, and change of use planning applications.

The Company has made a loss of £124,731 for the year (2017: £22,975).

Principal risks and uncertainties

The business remains at a relatively early stage of income generation and as a result, aspects of its business strategy are not proven. At this stage the Company cannot with certainty say that it will generate the returns to the extent it has projected.

Further discussion on risk and sensitivity analysis is discussed within note 4.

Key performance indicators
The performance indicators relate to revenue, cash and investments/loans made. Salient points are:

	2018	**2017**
	£	£
Loss for the period	(124,731)	(22,975)
Cash and cash equivalents	99	2,185
Secured loans	1,557,476	1,578,391

The reasons behind the loss for the period have been explained above and this does not reflect the expected performance of the Company.

Dependence on key personnel
Whilst the Company's intends to enter into contractual arrangements with the aim of securing the services of its executive Directors, the retention of their services cannot be guaranteed.

Future developments
The Company continues to investigate opportunities in its core market being to provide other business support services not elsewhere classified.

On behalf of the board

Martin Myers
Director
3 July 2018

APOLLO COMMERCIAL PROPERTY PLC

DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2018

The Directors present their report and financial statements for the year ended 28 February 2018.

Principal activities
The principal activity of the Company is to acquire distressed UK property, with profits derived from trading property, asset management, redevelopment and lending to real estate companies. Please refer to the Strategic Report for further details.

Results and dividends
The results for the period are set out on page 9.

Future developments
These are detailed in the Strategic Report above.

Directors
The following Directors have held office during the period:

David Anderson (resigned 8 March 2016 reappointed 25 May 2016)
Martin Myers (appointed 25 May 2016)
Sebastian Whitton (resigned 9 October 2017)

Directors' interest
At the date of this report the Directors held the following beneficial interest in the ordinary share capital of the Company:

	2018	**2017**
Hawnbrook Commercial Holdings Limited	-	50,000
Osprey Real Estate Limited	50,000	-

Martin Myers previously the beneficial owner of Hawnbrook Commercial Holdings Limited is also the beneficial owner of Osprey Real Estate Limited.

Substantial interests
As at 3 July 2018 the following investors had an interest of 3% or more in the ordinary share capital of the Company.

	Ordinary shares No.	Percentage
Osprey Real Estate Limited	50,000	100%

Martin Myers is the beneficial owner of Osprey Real Estate Limited

Creditor payment policy
The Company's policy is to pay creditors within the agreed terms which are generally no more than 30 days.

Financial risk and management of capital
The major balances and financial risks to which the Company is exposed to and the controls in place to minimise those risks are disclosed in Note 4. The principal current asset of the business are secured loans and the Directors take great care to ensure that protects its loans. Significant due diligence is undertaken prior to making any loan and these are closely monitored. The business maintains surplus cash reserves to minimise liquidity risk.

A description of how the Company manages its capital is also disclosed in Note 4.

The Board considers and reviews these risks on a strategic and day-to-day basis in order to minimise any potential exposure.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2018

Financial instruments

The Company has issued £1,983,816 fixed term bonds with a maturity date of 31 December 2025. The bonds have a coupon rate of 5% per annum, with coupons payable annually at 31 December.

Auditors

Jeffreys Henry LLP were appointed auditors to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to a General Meeting.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the Company's financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare the Company's financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union; and
- 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. They are also responsible for safeguarding the assets of the Company hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

Each person who is a Director at the date of approval of this Annual Report confirms that:
- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board

Martin Myers
Director

3 July 2018

APOLLO COMMERCIAL PROPERTY PLC

CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 28 FEBRUARY 2018

The board has sought to comply with a number of the provisions of the QCA Corporate Governance Code issued April 2018 ("the Code") in so far as it considers them to be appropriate to a Company of their size and nature. They make no statement of compliance with the Code overall and do not 'explain' in detail any aspect of the Code with which they do not comply.

Internal controls

The board is responsible for maintaining a sound system of internal controls to safeguard shareholders' investment and the Company's assets. The Directors monitor the operation of internal controls. The objective of the system is to safeguard the Company's assets, ensure proper accounting records are maintained and that the financial information used within the business and for publication is reliable. Any such system of internal control can only provide reasonable, but not absolute assurance against material misstatement or loss.

Internal financial control procedures undertaken by the board include:

- Review of biannual financial reports and monitoring performance; and
- Prior approval of all significant expenditure/loans including all major investment decisions.

The board has reviewed the operation and effectiveness of the Company's system of internal control for the financial period and the period up to the date of approval of the financial statements.

