3 July 2019

PAPILLON HOLDINGS PLC

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Revised accounts under Section 414 of Companies Act 2006

(i)The revised accounts replace the original annual accounts for the financial year ended 31 December 2018,
(ii) they are now the statutory accounts of the company for that financial year,
(iii) they have been prepared as at the date of the original annual accounts and not as at the date of revision and accordingly do not deal with events between those dates,
(iv)the original annual accounts did not comply with the requirements of the 2006 Act as they failed to reflect two transactions with a director,
(v) which has resulted in an amount due to James Longley of £90,000, a contingent liability to James Longley and an impairment against an amount recoverable on a claim as detailed in Note 20 to the financial statements.

James Longley
Director
3 July 2019

Chairman's Report

Papillon Holdings PLC ("the Company") is an investment company with the primary objective of undertaking a single acquisition of a target company, business or asset in the industrial or service sectors.

In our interim report published in December 2018 we reported that, on 18 May 2018, we had reached agreement via a non-binding head of terms to make an investment in 50% of the issued share capital of a fintech company focussed on the used car market, Pace Cloud Limited, trading as CarCloud®. The Trade Mark has now been successfully registered.

Car Cloud has developed innovative technology that bridges the gap between private and retail vehicle sales and delivers consistently high values for the user. It has an aggressive growth strategy, utilising its unique technology to expand its offering to an, as yet, underexploited area of the private car sale market; currently +200,000 private cars are sold and brought every month in the UK. The app has been launched and can be searched and downloaded under the name, "CarCloud". The service had not yet been launched nationally as yet but the initial metrics are proving to be very promising.

The transaction is progressing well, and we have executed a Share Purchase Agreement to acquire a 50% interest in Pace Cloud Limited. Additionally, Papillon is raising up to £800k via the issue of convertible loan notes ('Loan Notes'), which will be drawn down as required by the Company and to date, £200k has been received. The Loan Notes carry an interest coupon of 10 per cent pa over their minimum term of 12 months, with a conversion price of 1.25 pence per new Papillon ordinary share. A further £300,000 is due from the Company's Brokers on around 10 May 2019.

The proceeds from the issue of the Loan Notes will be used, in conjunction with existing resources, to continue to finance the costs of developing the CarCloud App and business together with the expenses of Papillon Holdings PLC. The directors believe that the investment in Car Cloud has enormous potential in a very large market and that the proposed investment should add significant shareholder value and the directors continue to investigate routes to enhancing the offering, the valuation and the route to market of CarCloud. The investment proposes to break new ground in the market in which it operates, and the business model is a complete new solution in the way that individuals own and protect their vehicles, it is a complete ownership solution from purchase and finance, through maintenance and on to the ultimate sale of a vehicle. The Company has submitted a full information memorandum to the UK Listing Authority ('UKLA'), which will be published in due course. The UKLA continue to review the prospectus and we expect this to be agreed with UKLA in the relatively near future in order that the placing and re-admission of the shares of your company to trading on the standard segment of the LSE may take place. The Investment is subject, inter alia, to the completion of due diligence, documentation and compliance with all regulatory requirements.

I would personally like to thank our shareholders again for their patience during this process and the extended time in which the shares of your company have been suspended from trading and we look forward to a successful future post the completion of our investment in Car Cloud.

James Longley
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Year ended 31 December 2018 £'000	Period to 31 December 2017 £'000
Continuing operations			
Revenues		-	300
Gross profit		**-**	**300**
Listing costs	**5**	(12)	(47)
Administrative expenses	**5**	(369)	(414)
Finance costs		(23)	-
Other Income: Interest received	**20**	7	
Loss before taxation		(397)	(161)
Taxation	**7**	-	-
Loss and comprehensive loss for the period		**(397)**	**(161)**
Basic and diluted loss per share	**8**	(0.299p)	(0.122p)

Since there is no other comprehensive loss, the loss for the period is the same as the total comprehensive loss for the period attributable to the owners of the Company.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	As at 31 December 2018 £'000	2017 £'000
Assets			
Current assets			
Other receivables	**10**	169	124
Cash and cash equivalents	**11**	31	69
Total Assets		**200**	**193**
Equity and liabilities			
Current liabilities			
Trade and other payables	**12**	227	23
Convertible loan notes	**13**	194	-
Total Liabilities		**421**	**23**
Equity attributable to equity holders of the company			
Share Capital - Ordinary shares	**14**	132	132
Share Premium account	**14**	602	602
Loan Notes Equity Reserve	**13**	6	-
Accumulated Deficit	**15**	(961)	(564)
Total Equity		**(221)**	**170**
Total Equity and liabilities		**200**	**193**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	31 December 2018 £'000	31 December 2017 £'000
Cash flows from operating activities			
Operating loss	**5**	(397)	(161)

