

Company Registration No. 03429210 (England and Wales)

**LONDONGATE INVESTMENT & MANAGEMENT PLC**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

# LONDONGATE INVESTMENT & MANAGEMENT PLC

## COMPANY INFORMATION

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<b>Directors</b>	Mr B Salmanpour Mrs S Ehsani
<b>Secretary</b>	Mrs N Mouhoubi
<b>Company number</b>	03429210
<b>Registered office</b>	1st Floor 25-26 Lime Street London EC3M 7HR
<b>Auditor</b>	SPW (UK) LLP Gable House 239 Regents Park Road London N3 3LF

# **LONDONGATE INVESTMENT & MANAGEMENT PLC**

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# **LONDONGATE INVESTMENT & MANAGEMENT PLC**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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The directors present the strategic report for the year ended 31 December 2018.

### **Fair review of the business**

As Chairman of Londongate Investment & Management plc (LIM) "Londongate Group", I am pleased to report to the Board and Shareholders that LIM has had an eventful 2018.

LIM remains a financial and investment holding company which seeks to maximise income and capital gains and distribute these annually by way of salaries and/or dividends.

During the year, LIM successfully sold its holdings in REG (UK) Ltd for 20% in cash and 80% exchanged for 'C' shares in Disruptive Capital Investments Limited PCC, a Guernsey listed share traded on the International Stock Exchange. The company reported just under \$1.4m gain from disposal of shares in REG (UK) Ltd during the year. The NAV of our holdings has continued to increase in value and DCIL has plans for 2020 to list in Zurich, which will provide shareholders with much improved liquidity.

LIM maintains its minority holdings in Kay AMEA, Dubai, in Londongate Atlantic in Mauritania and in London Dushanbe Ins Company in Tajikistan. Londongate will continue to pursue new investments, especially in Africa and in the European Union. Londongate has always believed in reliable business partnerships to strengthen its operations.

### **Development and performance**

Londongate operating results for the year are in line with expectations, with modest turnover representing the Group's income from international operations. The uncertainty in the world market is reflected in our figures as well as the adverse effect of Sterling's devaluation. Our operating expenses have grown mainly to develop business for 2019.

We maintain our commitment to management support for our local insurance operations, while actively seeking new investment opportunities. We feel the Company's financial results next year will show significant improvement.

I would like to extend the Board's sincere thanks to all employees, both overseas and in London for their efforts. We anticipate that 2019 will be an exciting year for the Group.

On behalf of the board

Mr B Salmanpour

**Director**

27 June 2019

# **LONDONGATE INVESTMENT & MANAGEMENT PLC**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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The directors present their annual report and financial statements for the year ended 31 December 2018.

### **Principal activities**

The principal activity of the company continued to be that of providing commercial and insurance consultancy services.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr B Salmanpour  
Mrs S Ehsani

### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

No preference dividends were paid.

### **Auditor**

The auditor, SPW (UK) LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr B Salmanpour  
**Director**

27 June 2019

# **LONDONGATE INVESTMENT & MANAGEMENT PLC**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# LONDONGATE INVESTMENT & MANAGEMENT PLC

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LONDONGATE INVESTMENT & MANAGEMENT PLC

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#### Opinion

We have audited the financial statements of Londongate Investment & Management Plc (the 'company') for the year ended 31 December 2018 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, 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 United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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.

#### 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 our audit:

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

# **LONDONGATE INVESTMENT & MANAGEMENT PLC**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF LONDONGATE INVESTMENT & MANAGEMENT PLC**

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#### **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 and 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, 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 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# **LONDONGATE INVESTMENT & MANAGEMENT PLC**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF LONDONGATE INVESTMENT & MANAGEMENT PLC**

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#### **Use of our 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.

**Shirish Shah (Senior Statutory Auditor)**  
**for and on behalf of SPW (UK) LLP**  
**Chartered Accountants, Statutory auditor**  
Gable House  
239 Regents Park Road  
London  
N3 3LF

27 June 2019

# LONDONGATE INVESTMENT & MANAGEMENT PLC

## PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
<b>Turnover</b>	<b>3</b>	3,937	22,907
Administrative expenses		(196,041)	(99,032)
<b>Operating loss</b>	<b>4</b>	(192,104)	(76,125)
Interest receivable and similar income	<b>7</b>	19	87
Gain on disposal of investments		-	1,398,683
Amounts written off loans	<b>8</b>	(126,900)	-
<b>(Loss)/profit before taxation</b>		(318,985)	1,322,645
Tax on (loss)/profit	<b>9</b>	-	-
<b>(Loss)/profit for the financial year</b>		(318,985)	1,322,645

