WiseAlpha Public Limited Company

Audit findings for the financial period from 22 May 2019 (date of incorporation) to 31 December 2019

26 May 2020

Agenda	Page

Audit findings

WiseAlpha Public Limited Company
For the period from 22 May 2019 to 31 December 2019

Audit status

Where are we now?	■ We are pleased to have the opportunity to discuss the results of our audit of the financial statements of WiseAlpha Public Limited Company (the "Company"), as at and for the period ended 31 December 2019. ■ There have been no significant changes to our audit plan and strategy. ■ Our audit is complete subject to the following: – Resolution of routine audit queries; – Approval of financial statements by the Board of Directors; and – Receipt of the signed representation letter. ■ It is our intention to issue an unqualified audit opinion on the financial statements subject to satisfactory resolution of the above items.

Reporting on audit risks

Reporting on significant audit risks

Area	KPMG audit approach and commentary
Management override of controls	■ We have considered the potential risk of management override of controls relevant to the Company's financial statements and noted no issues or control deficiencies that we would like to bring to your attention. ■ The potential risk of management override of controls is reduced by the segregation of duties between IQ EQ Corporate Services (Ireland) Limited (the "Administrator"), Global Prime Partners Limited (the "Custodian"), WiseAlpha Technologies Limited (the "Investment Advisor") and other service providers. ■ We considered the risk of management override of controls and addressed the risk by completing the following procedures: ➢ We reviewed the minutes of the meetings of the Board of Directors of the Company during the period for details of any unusual matters. ➢ We evaluated the business rationale for significant unusual transactions. ➢ We performed enquiries with the Administrator. ➢ We tested journal entries which we considered to be high risk and other material adjustments. ■ Based on our procedures, we did not identify any significant indications of management bias.

Reporting on other audit risks

Area	Balance GBP FY19	KPMG audit approach and commentary
Valuation and ownership of investments at fair value through profit or loss (FVTPL)	24,203,418	■ We engaged our internal valuations team, KPMG Financial Instruments ("KFI"), to assist us with our period end valuation procedures. They performed a valuation of the portfolio of investments held as at 31 December 2019; ■ We noted a difference with regards to the fair value of the portfolio of investments. See page 3 for further details; ■ We reviewed the disclosure of investments in accordance with the fair value hierarchy as set out in IFRS. We noted no significant differences in the levelling of financial assets at fair value; and ■ We obtained an independent confirmation from the Custodian, in relation to financial assets in place as at the period end and reconciled it to the Company's records. ■ Aside from the difference as noted above, there were no other issues noted during the course of our audit that we would like to bring to your attention.

Audit findings

Reporting on audit risks (continued)

Reporting on other audit risks		
Area	**Balance GBP FY19**	**KPMG audit approach and commentary**
Transfer of securities between related parties	21,225,049	■ We noted that as per the Deed of Substitution dated 29 October 2019 between the Company and WiseAlpha Limited (the "Original Issuer"), the Company assumed all the rights and obligations of the Original Issuer as the principal debtor of the notes issued. This in effect attributed to a non-cash transfer of investments and notes amounting to £21m to the Company. ■ We obtained the letter issued by the Custodian, in relation to financial assets held by the Original Issuer as at the date the substitution effective date, and reconciled it to the Company's records. ■ We have engaged our internal valuations team to perform independent valuations testing of the investments transferred as at the substitution effective date, and compared it to the value as per the Company's records. ■ We noted a difference amounting to £46k in the fair value of the investments transferred which in the context of the portfolio transferred represents 0.21%; on that basis we are satisfied that this represents the fair value of the portfolio transferred. The net effect to the financial statements is nil as the payments made to the noteholders are related to the performance of the underlying investments.
Cash and cash equivalents	181,981	■ We obtained independent confirmation from the Custodian for cash amounts held at the period end date. These were then compared to the cash balances per the Administrator. ■ We noted a difference in the cash balance as per the confirmation received from the Custodian and the balance as per the Administrator. See page 3 for further details. ■ No material differences or issues were noted which we would like to bring to your attention.
Valuation of fractional bonds (notes at FVTPL)	24,203,418	■ We obtained independent confirmation from IQ EQ (Isle of Man) Limited (the "Fiscal Agent") of the fractional bonds issued by the Company as at 31 December 2019. ■ We reconciled the confirmations received to the records per the Administrator. The difference noted in the portfolio of investments also impacted the fair value of the notes. See page 3 for further details; ■ No other material differences or issues were noted which we would like to bring to your attention
Net gain on investments at FVTPL	1,035,698	■ We performed a recalculation of coupon income based on the information contained in the investor reports and agreed the receipts to the bank statements. ■ We recalculated the net gain on financial assets at FVTPL through reconciling the opening and closing fair value movements, taking into account any disposals. ■ No material differences or issues were noted which we would like to bring to your attention.
Net loss on notes at FVTPL	(1,035,698)	■ We analysed the movement in notes issued, taking into account any fair value movements and the coupon accrued. ■ We agreed the coupon payments made to the bank statements. ■ There were no material differences noted during the course of the audit that we would like to bring to your attention.
Tax	(42)	■ We engaged our internal tax specialist team, to assist us with our review of tax for the period from 22 May 2019 to 31 December 2019. ■ There were no material issues noted during the course of our audit that we would like to bring to your attention.

Audit findings

Levelling of investments

Levelling of investments			
£ millions	**Level 1**	**Level 2**	**Level 3**
Investments at FVTPL	-	24	-
Notes at FVTPL	-	24	-

The disclosures in the financial statements categorise investments as:

- Level 1 – represents exit values for the same investment in active markets, e.g. traded prices.
- Level 2 – represents exit values for similar investments in active markets where all inputs into the valuation are observable, e.g. price of underlying investment index.
- Level 3 – represents fair value when some of the inputs are unobservable.

