

BASKERVILLE CAPITAL PLC
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2020

Company Number: 10712201

BASKERVILLE CAPITAL PLC
REPORT AND FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 JUNE 2020

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BASKERVILLE CAPITAL PLC

COMPANY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2020

Directors

R Sargent
J Kehoe

Secretary

R Sargent

Registered Office

4th floor
43-44 Albemarle Street
London
W1S 4JJ

Company number

10712201

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

BASKERVILLE CAPITAL PLC

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

INTRODUCTION

I am pleased to present the financial results for the year ended 30 June 2020.

BUSINESS REVIEW

During this year, Baskerville Capital plc recorded a loss of £237,554 (2019: £100,252) and the loss per share was 0.5p (2019: 0.21p). These costs reflect the ongoing administration costs of being listed on the London Stock Exchange and professional fees incurred prior to year end regarding the proposed acquisition of Oberon Investments Limited ('Oberon'). The Company held cash reserves at the year end of £160,474 (2019: £1.6m) with no debt financing. The reduction in cash is primarily due to the investment in Oberon equity described below.

On 27 January 2020, Baskerville announced the acquisition of a 7.83% shareholding in Oberon for £850,640 in cash ('Investment'), with a commitment to subscribe for a further £350,945 worth of Oberon shares ('Second Subscription'). Oberon is the holding company of MD Barnard & Co Limited (trading as Oberon Investments), an FCA regulated fund manager. The Investment has been made by Baskerville to assist Oberon in funding and accelerating its acquisition strategy.

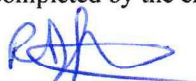
In addition to the investment, Baskerville and Oberon have entered into non-legally binding heads of agreement providing for the acquisition by Baskerville of the entire issued share capital of Oberon not already owned by it ('Proposed Acquisition'). The purchase price of the Proposed Acquisition will be satisfied by the allotment and issue to the sellers of Oberon of new ordinary shares in Baskerville.

As Baskerville is a cash shell, the Investment is deemed to be a reverse takeover under the Listing Rules. As a result, the Company's shares were suspended on 27 January 2020, pending the publication of a prospectus.

On 25 June 2020, Baskerville made the Second Subscription into Oberon. As a result of better than expected trading, the directors of Oberon requested that the amount of the Second Subscription be reduced. As such, a second subscription of £295,390 was made for a further 2.3% of the equity of Oberon.

Since the original investment in Oberon was made, assets under administration ('AUA') at Oberon have grown organically from £120m to just under £200m, despite the decline in markets triggered by the Covid pandemic. Further to this, on 26 June 2020, Oberon completed the acquisition of the UK retail wealth management business of Hanson Asset Management, adding an additional £100m of AUA, bringing Oberon's total AUA to over £300m.

The Proposed Acquisition of Oberon is subject to legal, financial and other due diligence and entry into a legally binding agreement. As the Company has not yet entered into such an agreement, it cannot guarantee that the Proposed Acquisition will complete. However, following progress over the last few weeks, it is now expected the Proposed Acquisition will be completed by the end of the current calendar year.



R Sargent
Chairman

28 October 2020

BASKERVILLE CAPITAL PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The Directors present the Strategic Report for the year ended 30 June 2020.

The Company incorporated on 6 April 2017 as Baskerville Capital plc.

RESULTS

The Company made a loss for the year of £237,554 (2019: £100,252).

BUSINESS MODEL, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company's business model was to identify investment opportunities in the technology sector. However, during the year under review the Directors' considered a number of potential investments, and the proposed acquisition of Oberon was felt to be a potentially value accretive for shareholders. As a result, the Directors agreed to a change in strategy away from technology, to acquire a fast growing fund management business. Further information on the Company's activities is contained in the Chairman's Statement on page 2.

KEY PERFORMANCE INDICATORS

The Board seeks to maximise share value by investing in sectors with high growth potential. Should the Proposed acquisition complete, the Board will assess it against a number of KPI's relevant to a fund management business of its size and growth potential.

ENVIRONMENTAL AND SOCIAL IMPACT

As at the date of this report the Company a potential investment opportunities has been identified. Accordingly, until such time that an investment is made, the Directors' consider that the Company's business activities have a minimal environmental and social impact.