(Increase)/decrease in receivables		(45)	141
Increase/(decrease) in payables		204	(10)
Cash flow from operating activities		(238)	(30)
Cash flows from financing activities			
Issue of 10% Convertible Loan Notes	**13**	200	-
Net cash from/(used in) financing activities		200	-
Net increase/decrease in cash and cash equivalents		(38)	(30)
Cash and cash equivalents at the beginning of the		69	99
Cash and cash equivalents at end of period		31	69
Represented by: Bank balances and cash		31	69

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	**Share capital £'000**	**Share premium £'000**	**Loan Note Equity reserve**	**Accumulated deficit £'000**	**Total equity £'000**
As at 31 December 2017		**132**	**602**	**-**	**(564)**	**170**
Equity element of the issue of 10% convertible loan notes		-	-	6	-	6
Loss for the year		-	-	-	(397)	(397)
As at 31 December 2018		**132**	**602**	**6**	**(961)**	**(221)**

Accumulated deficit represents the cumulative loss of the company attributable to equity shareholders.

NOTES TO THE INTERIM CONDENSED STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1 General information

Papillon Holdings Plc ('the company') is an investment company 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. The Company was incorporated and registered in England and Wales on 19 October 2015 as a private limited company and re-registered on 24 June 2016 as a public limited company when listed on London Stock Exchange.

2 Accounting policies

2.1 Basis of Accounting

This financial information has been prepared in accordance with International Financial Reporting Standards (IFRS), including IFRIC interpretations issued by the International Accounting Standards Board (IASB) as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These policies have been consistently applied.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement 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 3. The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Although these estimates are based on management's experience and knowledge of current events and actions, actual results may ultimately differ from these estimates.

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

a) Going concern

These financial statements have been prepared on the assumption that the Company is a going concern. When assessing the foreseeable future, the Directors have looked at a period of at least twelve months from the date of approval of this report and the working capital requirements of the Company.

After making enquiries, the Directors firmly believe that together with their support the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

b) Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Company

The Company has applied any applicable new standards, amendments to standards and interpretations that are mandatory for the financial year beginning on or after 1 January 2018 including IFRS 15 and IFRS 9.

The nature and impact of amendment is described below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes 1AS 11 Construction Contracts, lAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

(b) New, amended standards, interpretations not adopted by the Company

A number of new standards, amendments to standards and interpretations to existing standards have been published that are mandatory for the Company's accounting periods beginning after 1 January 2018, or later periods, where the Company intends to adopt these standards, if applicable, when they become effective. The Company has disclosed below those standards that are likely to be applicable to the Company and is currently assessing the impact of these standards.

• IFRS 16 Lease, effective date 1 January 2019 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 completes the IASB's project to improve the financial reporting of leases and replaces the previous leases Standard, IAS 17 Leases, and related Interpretations.

• IFRIC 23 "Uncertainty over Income Tax Treatments", effective date 1 January 2019 clarifies application of recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments.

Management has not yet fully assessed the impact of these standards but does not believe they will have a material impact on the financial statements.

2.2 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. In the opinion of the director, the company has one class of business, being that of an investment Company. The company's primary reporting format is determined by the geographical segment according to the location of its establishments. There is currently only one geographic reporting segment, which is the UK. All costs are derived from the single segment.

2.3 Cash and cash equivalents

Cash and cash equivalents comprised of cash at bank and in hand.

Equity
Equity comprises the following:
• Share capital: the nominal value of equity shares
• Share premium
• Loan notes equity reserve and
• Accumulated deficit.

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

Financial assets
On initial recognition, financial assets are classified as either financial assets at fair value through the statement of profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

Loans and receivables
The Company classifies all its financial assets as trade and other receivables. The classification depends on the purpose for which the financial assets were acquired.
Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.
The Company's loans and receivables financial assets comprise other receivables (excluding prepayments) and cash and cash equivalents included in the Statement of Financial Position.

Financial liabilities
Financial liabilities are recognised when, and only when, the Group becomes a party to the contracts which give rise to them and are classified as financial liabilities at fair value through the profit and loss or loans and payables as appropriate.
When financial liabilities are recognised initially, they are measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through income statement.

Fair value through the income statement category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges. There were no financial liabilities classified under this category.

The Company determines the classification of its financial liabilities at initial recognition and re-evaluate the designation at each financial year end.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the income statement.

2.5 Taxation

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

There is no tax currently payable based on the Company making a loss for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income and expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.
Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.
Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3 Critical accounting estimates and judgments

The company makes certain judgements and estimates which 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.

In the process of applying the Company's accounting policies, which are described above, the Directors do not believe that they have had to make any assumptions or judgements that would have a material effect on the amounts recognised in the financial information.