APOLLO COMMERCIAL PROPERTY PLC

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF APOLLO COMMERCIAL PROPERTY PLC

Opinion

We have audited the financial statements of Apollo Commercial Property Plc (the 'company') for the year ended 28 February 2018 which comprise the Statement of Comprehensive Income, the Statements of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2018 and of the loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 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.

Material uncertainty related to going concern

We draw attention to Note 2.1 to the financial statements concerning the Company's ability to continue as a going concern. The Company incurred a net loss of £124,731 during the year ended 28 February 2018 and, as at that date, it had net liabilities of £243,062. These matters along with other matters explained in note 2.1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter

We draw attention to Note 14 of the financial statements. The Company has advanced, including accrued interest, an amount of £1,557,476 to Affinity Developments Plc the recovery of which is dependent on the successful development of various projects. There is uncertainty in respect of obtaining planning permission and the raising of finance to develop the sites. The financial statements do not include the adjustments that would result if the Company were to make a provision against the balances.

Other information

The directors are responsible for the other information. The other information comprises the information included in the report, other than the financial statements and our auditor's report thereon. 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF APOLLO COMMERCIAL PROPERTY PLC (CONTINUED)

Other information (continued)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 year for which the financial statements are prepared are 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 its 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 where the Companies Act 2006 requires us to report to you if in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 4, 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.

APOLLO COMMERCIAL PROPERTY PLC

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF APOLLO COMMERCIAL PROPERTY PLC (CONTINUED)

Responsibilities of directors (continued)

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Use of this report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sanjay Parmar (Senior statutory auditor)

For and on behalf of Jeffreys Henry LLP Chartered Accountants, Statutory Auditor

Finsgate

5-7 Cranwood Street

London,

EC1V 9EE

3 July 2018

APOLLO COMMERCIAL PROPERTY PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 FEBRUARY 2018

	Notes	2018	2017
		£	£
Continuing operations			
Revenue		137,767	131,123
Administrative expenses		(138,783)	(65,039)
Operating loss	6	(1,016)	66,084
Finance income		-	-
Finance costs	8	(123,715)	(89,059)
Loss on ordinary activities before taxation		(124,731)	(22,975)
Income tax expense	9		-
Loss for the period		(124,731)	(22,975)
Loss per share (expressed in pence per share)	10	(249.46)p	(45.95)p

The notes on pages 13 to 23 form part of these financial statements

APOLLO COMMERCIAL PROPERTY PLC

STATEMENT OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2018

	Notes	As at 28 February 2018 £	As at 28 February 2017 £
Assets			
Current assets			
Secured loan	14	1,557,476	1,578,391
Other receivables	12	276,606	225,249
Cash and cash equivalents	13	99	2,185
Total assets		1,834,181	1,805,825
Equity and liabilities			
Equity attributable to owners of the Company			
Ordinary shares	15	50,000	50,000
Accumulated losses	16	(293,063)	(168,332)
Total equity		(243,063)	(118,332)
Liabilities			
Non-current liabilities			
Borrowings	18	1,900,766	1,904,086
Current liabilities			
Trade and other payables	17	176,478	20,071
Total liabilities		2,077,244	1,924,157
Total equity and liabilities		1,834,181	1,805,825

The notes on pages 13 to 23 form part of these financial statements.

Approved by the Board and authorised for issue on 3 July 2018.

Martin Myers
Director

Company Registration No. 09448185

APOLLO COMMERCIAL PROPERTY PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 28 FEBRUARY 2018

	Notes	Year ending 28 February 2018	Year ending 28 February 2017
			£
Cash flows from operating activities			
Cash generated from operations	19	85,469	(60,014)
Finance costs paid		(106,203)	(109,897)
Net cash utilised in operating activities		(20,734)	(169,911)
Cash flows from investing activities			
Loans repaid		375,000	375,000
Loans advanced		(354,085)	(1,578,391)
Net cash generated in investing activities		20,915	(1,203,391)
Cash flows from financing activities			
Issue of ordinary share capital		-	-
Purchase of debentures		(2,267)	-
Proceeds from issue of debenture loans		-	398,441
Net cash utilised from financing activities		(2,267)	398,441
Net increase in cash and cash equivalents		(2,086)	(974,861)
Cash and cash equivalents at the beginning of the period		2,185	977,046
Cash and cash equivalents at end of period		99	2,185

The notes on pages 13 to 23 form part of these financial statements

APOLLO COMMERCIAL PROPERTY PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 28 FEBRUARY 2018

	Share capital £	Accumulated losses £	Total £
As at 1 March 2016	50,000	(145,357)	(95,357)
Loss for the period	-	(22,975)	(22,975)
As at 28 February 2017	**50,000**	**(168,332)**	**(118,332)**
Loss for the year	-	(124,731)	(124,731)
As at 28 February 2018	**50,000**	**(293,063)**	**(243,063)**

Share capital is the amount subscribed for shares at nominal value.
Accumulated losses represent the cumulative loss of the Company attributable to equity shareholders.