EMPLOYEES

With the exception of the Directors' the Company does not have any employees. The Board of Directors' is comprised of two males. Additional board appointments will be made should the proposed acquisition complete.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns to the shareholders. It is the current strategy of the Group to finance its activities from existing equity and reserves and by the issue of new equity whenever required.

Financial risk management

The directors consider the Company to be exposed to the following financial risks:

- a. Price risk: the price paid for securities is subject to market movement that will have an impact on the operations of the Company.

Given the relatively small size and operation of the Company in the year, the directors have not delegated the responsibility of risk monitoring to a sub-committee of the board, but will closely monitor the risks on a regular basis. The directors consider their exposure in the financial year to have been low.



Rodger Sargent

Director

28 October 2020

BASKERVILLE CAPITAL PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2020

The Directors present their report together with the financial statements for the year ended 30 June 2020.

PRINCIPAL ACTIVITY

Baskerville Capital plc was created to undertake an acquisition within the technology industry. However, during the year under review the Directors considered a number of potential investments, and the proposed acquisition of Oberon was felt to be a potentially value accretive for shareholders. As a result, the Directors agreed to a change in strategy away from technology, to acquire a fast growing fund management business.

RESULTS AND DIVIDENDS

The loss before and after taxation for the year was £237,554 (2019: £100,252). The directors do not recommend payment of a dividend.

DIRECTORS

The Directors who served the Company during the year and to the date of these financial statements were:

R Sargent
J Kehoe

The Directors of the Company held the following interests in the shares of Baskerville Capital plc at the 30 June 2020.

Directly and indirectly held by the directors:

J Kehoe	3,700,000	7.7%
R Sargent	2,500,000	5.2%

There have been no material changes to the Directors' shareholdings between the year-end and the date that this report was issued.

DIRECTORS' REMUNERATION

This report is submitted in accordance with Schedule 8 of the Large and Medium sized Companies (Accounts and Reports) (Amendment) Regulations 2013 in respect of the year ended 30 June 2020. The reporting requirements entail two sections to be included, a Policy Report and an Annual Remuneration Report which are presented below.

The Company's auditor, Haysmacintyre LLP, is required to give its opinion on certain information included in this report, this comprises of the Directors Remuneration and the information on directors' shareholdings which is detailed above and also forms part of this directors' remuneration report. Their report on these and other matters is set out on page 7.

Policy

The Company's Directors as a whole considers Directors' remuneration and has not sought advice or services from any person in respect of its consideration of Directors' remuneration during the year although the Directors expect from time to time to review the fees against those paid to boards of directors of comparable organisations and appointments. During the year the Directors' policy has been that the Directors' shall receive such remuneration as shall be agreed between the Directors' from time to time and consistent with amounts that are paid to Directors' of similar organisations. This policy will be reconsidered following the successful completion of an investment.

Annual Remuneration Report

The Directors received remuneration as disclosed in note 6 during the year. The single total remuneration received by the Directors' during the year was £50,000 (2019: £50,000).

Details of the Directors' shareholdings in the Company are set out above and details of the Directors' share options are disclosed in note 13 to these financial statements.

BASKERVILLE CAPITAL PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2020

SUBSTANTIAL SHAREHOLDINGS

On 30 June 2020, the following interests in 3% or more of the issued share capital appear in the register:

J F Cox	5,100,000	10.7%
J Kehoe	3,700,000	7.7%
Christopher Akers	3,800,000	7.9%
Canaccord Genuity Wealth Management	3,400,000	7.1%
Chris Venner	2,600,000	5.4%
R Sargent	2,500,000	5.2%
Michael Wright	1,900,000	4.0%
MD Barnard, stockbrokers	1,875,000	3.9%
Mohamed Hanif Patel	1,800,000	3.8%
Courtney Investments	1,600,000	3.3%

There has not been a material change to the above shareholdings since the year-end.