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# **LONDONGATE INVESTMENT & MANAGEMENT PLC**

## **STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
(Loss)/profit for the year	(318,985)	1,322,645
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<u>(318,985)</u>	<u>1,322,645</u>

# LONDONGATE INVESTMENT & MANAGEMENT PLC

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 \$	\$	2017 \$	\$
<b>Fixed assets</b>					
Investments	11		1,210,000		1,210,000
<b>Current assets</b>					
Debtors	15	63,993		313,261	
Cash at bank and in hand		4,983		73,740	
		<u>68,976</u>		<u>387,001</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(267,578)</u>		<u>(266,618)</u>	
<b>Net current (liabilities)/assets</b>			<u>(198,602)</u>		<u>120,383</u>
<b>Total assets less current liabilities</b>			<u><u>1,011,398</u></u>		<u><u>1,330,383</u></u>
<b>Capital and reserves</b>					
Called up share capital	17		797,308		797,308
Profit and loss reserves			214,090		533,075
<b>Total equity</b>			<u><u>1,011,398</u></u>		<u><u>1,330,383</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27 June 2019 and are signed on its behalf by:

Mr B Salmanpour  
**Director**

**Company Registration No. 03429210**

## **LONDONGATE INVESTMENT & MANAGEMENT PLC**

### **STATEMENT OF CHANGES IN EQUITY**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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	<b>Share capital</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 January 2017</b>	797,308	(789,570)	7,738
<b>Year ended 31 December 2017:</b>			
Profit and total comprehensive income for the year	-	1,322,645	1,322,645
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2017</b>	797,308	533,075	1,330,383
<b>Year ended 31 December 2018:</b>			
Loss and total comprehensive income for the year	-	(318,985)	(318,985)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2018</b>	<u>797,308</u>	<u>214,090</u>	<u>1,011,398</u>

# LONDONGATE INVESTMENT & MANAGEMENT PLC

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 \$	\$	2017 \$	\$
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	18		(68,776)		(259,463)
<b>Investing activities</b>					
Proceeds on disposal of fixed asset investments		-		301,945	
Interest received		19		87	
<b>Net cash generated from investing activities</b>			19		302,032
<b>Net (decrease)/increase in cash and cash equivalents</b>			(68,757)		42,569
Cash and cash equivalents at beginning of year			73,740		31,171
<b>Cash and cash equivalents at end of year</b>			4,983		73,740

# LONDONGATE INVESTMENT & MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

#### Company information

Londongate Investment & Management Plc is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor, 25-26 Lime Street, London, EC3M 7HR.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest \$.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The financial statements are prepared on a going concern basis, which assumes that the company will be in operational existence for the foreseeable future. This depends upon the continued support of the directors and shareholders who have undertaken to provide such support to enable the company to meet its debts as and when they fall due. The financial statements do not include any adjustments that would result if such support was withdrawn.

#### 1.3 Turnover

Turnover represents commission income and fees receivable and is stated net of discounts and commissions paid to agents.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	Fully amortised
Plant and machinery	25% per annum on reducing balance
Fixtures, fittings & equipment	25% per annum on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# LONDONGATE INVESTMENT & MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.



# LONDONGATE INVESTMENT & MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# LONDONGATE INVESTMENT & MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.8 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.9 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### **1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into United States Dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Judgements and key sources of estimation uncertainty

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

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

# LONDONGATE INVESTMENT & MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018	2017
	\$	\$
<b>Turnover analysed by class of business</b>		
Management fees receivable	3,937	22,907
	<u>          </u>	<u>          </u>

	2018	2017
	\$	\$
<b>Other significant revenue</b>		
Interest income	19	87
	<u>          </u>	<u>          </u>

### 4 Operating loss

	2018	2017
	\$	\$
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	55,753	(633)
Fees payable to the company's auditor for the audit of the company's financial statements	5,731	6,340
	<u>          </u>	<u>          </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to \$55,753 (2017 - \$633).