1 General information

The principal activities of the Company are disclosed in the Strategic Report. The Company is both based and has been incorporated in the United Kingdom. The address of the registered office is disclosed on the Company information page at the front of the Annual Report.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the year presented unless otherwise stated.

2.1 Basis of preparation

The statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Going concern

The financial statements have been prepared on the going concern basis. The Company has loans to Affinity Developments Plc that have a good business plan which is expected to generate returns for the Company. Affinity Developments Plc have provided the Company with a legally binding letter of support which confirms that they will provide the Company with such additional working capital as necessary to meet its debts as and when they fall due for a period of at least one year from the date of signature of the accounts. The Company's debentures are long term and are not due for repayment year 2025.

Based on the above the Directors believe that the necessary funding will be available to the Company to enable them to trade for the foreseeable future. The financial statements do not include any adjustments that would result if the necessary long-term financing was not secured by the Company and if the above support to the Company was withdrawn

Preparation of financial statements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

New and amended standards adopted by the Company

The Company has adopted the following new and amended IFRSs as of 28 February 2018. This is the Company's first financial period end, so all accounting standards are being applied for the first time.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 FEBRUARY 2018

2.1 Standards, interpretations and amendments to published standards that are not yet effective

	Title	Summary	Application date of standard	Application date of Company
Amendments to IFRS1	First-time Adoption of International Financial Reporting Standards	Amendments resulting from Annual Improvements 2014-2016 Cycle (removing short-term exemptions	Annual periods beginning on or after 1 January 2018	1 January 2018
Amendments to IFRS2	Share-based Payment	Amendments to clarify the classification and measurement of share based payment transactions	Annual period beginning on or after 1 January 2018	1 January 2018
Amendments to IFRS4	Insurance Contracts	Amendments regarding the interaction of IFRS 4 and IFRS 9	Annual period beginning on or after 1 January 2018	1 January 2018
Amendments to IFRS 9	Financial Instruments	Amendments regarding the interaction of IFRS4 and IFRS 9	Annual period beginning on or after 1 January 2018	1 January 2018
IFRS 15	Revenue from Contracts with Customers	Original issue	Annual periods beginning on or after 1 January 2018	1 January 2018
IFRS 16	Leases	Original issue	Annual periods beginning on or after 1 January 2019	1 January 2019
Amendments to IAS 28	Investments in Associates and Joint Ventures	Amendments resulting from Annual improvements 2014-2016 cycle (Clarifying certain fair value measurements)	Annual periods beginning on or after January 2018	1 January 2018
Amendments to IAS 39	Financial Instruments: recognition and measurement	Amendments to permit entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS9 is applied and to extend the fair value option to certain contracts that meet the 'own use' scope exception	Applies when IFRS9 applied	1 January 2018
Amendments to IAS40	Investment Property	Amendments to clarify transfers or property to, or from investment property	Annual period beginning on or after January 2018	1 January 2018

2.2 Financial assets and liabilities

The Company classifies it financial assets at fair value through profit and loss or as loans and receivables and classifies its financial liabilities as other financial liabilities. Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value. At inception transaction costs that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, is added to the fair value of the financial asset and deducted from the fair value of the financial liability.

(a) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. Loans are recognised when the funds are advanced to customers. Loans and receivables are carried at amortised cost using the effective interest method (see below).

(b) Other financial liabilities
Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments. Other financial liabilities are recognised when cash is received from the depositors. Other financial liabilities are carried at amortised cost using the effective interest method. The fair value of other liabilities repayable on demand is assumed to be the amount payable on demand at the Statement of Financial Position date

Derecognition
Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all of the risks and rewards of ownership. In transactions in which the Company's neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company's continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. There have not been any instances where assets have only been partly derecognised. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Amortised cost measurement
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment.