CORPORATE GOVERNANCE

As a company listed on the Standard Segment of the Official List of the UK Listing Authority, the Company is not required to comply with the provisions of the UK Corporate Governance Code. Although the Company does not comply with the UK Corporate Governance Code, the Company intends to have regard for the provision of the Corporate Governance Code insofar as is appropriate, save as set out below:

Until an acquisition is made the Company will not have nomination, remuneration, audit or risk committees. The Board as a whole will instead review its size, structure and composition, the scale and structure of the Directors' fees (taking into account the interests of Shareholders and the performance of the Company), take responsibility for the appointment of auditors and payment of their audit fee, monitor and review the integrity of the Company's financial statements, the Board's performance and take responsibility for any formal announcements on the Company's financial performance. Following an acquisition the Board intends to put in place nomination, remuneration and audit and risk committees. The Board has adopted the Model Code for Directors' dealings contained in the Listing Rules of the UK Listing Authority. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

The Directors are responsible for internal control in the Company and for reviewing its effectiveness. Due to the size of the Company, all key decisions are made by the Board in full. The Directors have reviewed the effectiveness of the Company's systems during the year under review and consider that there have been no material losses, contingencies or uncertainties due to the weakness in the controls. The Board do not consider the internal audit function to be necessary due to the Company being a special purpose acquisition company.

The Directors consider that the Board of Directors is appropriate for the size and nature of the Company. The Directors have implemented appropriate systems which includes segregating certain activities so as to ensure that there is no conflict of interests.

GOING CONCERN

The directors have assessed the Company's position as at 30 June 2020 and for the 12 months following the approval of the financial statements and for the reasons set out in the accounting policy note (see note 2) consider it appropriate to prepare the financial statements on a going concern basis.

BASKERVILLE CAPITAL PLC

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 30 JUNE 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare Company financial statements for each financial year. Under that law the directors are required to prepare the Company financial statements in accordance with IFRSs as adopted by the EU and in accordance with generally accepted accounting principles or practice. Under applicable law and regulations, the directors are also responsible for preparing a Directors' Report to comply with that law and those regulations. In determining how amounts are presented within terms in the income statement and statement of financial position the directors have had regard to the substance of the reported transaction or arrangement in accordance with generally accepted accounting principles or practice.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that year.

In preparing the Company 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 IFRSs as adopted by the EU subject to any material departures disclosed and explained in the Company financial statements; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

In the case of each person who was a director at the time this report was approved:

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

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

A resolution to re-appoint Haysmacintyre LLP as auditors will be presented to the members at the Annual General Meeting in accordance with Section 485(2) of the Companies Act 2006.



Rodger Sargent
On behalf of the Board

28 October 2020

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BASKERVILLE CAPITAL PLC

Opinion

We have audited the financial statements of Baskerville Capital Plc (the 'company') for the year ended 30 June 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related 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 30 June 2020 and of the company's 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BASKERVILLE CAPITAL PLC

	The risk	Our response to the risk:
Going concern	As a result of losses incurred by the Company there is a risk that the going concern basis of preparation may not be appropriate.	<p>We obtained from the Directors their consideration of the appropriateness of the going concern basis of preparation including their consideration of the Company's ongoing commitments for a period of at least twelve months from the date that the financial statements are approved.</p> <p>We performed our own analysis of the Company's forecast running costs and challenged the Directors on key assumptions that they made in forming their going concern conclusions. In particular, we challenged management on whether the Company had sufficient cash reserves to enable the Company to continue to meet its ongoing obligations.</p> <p>We considered, the appropriateness of the going concern disclosures in the Company's financial statements.</p>
	Key observations communicated to the Audit Committee <p>We reported to the Directors that based on the procedures performed that we had identified that the Company appeared to have insufficient cash reserves to meet its contractual commitments for the period covering twelve months from the date of approval of these financial statements. We therefore challenged the Directors on the Company's ability to meet their ongoing obligations. In response the Directors demonstrated that they had the flexibility to defer their own remuneration and also provided us with further evidence that demonstrated the existence of other facilities that were available to the Company should the need arise.</p> <p>Based on the procedures we are therefore satisfied with the Directors' conclusions in respect of the appropriateness of the going concern basis of preparation.</p>	

Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality. We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole. For the purpose of this audit, a materiality level of 2% of gross assets was utilised being £30,000. Performance materiality was set at 75% of materiality. Any misstatements identified above 5% of materiality and not adjusted were reported to the directors as unadjusted misstatements. Materiality was based on gross assets as the company currently holds cash and is looking for investment opportunities.