4 Financial risk management

The Company's activities may expose it to some financial risks. 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) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The responsibility for liquidity risks management rest with the Board of Directors, which has established appropriate liquidity risk management framework for the management of the company's short term and long-term funding risks management requirements. During the period under review, the Company has not utilised any borrowing facilities. The Company manages liquidity risks by maintaining adequate reserves by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

b) Capital risk

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

Financial Risk Management Financial instruments by category

Financial assets	31 December 2018	31 December 2017
	£'000	£'000
Other receivables	148	122
Prepayments and Accrued interest	21	12
Cash and cash equivalents	31	69
Total current financial assets	**200**	**193**

Financial liabilities	31 December 2018	31 December 2017
	£'000	£'000
Trade and other payables	227	23
Convertible Loan notes	194	-
Total current financial liabilities	**421**	**23**

Fair value hierarchy All the financial assets and financial liabilities recognised in the financial statements which are short-term in nature are shown at the carrying value which also approximates the fair values of those financial instruments. Therefore, no separate disclosure for fair value hierarchy is required.

The Company's activities expose it to a variety of financial risks, mainly credit risk and liquidity risk.

Market risk Market risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Company's market risks arise from open positions in (a) interest bearing assets and liabilities, and (b) foreign currencies; to the extent that these are exposed to general and specific market movements (see details below).

(i) Interest rate risk The Company's interest-bearing assets comprise of only cash and cash equivalents. As Papillon Holdings' interest-bearing assets do not generate significant amounts of interest; changes in market interest rates do not have any significant direct effect on its income.

(ii) Currency risk The Company is exposed to movement in foreign currency exchange rates arising from normal trading transactions that are denominated in currencies other than the respective functional currencies of the entity, primarily with respect to GBP. The Company does not have a policy to hedge its exposure to foreign currency exchange risk as the Company has both revenue and exposures denominated in GBP such that the net exposure is declining as the Company moves towards being naturally hedged.

Credit risk Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash balances (including bank deposits, cash and cash equivalents) and credit exposures to trade receivables. The Company's maximum exposure to credit risk is represented by the carrying value of cash and cash equivalents and trade receivables.

Liquidity risk: Trade and other payables are monitored as part of normal management routine.

Borrowings and other liabilities mature according to the following schedule:

	2018	**2017**
Within 1 year Within 1 year	£'000	£'000
Trade and other payables	227	37
Convertible Loan notes	194	-

5 Operating loss, expenses by nature and personnel

	Year to 31 December 2018 £'000	**Year to 31 December 2017 £'000**
Operating loss is stated after charging:		
Directors Remuneration	2	24
Consulting and advisory fees	116	247
Premises	35	35
Legal and professional fees	56	7
Listing costs	12	47
Audit fees	9	9
Other administrative expenses	154	92
Total administrative expenses	384	461

6 Personnel

The average monthly number of employees during the period was two, being the directors.

There were no benefits, emoluments or remuneration payable during the period for key management personnel other than the £2,000 disclosed in Note 5 and £2,578 paid in fees and disclosed in note 20 as a related party transaction.

7 Taxation

	Year ended 31 December 2018	Year to 31 December 2017
	£'000	**£'000**
Total current tax	-	-
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(397)	(161)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2017: 19%)	(75)	(30)
Effects of:		
Non-deductible expenses	26	11
Tax losses carried forward	49	19
Current tax charge for the period	-	-

No liability to UK corporation tax arose on ordinary activities for the current period.

The company has estimated tax losses of £573,000 available for carry forward against future trading profits.

The tax losses have resulted in a deferred tax asset of approximately £109,000 (2017: £64,000) which has not been recognised in the financial statements due to the uncertainty of the recoverability of the amount.

8 Earnings per share

	Year to 31 December 2018	Year to 31 December 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	(£396,749)	(£160,993)
Weighted average number of	132,400,000	132,400,000

ordinary shares		
Basic and diluted loss per share	(0.299p)	(0.122p)

There were no potential dilutive shares in issue during the period

9 Capital risk management

The Directors' objectives when managing capital are to safeguard the Company's 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 to reduce the cost of capital. At the date of this financial information, the Company had been financed by the introduction of capital. In the future, the capital structure of the Company is expected to consist of borrowings and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

10 Other receivables

	2018 £'000	2017 £'000
Other receivables	148	122
Prepayments and accrued interest	21	2
	169	124

11 Cash and cash equivalents

	2018 £'000	2017 £'000
Cash at bank	31	69
	31	69

12 Trade and other payables

	2018 £'000	2017 £'000
Trade payables	166	12
Accruals	61	11
	227	23

13 Borrowings

Convertible loans

On 26 October 2018 the Company issued £100,000 convertible loan notes, repayable on 25 October 2019 if not converted into shares prior to that date, and bearing interest at 10% p.a, payable quarterly in arrears. On 28 November 2018 the Company also issued £100,000 convertible loan notes, repayable on 27 November 2019 if not converted into shares prior to that date, and bearing interest at 10% p.a, payable quarterly in arrears.