Fair value measurement
Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities in active markets are based on current bid and offer prices respectively. If the market is not active the Company establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

2.3 Revenue

Revenue will comprise interest income using the effective interest method. The effective interest method calculates the amortised cost of a financial asset and allocated the interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company takes into account all contractual terms of the financial instrument but does not consider future credit losses.

2.4 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

2.5 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.6 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less.

2.7 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings consist of interest bearing debentures, which are quoted.

2.8 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.9 Income tax expense

Current income tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3 Critical accounting estimates and judgments

The Company makes certain judgements and estimates that affect the reported amount of assets and liabilities. Critical judgements and the assumptions used in calculating estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company assets include loans made to related and third party companies. The Directors do not believe the loans require any provisions against recovery of the principal or interest at the period end.

4 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

4.1 Financial risk factors

The Company's activities may expose it to a variety of financial risks and credit risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

a) Credit risk
The Company's take on exposure to credit risk, which is this risk that the counterparty will be unable to pay amounts in full when due. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is also maintained by obtaining collateral, the loans to customers include debentures and personal guarantees and the Directors therefore believe there is a low risk of customer default.
The maximum exposure to credit risk for the Company's was as follows:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2018

Credit risk exposure relating to on-balance sheet assets are as follows:	**2018** **£**	**2017** **£**
Other receivables	276,606	225,249
Secured loan	1,557,476	1,578,391
At 28 February 2018	1,834,082	1,803,640

b) Cash flow and Interest rate risk
The Company's borrowings are at a fixed rate of interest exposing the Company to fair value interest rate risk. The Company does not manage any cash flow interest rate risk.

c) Liquidity risk
The Company is careful to ensure that its loans and investments can be realised prior to the due date for the repayment of the debentures. This applies equally to the underlying investments of the companies or projects in which the Company invests.

d) Capital risk
The Company takes great care to protect its capital investments. Significant due diligence is undertaken prior to making any investment. The investments are closely monitored.

e) Market risk
A general economic downturn at a global level, or in one of the world's leading economies, could impact on the Company. In addition, terrorism and other hostilities, as well as disturbances in worldwide financial markets, could have a negative effect on the Company. Regulatory requirements, taxes, tariffs and other trade barriers, price or exchange controls or other governmental policies could also limit the Company's operations. These risks are also applicable to most companies and the risk that the Company will be more affected than the majority of companies is assessed as small.

f) Price risk
The Company's principal activity is short-term business loans. The Company does not have a diversified portfolio of assets and is therefore at risk.

4.2 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure appropriate for its growth plans.

In order to maintain or adjust the capital structure the Company may issue new shares or alter debt levels.

5 Segment information

The Company's single line of business is investing in liquid assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2018

6 Operating loss

	2018 £	2017 £
Operating loss is stated after charging:		
Directors remuneration	11,433	12,349
Auditors Remuneration	-	-
Audit fees	7,750	6,360
Non-audit fees	750	960
Provision for diminution in value		

7 Staff costs

Employees and Directors	2018 £	2017 £
Directors' remuneration	11,433	12,349
Social security costs	-	-
	11,433	12,349

The average monthly number of employees (including directors) during the period was:

	2018 Number	2017 Number
Directors	3	3
Staff	-	-
	3	3

8 Finance income and costs

	2018 £	2017 £
Amortisation of financing costs for debentures	18,564	9,111
Interest payable	105,151	79,948
Finance cost in relation to debentures	123,715	89,059

9 Taxation

	2018 £	2017 £
Total current tax	-	-
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(124,731)	(22,975)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20%/19%	(23,803)	(4,595)
Effects of:		
Non-deductible expenses	-	-
Tax losses carried forward	23,803	4,595
Current tax charge for the period	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 28 FEBRUARY 2018

9 Taxation (continued)

The Company has estimated tax losses of £292,750 (2017 £168,019) available for carry forward against future trading profits.

The deferred tax asset at the year-end of £55,623 (2017 £33,604) has not been recognised in the financial statements due to the uncertainty of the recoverability of the amount.

10 Earnings per share

	2018	2017
Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:		
Loss after tax attributable to equity holders of the Company	(124,731)	(22,975)
Weighted average number of ordinary shares	50,000	50,000
Basic and diluted loss per share	(249.46)p	(45.95)p

11 Dividends

No dividends were paid or proposed for the year to 28 February 2018.