An overview of the scope of our audit

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and the internal control environment when assessing the level of work to be performed.

Based on our assessment of the accounting processes, the industry in which the Company operates and assessed that, based on the control environment, it was appropriate to undertake an entirely substantive audit approach. Our substantive audit procedures included testing of total expenditure, total assets, liabilities and equity.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BASKERVILLE CAPITAL PLC

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements; and
- the Directors' Remuneration report has been properly prepared in accordance with the Companies Act 2006.

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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative 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 not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they can reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BASKERVILLE CAPITAL PLC

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are the Companies Act 2006 and the Listing Rules.
- We understood how the Company is complying with those frameworks through discussions with the Directors.
- We assessed the susceptibility of the Company's financial statements to material misstatement including how fraud might occur by considering the key risks impacting the financial statements.
- We carried out a review of manual entries recorded in management's accounting records and assessed the appropriateness of such entries.
- We have assessed that the Company's control environment is adequate for the size and operating model of such a listed Company.

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.

Other matters we are required to address

We were appointed by the Audit Committee on 28 August 2018 to audit the financial statements for the period ending 30 June 2019. Our total uninterrupted period of engagement is 2 years covering the three years to 30 June 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

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.



Ian Cliffe
Senior Statutory Auditor
for and on behalf of Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 28 October 2020

BASKERVILLE CAPITAL PLC**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 30 JUNE 2020**

	Note	Year ended 2020 £	Period ended 2019 £
CONTINUING OPERATIONS			
Administrative expenses		(241,760)	(108,495)
OPERATING LOSS	4	<u>(241,760)</u>	<u>(108,495)</u>
Interest income		4,205	8,243
LOSS FOR THE YEAR BEFORE TAXATION		<u>(237,555)</u>	<u>(100,252)</u>
Taxation	7	-	-
TOTAL COMPREHENSIVE INCOME		<u><u>(237,555)</u></u>	<u><u>(100,252)</u></u>
BASIC AND DILUTED LOSS PER SHARE (PENCE)	14	<u><u>(0.50)p</u></u>	<u><u>(0.21)p</u></u>

There was no other comprehensive income in 2020 (2019: £nil)

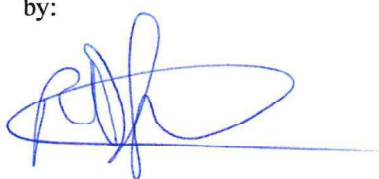
The notes on pages 15 to 22 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	Note	2020 £	2019 £
CURRENT ASSETS			
Investments	8	1,146,030	-
Trade and other receivables	9	12,882	14,532
Cash and cash equivalents	10	160,474	1,489,666
TOTAL ASSETS		<u>1,319,386</u>	<u>1,504,198</u>
CURRENT LIABILITIES			
Trade and other payables	11	(65,981)	(13,239)
NET ASSETS		<u>1,253,405</u>	<u>1,490,959</u>
EQUITY			
Share capital	12	239,000	239,000
Share premium account	12	1,467,894	1,467,894
Share option reserve		53,252	53,252
Retained losses		(506,741)	(269,186)
TOTAL EQUITY		<u>1,253,405</u>	<u>1,490,959</u>

These financial statements were approved by the Board of Directors on 28 October 2020 and were signed on its behalf by:



Rodger Sargent

The notes on pages 15 to 22 form part of these financial statements.

BASKERVILLE CAPITAL PLC**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 30 JUNE 2020**

	Share Capital £	Share Premium £	Share option reserve £	Retained Losses £	Total Equity £
Balance at 30 June 2018	239,000	1,467,894	53,252	(168,934)	1,591,212
Loss for the period and total comprehensive loss	-	-	-	(100,252)	(100,252)
Balance at 30 June 2019	239,000	1,467,894	53,252	(269,186)	1,490,959
Loss for the year and total comprehensive loss	-	-	-	(237,555)	(237,555)
Balance at 30 June 2020	<u>239,000</u>	<u>1,467,894</u>	<u>53,252</u>	<u>(506,741)</u>	<u>1,253,405</u>

The notes on pages 15 to 22 form part of these financial statements.