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018	2017
	Number	Number
	1	-
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2018	2017
	\$	\$
Wages and salaries	6,573	-
	<u>          </u>	<u>          </u>

### 6 Directors' remuneration

	2018	2017
	\$	\$
Remuneration for qualifying services	6,573	-
	<u>          </u>	<u>          </u>

# LONDONGATE INVESTMENT & MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 7 Interest receivable and similar income

	2018	2017
	\$	\$
<b>Interest income</b>		
Interest on bank deposits	19	87
	<u>19</u>	<u>87</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	19	87
	<u>19</u>	<u>87</u>

### 8 Other gains and losses

	2018	2017
	\$	\$
Gain on disposal of fixed asset investments	-	1,398,683
Amounts written off current loans	(126,900)	-
	<u>(126,900)</u>	<u>1,398,683</u>

### 9 Taxation

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018	2017
	\$	\$
(Loss)/profit before taxation	(318,985)	1,322,645
	<u>(318,985)</u>	<u>1,322,645</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(60,607)	254,609
Tax effect of expenses that are not deductible in determining taxable profit	-	1,018
Gains not taxable	-	(269,253)
Unutilised tax losses carried forward	36,496	13,626
Adjustments in respect of financial assets	24,111	-
	<u>-</u>	<u>-</u>
Taxation charge for the year	-	-
	<u>-</u>	<u>-</u>

# LONDONGATE INVESTMENT & MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 10 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	\$	\$	\$	\$
<b>Cost</b>				
At 1 January 2018 and 31 December 2018	10,029	8,059	9,469	27,557
<b>Depreciation and impairment</b>				
At 1 January 2018 and 31 December 2018	10,029	8,059	9,469	27,557
<b>Carrying amount</b>				
At 31 December 2018	-	-	-	-
At 31 December 2017	-	-	-	-

### 11 Fixed asset investments

	Notes	2018 \$	2017 \$
Investments in subsidiaries	12	12,300	12,300
Investments in associates	13	1,000	1,000
Unlisted investments		1,196,700	1,196,700
		1,210,000	1,210,000

### Movements in fixed asset investments

	Shares in group undertakings and participating interests	Other investments other than loans	Total
	\$	\$	\$
<b>Cost or valuation</b>			
At 1 January 2018 & 31 December 2018	13,300	1,196,700	1,210,000
<b>Carrying amount</b>			
At 31 December 2018	13,300	1,196,700	1,210,000
At 31 December 2017	13,300	1,196,700	1,210,000

# LONDONGATE INVESTMENT & MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Lonbelge Re: Insurance Company	Belgium	Dormant	Ordinary	100.00	
Londongate Dushanbeh Insurance Company	Tajikistan	Insurance	Ordinary	60.00	

### 13 Associates

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Kay International AMEA	UAE	Insurance	Ordinary	10.00	

### 14 Financial instruments

	2018	2017
	\$	\$
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	63,993	313,261
Equity instruments measured at cost less impairment	1,196,700	1,196,700
	<u>          </u>	<u>          </u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	267,578	266,618
	<u>          </u>	<u>          </u>

### 15 Debtors

	2018	2017
	\$	\$
<b>Amounts falling due within one year:</b>		
Other debtors	63,993	313,261
	<u>          </u>	<u>          </u>

### 16 Creditors: amounts falling due within one year

	2018	2017
	\$	\$
Other creditors	261,577	260,617
Accruals and deferred income	6,001	6,001
	<u>          </u>	<u>          </u>
	<u>267,578</u>	<u>266,618</u>

# LONDONGATE INVESTMENT & MANAGEMENT PLC

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 17 Share capital

	2018 \$	2017 \$
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
9,730,800 Ordinary shares of 1p each	97,308	97,308
	<u>          </u>	<u>          </u>
<b>Preference share capital</b>		
<b>Issued and fully paid</b>		
	<u>          </u>	<u>          </u>
Preference shares classified as equity	700,000	700,000
Preference shares classified as liabilities	(700,000)	(700,000)
	<u>          </u>	<u>          </u>
	-	-
	<u>          </u>	<u>          </u>
<b>Total equity share capital</b>	797,308	797,308
	<u>          </u>	<u>          </u>

### 18 Cash generated from operations

	2018 \$	2017 \$
(Loss)/profit for the year after tax	(318,985)	1,322,645
<b>Adjustments for:</b>		
Investment income	(19)	(87)
Gain on sale of investments	-	(1,398,683)
Amounts written off investments	126,900	-
<b>Movements in working capital:</b>		
Decrease in debtors	249,268	141,661
Increase/(decrease) in creditors	960	(324,999)
	<u>          </u>	<u>          </u>
<b>Cash generated from/(absorbed by) operations</b>	58,124	(259,463)
	<u>          </u>	<u>          </u>

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