12 Other receivables

	2018 £	2017 £
Other receivables	239,106	187,749
Unpaid share capital	37,500	37,500
	276,606	225,249

13 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at banks and on hand and deposits with banks. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position as follows:

	2018 £	2017 £
Cash and cash equivalents	99	2,185

The carrying amount of cash and cash equivalents approximates to its fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2018

14 Secured Loan

	2018 £	2017 £
Secured Loan	1,557,476	1,578,391

£1,557,476 was loaned to Affinity Developments Plc, secured on the assets of the borrower. This is on a rolling forward facility at an interest rate of 9% per annum.

15 Share capital

	2018 £	2017 £
Allotted, called up and partly paid		
50,000 Ordinary shares of £1 each	50,000	50,000

On incorporation on 19 February 2015, the Company issued 1 Ordinary Share at par value of £1 which has been called up and fully paid. On 8 April 2015, a further 49,999 Ordinary shares of £1 shares were issued, allotted and fully called up, to date only £12,500 has been paid in by shareholders.

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

16 Accumulated losses

	2018 £	2017 £
Loss bought forward	(168,332)	(145,357)
Loss for the period	(124,731)	(22,975)
At 28 February 2018	(293,063)	(168,332)

17 Trade and other payables

	2018 £	2017 £
Accruals and deferred income	176,478	20,071
	176,478	20,071

Accruals principally comprise amounts outstanding for on-going expenses and accrued interest on issued debentures and the loan facility. The carrying amount of other payables approximates to its fair value.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2018

18 Borrowings

	2018 £	2017 £
Non-current		
Debentures	1,983,815	1,986,082
Introduction to Finance costs	(83,049)	(81,996)
	1,900,766	1,904,086

The debentures are secured by a first floating charge over all of the assets of the Company and bear interest of 5% per annum paid in yearly instalments. The debentures expire on 31 December 2025 and are due for repayment on this date.

The Introduction to Finance costs were incurred upon the placing of bonds and was paid to a related party as detailed in note 21 to the accounts. These amounts are being amortised on a straight line basis over the 10 year life of the bonds. The above balance represents the remaining unamortised amount.

19 Cash generated from operations

	2018 £	2017 £
Reconciliation to cash generated from operations		
Loss before taxation	(124,731)	(22,975)
Adjustments for:		
Interest expense	105,151	89,059
Unrealised loss of investments		
Changes in working capital:		
- Increase in loans and other receivable	(51,357)	(120,327)
- Increase in trade and other payables	156,406	(5,771)
	85,469	(60,014)

20 Control

The ultimate controlling party at the date of this report is Martin Myers who wholly owns Hawnbrook Commercial Holdings Limited, which owns 100% of the shares of the Company.

21 Related party transactions

Affinity Developments Plc

During the year Apollo Commercial Property Plc made a loan to Affinity Developments Plc for £1,557,476 which is outstanding at the year-end together with interest of £239,107 which has been charged on the loan as detailed in note 14 of the financial statements.

This is a related party as Robert Whitton, the father of Sebastian Whitton is a Director and 100% shareholder.

Affinity Global Advisors Limited

During the year AGA Ltd lent Apollo Commercial Property Plc £10,213 which is outstanding at the year end.

This is a related party as Sebastian Whitton is a director of AGA Ltd.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2018

21 Related party transactions (continued)

Ballarat Property Plc

During the year Ballarat Property Plc lent £480 to Apollo Commercial Property Plc which is outstanding at the year end.

This is a related party as Martin Myers and David Anderson are directors of Ballarat Property Plc.

Wellesley Commercial Property Limited

During the year Wellesley Commercial Property Limited lent £9,716 to Apollo Commercial Property Plc which was outstanding at the year end.

This is a related party as Martin Myers, and Robert Whitton are directors of Wellesley Commercial Property Limited.

Affinity Commercial LLP

During the year Affinity Commercial LLP lent £98,088 to Apollo Commercial Property Plc which was outstanding at the year end but was repaid in March 2018.

This is a related party as Robert Whitton is a director of Affinity Commercial LLP.

22 Contingent liabilities

The Company has no contingent liabilities.

23 Capital commitments

There was no capital expenditure contracted for at the end of the reporting period but not yet incurred.

24 Events after the reporting period

On 1 June 2018 Martin Myers sold his controlling interest in Hawnbrook Commercial Holdings Limited to Robert Whitton who then became the beneficial owner of Apollo Commercial Property Plc until 18 June 2018.

On 18 June 2018 the shareholding in the Company was transferred from Hawnbrook Commercial Holdings Limited to Osprey Real Estate Limited and Martin Myers remained as the beneficial owner of Apollo Commercial Property Plc by virtue of the fact that he is the beneficial owner of Osprey Real Estate Limited.