BASKERVILLE CAPITAL PLC**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 30 JUNE 2020**

	Note	Year ended 2020 £	Period ended 2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss after taxation		(237,554)	(100,252)
<i>Adjustments for:</i>			
Decrease in trade and other receivables		1,650	85
Increase/(Decrease) in trade and other payables		52,742	(26,383)
Interest receivable		(4,205)	(8,243)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(187,367)	(134,793)
CASH FLOWS FROM FINANCING ACTIVITIES			
Investments		(1,146,030)	-
Interest receivable		4,205	8,243
NET CASH (OUTFLOW) / INFLOW FROM FINANCING ACTIVITIES		(1,141,825)	8,243
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,329,192)	(126,550)
Cash and cash equivalents brought forward		1,489,666	1,616,216
CASH AND CASH EQUIVALENTS CARRIED FORWARD	8	160,474	1,489,666

The notes on pages 15 to 22 form part of these financial statements.

BASKERVILLE CAPITAL PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1. GENERAL INFORMATION

Baskerville Capital plc is a public limited company registered and incorporated in England and Wales. The Company's principal activities are described in the Directors' Report. The Company's registered office and principal place of business is 4th floor, 43-44 Albemarle Street, London W1S 4JJ.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The financial statements are presented in pounds sterling (£) which is the functional currency of the company.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the Company are presented below under 'Statement of Compliance'.

Statement of compliance

The financial statements comply with IFRS as adopted by the European Union. At the date of authorisation of these financial statements the following Standards and Interpretations affecting the Company, which have not been applied in these financial statements, were in issue, but not yet effective. The company does not plan to adopt these standards early.

- IFRS 3 Business Combinations (effective for accounting years beginning on or after 1 January 2020)

Going Concern

The directors have assessed the Company's position as at 30 June 2020 and considered the ability of the Company to meet its ongoing liabilities as and when they fall due for a period of at least 12 months from the date that these financial statements are approved. In forming their assessment, the Directors' have considered the level of cash reserves within the business (as at 30 June 2020 £160,474) and the ability of the Company to meet its ongoing contractual commitments. The Directors note that in the event that the proposed transaction does not complete (see detail in the Chairman's statement on page 2 of the accounts) that the Company's contractual commitments for the 12 months from the date that these accounts are approved are in excess of the cash reserves within the Company. Notwithstanding this the Directors that should the need arise they will defer their remuneration in order to enable the Company to meet its other obligations. Furthermore, the Directors noted the existence of other facilities that are available to them that would provide the Company with additional resources to meet its ongoing commitments. The Directors' are therefore satisfied that the Company has sufficient liquid resources to meet its ongoing obligations for the foreseeable future.

The Directors have also considered the potential impact of the worldwide outbreak of the COVID-19 virus on the Company's ability to continue as a going concern and note that whilst this does create additional uncertainty that they remain satisfied that the Company has sufficient resources to continue as a going concern.

Consequently, the Directors are satisfied that it remains appropriate to prepare these financial statements on the going concern basis of preparation.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

The directors are of the opinion that the Company is not currently engaged in any more than a single sector as it has not yet traded and has incurred only set up fees and the costs of running a business for the year. The Company is based in the United Kingdom and accordingly, no segmental analysis is considered necessary.

2. ACCOUNTING POLICIES (Continued)

Expenses

All expenses are accounted for on an accruals basis and are presented through the Statement of Comprehensive Income.

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 options and warrants 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.

Taxation

Current taxation is the taxation currently payable on taxable profit for the year.

Trade and other receivables

Trade and other receivables are recognised and carried at original invoice value less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Financial instruments

The Company's financial assets measured at amortised cost comprise cash and cash equivalents.

The Company's financial liabilities comprise trade payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Company becomes a party to the contractual provisions of the instruments.

Investments

Fixed asset investments are initially recorded at cost, and subsequently are recognised at fair value through profit or loss in accordance with IFRS 9. Where it is not possible to reliably establish the fair value of an investment the investment is recognised at cost less any accumulated impairment losses.