The net proceeds from the two separate issues of the loan notes have been split between the liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity of the Company:

The Directors estimate the fair value of the liability component of the loan notes at 31 December 2018 to be approximately £193,958. This fair value has been calculated by discounting the future cash flows at the deemed market rate of 12%.

14 Share capital

	2018 £'000	2017 £'000
Allotted, called up and fully paid		
132,400,000 Ordinary shares of £0.001 each	132	132
	132	132

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.

The Company has issued Placing warrants to the Placees to subscribe at 1.5 pence per Ordinary share for up to 41,200,000 Ordinary shares each on the basis of one Placing warrant for every two Placing shares subscribed for by each Placee. The Placing warrants are unlisted and are exercisable up to the second anniversary of Admission in whole or in a minimum aggregate amount of 50,000 Placing warrants.

The Company has issued Founder warrants to James Longley and Charles Tatnall, to subscribe at 1.25 pence per Ordinary share for up to 10 million Ordinary shares each, they also hold placee warrants of 5 million each. The Founder warrants are unlisted and are exercisable up to the third anniversary of Admission in whole or in a minimum aggregate amount of 50,000 Founder warrants.

The Company has issued Broker warrants to JIM Nominees Limited to subscribe at the Placing Price for up to 10,300,000 Ordinary Shares. The Broker warrants are unlisted and are exercisable up to the fifth anniversary of Admission in whole or in a minimum aggregate amount of 50,000 Broker warrants.

15 Accumulated deficit

	2018 £'000	2017 £'000
At start of period	(564)	(403)
Loss for the period	(397)	(161)
As at 31 December	(961)	(564)

16 Contingent liabilities

The company has no contingent liabilities in respect of legal claims arising from the ordinary course of business.

17 Capital commitments

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

18 Ultimate controlling party

As at 31 December 2018 the ultimate controlling parties of the Company are the Directors, Charles Tatnall and James Longley, who have a combined shareholding of more than 50% of the ordinary share capital of the company.

19 Events after the reporting period

On 10th May 2019, Company is expected to receive cash in exchange of issuance of loan notes to Novum Securities Limited from a committed loan note subscription. There are no other events after the reporting period other than disclosed in the directors' report.

20 Related party transactions

During the year ended 31 December 2018 the Directors received consultancy fees through the following companies:

Director	Company	2018 Fees paid £	2017 Fees paid £
James Longley	James Longley Limited	56,400	89,468
Charles Tatnall	Tatbels Limited	56,400	89,000
		112,800	178,468

During the year ended 31 December 2018 the Directors were paid fees which amounted to £2,578 as follows:

Director	2018 Fees paid £	2017 Fees paid £
James Longley	-	60,000
Charles Tatnall	2,578	60,000
	2,578	178,000

During the year ended 31 December 2018 the Company paid rent of £35,400 (35,400: 2017) in respect of rental of offices. The head lease on these offices is owned by James Longley.

During the year ended 31 December 2018 the Company made a loan of £10,500 to Fandango Holdings PLC at a rate of 5% per month payable upon demand. Charles Tatnall is a director of Fandango Holdings PLC.

<u>Assignment of Loan and Transfer of Litigation Rights</u>

On 18 April 2018, James Longley assigned to the Company all of James Longley's legal and beneficial right, title and interest in a £100,000 loan that James Longley had made to an individual, namely James Thorpe, between 5 February 2016 and 20 September 2017, to fund two new ventures started by Mr Thorpe ("New Ventures"). James Longley's interests in bringing claims against Mr Thorpe and the New Ventures in respect of James Longley's £100,000 loan are aligned with the interests of the Company, which had also loaned monies to Mr Thorpe and the New

Ventures in anticipation of a possible reverse takeover by the Company of the New Ventures. In exchange for making this assignment, James Longley is to receive £90,000 from the Company. The amount due to James Longley is included other payables and an impairment of £90,000 has been booked against claims receivable from Mt Thorpe and New Ventures.

Separately, on 18 April 2018, James Longley transferred to the Company rights to bring a claim against Mr Thorpe arising out of an arrangement between James Longley, individually, and Mr Thorpe, individually, for James Longley to have business opportunities in respect of the New Ventures. In exchange for making this transfer, James Longley is to receive £95,000 from the Company. Accordingly, by virtue of James Longley's loan assignment and litigation-rights transfer, the Company has a contingent liability to James Longley and a contingent asset on the recovery from Mr Thorpe and New Ventures.

During the year ended 31 December 2018 the Company made loans of £57,000 to Stranger Holdings PLC at an interest rate of 5% per month. The loan amount was fully repaid by 17 December 2018. Both Charles Tatnall and James Longley are directors of Stranger Holdings PLC.