2. ACCOUNTING POLICIES (Continued)

Equity

Equity comprises the following:

- “Share capital” represents the nominal value of equity shares.
- “Share premium” represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- “Share option reserve” represents the value of warrants and options issued.
- “Retained losses” represents cumulative net gains and losses recognised in the Statement of Comprehensive Income.

Critical Accounting Estimates and Judgements

The preparation of financial statement in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates and assumptions are based upon management’s knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

The following are the significant estimations, that the directors have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Valuation of fixed asset investments

As described in note 2 to the financial statements, fixed asset investments are initially recorded at cost, and subsequently measured at fair value through profit or loss. Significant judgement is required in assessing the fair value of investments. However, the Directors’ have assessed that, as the investment was made during the year and that there has been no material changes in the Company’s activities or performance subsequent to the acquisition date that the acquisition price continues to be reflective of the fair value of the investment as at the year-end date. Accordingly, the investment continues to be held at cost.

3. SEGMENTAL INFORMATION

The Company is organised around one business class and the results are reported to the Chief Operating Decision Maker according to this class. There is one continuing class of business, being the seeking of investments in line with the Company’s investment strategy.

Given that there is only one continuing class of business, operating within the UK no further segmental information has been provided.

BASKERVILLE CAPITAL PLC**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2020****4. LOSS FROM OPERATIONS**

The loss from operations has been arrived after charging:

	Year-ended 2020 £	Period-ended 2019 £
Legal and professional fees	<u>87,653</u>	<u>36,900</u>

5. AUDITOR'S REMUNERATION

During the year the Company obtained the following services from the Company's auditor:

	Year-ended 2020 £	Period-ended 2019 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	15,000	12,500
Fees payable to the Company's auditors for other services:		
Other services pursuant to legislation – interim review	<u>2,950</u>	<u>2,700</u>
	<u>17,950</u>	<u>15,200</u>

6. DIRECTOR'S REMUNERATION

	Year-ended 2020 £	Period-ended 2019 £
Fees	<u>50,000</u>	<u>50,000</u>

The table below summarises the remuneration received by the Directors' in each period:

	2020 £	2019 £
R Sargent	25,000	25,000
J Kehoe	25,000	25,000

BASKERVILLE CAPITAL PLC**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2020****7. TAXATION**

Due to tax losses sustained there was no corporation tax payable by the company in the year.

The tax charge for the year is different from the standard rate of corporation tax in the United Kingdom. The difference is reconciled as follows:-

	Year-ended 2020 £	Period-ended 2019 £
Loss on ordinary activities before tax	(237,554)	(100,252)
Loss on ordinary activities at the effective rate of corporation tax applicable to the Company of 19%	(45,135)	(19,048)
Losses not utilized	45,135	19,048
	<u> </u>	<u> </u>
Total tax charge	<u> </u> - <u> </u>	<u> </u> - <u> </u>

No deferred tax asset has been recognised as the Directors cannot be certain that future profits will be sufficient for this asset to be realised.

Factors affecting future tax charges

There are no factors affecting the tax charge.

8. INVESTMENTS

	2020 £
Cost as at 1 July 2019	-
Additions during the year	1,146,030
Cost as at 30 June 2020	<u>1,146,030</u>

During the year the Company acquired an interest in Oberon Investments Limited ("Oberon"). This investment is an unlisted investment and therefore, in accordance with IFRS 9 is classified as a level 3 financial instrument. As described in the accounting policies, investments are measured at fair value through profit or loss. The Directors' are of the view that as the investment was acquired during the year combined with the fact that there has been no material changes to Oberon's activities or performance since the acquisition date that the cost of the investment is equivalent to its fair value at the year-end date.

9. TRADE AND OTHER RECEIVABLES

	2020 £	2019 £
Prepayments	<u>12,882</u>	<u>14,532</u>

10. CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank	<u>160,474</u>	<u>1,489,666</u>

The Directors consider that the carrying amount of cash and cash equivalent represents their fair value.

BASKERVILLE CAPITAL PLC**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2020**

11. TRADE AND OTHER PAYABLES	2020	2019
	£	£
Trade payables	36,071	739
Accruals	29,910	12,500
	<u>65,981</u>	<u>13,239</u>

The fair value of trade and other payables is considered by the Directors not to be materially different to carrying amounts.

12. ISSUED SHARE CAPITAL	Number of Shares No.	Nominal Value £	Share premium £
Issued and fully paid			
At 30 June 2020:	47,800,000	239,000	1,467,894

Fully paid ordinary shares, which have a par value of 2.5p, carry one vote per share and rank equally in respect of dividends.

Reserve	Description and Purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Share option reserve	Value of warrants and options issued
Retained losses	Cumulative net gains and losses recognised in the income statement.

13. SHARE OPTIONS AND DIRECTOR WARRANTS**EQUITY SETTLED SHARE OPTION SCHEME**

The Company operates share-based payment arrangements to remunerate directors and key employees in the form of options and warrants. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value determined at the grant date of the 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 and adjusted for the effect of non-market based vesting conditions.

The following table sets out the details of these options granted:

	Options issued in the Prior year	Options at 30 June 20	Exercise price	Issue date	Expiry date
Option holder					
J Kehoe	1,000,000	1,000,000	2.5p	12/07/2017	22/09/2020
R Sargent	1,000,000	1,000,000	2.5p	12/07/2017	22/09/2020
Shareholders	11,500,000	11,500,000	7.5p	11/09/2017	22/09/2020
	<u>13,500,000</u>	<u>13,500,000</u>			

Subsequent to the year end the expiry date of the options was extended to 22 September 2021.

The fair value of the options issued to directors was determined using the Black-Scholes option pricing model and the inputs to the model were as follows

	12 July 2017
Grant date share price	5p
Exercise share price	2.5p
No. of share options	2,000,000
Risk free rate	1%
Expected volatility	40%
Expected option life	2.5 years
Calculated fair value per share	2.7p

Options issued to shareholders were issued as one option for every four ordinary shares purchased. As they were part of the fundraise they have not been valued under IFRS 2.

The total share-based payment expense recognised in the statement of comprehensive income for the year ended 30 June 2020 in respect of these options granted was £nil (2019: £nil).

14. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising returns to shareholders. It is the current strategy of the Company to finance its activities from existing equity and reserves and by the issue of new equity as required.

The Board's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Board manages the Company's affairs to achieve shareholders returns through capital growth and income.

The Company is not subject to externally imposed capital requirements.

15. LOSS PER SHARE

The calculation of loss per ordinary share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

	Loss £	Weighted Average number of shares	Per shares amount pence
Basic and diluted earnings per share 2020	(237,555)	47,800,000	(0.5)p
Basic and diluted earnings per share 2019	(100,252)	47,800,000	(0.21)p

There is no difference between the basic and diluted loss per share.

16. NET ASSET VALUATION

The net asset valuation per share is calculated by dividing the net assets attributable to the equity holders of the Company at the end of the reporting year by the number of shares in issue.

	2020 £	2019 £
Net assets	1,253,405	1,490,959
Number of ordinary shares in issue	47,800,000	47,800,000
Net asset valuation per share	<u>2.6p</u>	<u>3.1p</u>

17. FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk, cash flow interest rate risk and equity price risk.

Risk management is carried out by the Board of Directors.

(a) Capital management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Company's growth; and
- to provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

(b) Credit risk

The main credit risk relates to liquid funds held at banks. The credit risk in respect of these bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

(c) Liquidity risk

The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs. An analysis of trade and other payables is given in note 11. These payables are payable within a year.

CATEGORIES OF FINANCIAL INSTRUMENTS

The IFRS 9 categories of financial asset included in the statement of financial position and the headings in which they are included are as follows:

	2020	2019
	£	£
Financial assets measured at fair value through profit or loss		
Investments	1,146,030	-
Financial assets measured at amortised cost:		
Trade and other receivables	12,882	14,532
Cash and bank balances	160,474	1,489,666
	<u> </u>	<u> </u>
Financial liabilities at amortised cost:		
Trade and other payables	65,981	13,239
	<u> </u>	<u> </u>

18. RELATED PARTY TRANSACTIONS

There were no related party transactions with the directors during the year other than those disclosed in note 13. The directors consider themselves to be the key management personnel.

19. ULTIMATE CONTROLLING PARTY

The directors do not consider there to be one ultimate controlling party.