Audit differences

Audit differences (£)				
	Profit and loss		**Balance sheet**	
Description	**DR**	**CR**	**DR**	**CR**
Corrected audit difference				
Cash and cash equivalents			45,075	
Trade and other payables				45,075
To adjust for an unsettled trade of a purchase of an investment				
TOTAL			**45,075**	**45,075**
Disclosure Omissions				
There were no disclosure omissions noted.				
Uncorrected audit differences				
Net gain on investments at FVTPL	58,541			
Investments at FVTPL				58,541
To adjust for the difference in fair value of the investments				
Notes at FVTPL			58,541	
Net loss on notes at FVTPL		58,541		
To adjust for the difference in fair value of the fractional bonds issued				
TOTAL	**58,541**	**58,541**	**58,541**	**58,541**

Internal control observations

Area	
Controls testing	■ We noted that the Company uses the services of IQ EQ Corporate Services (Ireland) Limited as Administrator. ■ We held a discussion with representatives from the Investment Advisor in order to gain an understanding of the design and implementation of the valuation of investments process. ■ KPMG held a discussion with representatives from the Administrator in order to gain an understanding of the design and implementation of the financial reporting processes. ■ We did not come across any significant control deficiencies during the course of our audit.

Other audit matters

Area	KPMG commentary	KPMG approach and observation
Litigation and claims	■ Auditing Standards require us to obtain confirmation from the Directors that they are not aware of any material instances of litigation or claims against the Company.	■ During the course of our audit work, we have not noted any litigation or claims which could have a material impact on the 2019 financial statements.
Subsequent events	■ Accounting and auditing standards require consideration of all events up to the date of approval of the financial statements (and beyond in certain circumstances) in case they impact on the financial statements, either by way of adjustment or disclosure.	■ Since the end of the reporting period, global financial markets have been effected by the outbreak of the COVID-19 virus. The pandemic outbreak has not had a significant impact on the Company to date, but we advise the Board of Directors to monitor the Company's operational response and follow guidance from global health organisations and government. We note that appropriate disclosures are included in the subsequent events note within the financial statements. ■ No other material post balance sheet events have been identified that would require adjustment to, or disclosure in, the financial statements. ■ The Directors should confirm at the date of approval of the financial statements that they are not aware of any material events since the balance sheet date that would impact on the financial statements.
Going concern	■ The financial statements have been prepared on the going concern basis. Therefore, the Directors need to be satisfied that the Company will continue in existence for the foreseeable future (typically taken to mean at least 12 months from the date of approval of the financial statements).	■ We performed procedures including enquiries of management to ascertain whether there were any going concern issues relating to the Company. No conditions were identified, individually or collectively, that would cause us to disagree with the Directors' assessment of the Company's ability to continue as a going concern. ■ We held discussions with the Directors and the Investment Advisor on their assessment of the impact of COVID-19 pandemic on the Company's going concern status and note a material impact is not expected.
Related parties	■ Accounting standards require the disclosure of material related party transactions. ■ The directors need to be satisfied that all material related party transactions have been disclosed in the financial statements	■ We reviewed the Board meetings minutes, shareholder register, the list of related parties and the portfolio of investments for evidence of related parties. We also made enquiries to the Investment Advisor and the Administrator. ■ Related parties that have been brought to our attention have been disclosed in the financial statements.
Laws and regulations	■ Auditing standards require us to obtain confirmation from the directors that they are not aware of any material breaches of applicable laws and regulations relating to the Company, either in Ireland or abroad.	■ During the course of our audit work, we have not noted any breaches of applicable laws and regulations which could have a material impact on the Company's activities.
Actual or suspected fraud or error	■ Auditing standards require us to plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether caused by error or fraud	■ Throughout the audit, we remained alert to the possible risk of fraud. ■ We made enquiries with management and performed procedures over the appropriateness of journal entries. ■ No instances of fraud were noted.
Other matters	■ We are required to communicate to you any matter, which in our professional opinion, are significant to the over sight of the financial reporting process	■ KPMG recommends that the Directors attend physically the Board meeting more frequently as opposed to dialling into them. There is a risk that Directors dialling in from abroad will create a taxable presence for the Company abroad and so income of the Company could be taxable in a foreign jurisdiction.

Audit findings

Required communications with the Board of Directors

Type	Response
Our management representation letter	We have not requested specific representations in addition to those areas normally covered by our standard representation letter for the period ended 31 December 2019.
Control deficiencies	We have not identified any control deficiencies during the course of our audit of the Company.
Actual or suspected fraud, non-compliance with laws or regulations or illegal acts	Our audit was designed to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement due to fraud, or error. No actual or suspected fraud involving the Company management, employees of service providers with significant roles in internal control, or where fraud results in a material misstatement in the financial statements was identified during the audit. No actual or suspected non-compliance with laws or regulation were identified during the audit.
Modifications to auditor's report	None
Emphasis of matter/Other matter	None
Significant difficulties	No significant difficulties were encountered during the audit.
Disagreements with management or scope limitations	The engagement team had no disagreements with management and no scope limitations were imposed by management during the audit.
Other matters warranting attention by those charged with governance	There were no matters to report arising from the audit that, in our professional judgement, are significant to the oversight of the financial reporting process.
Significant matters discussed or subject to correspondence with management	There were no matters to report arising from the audit that, in our professional judgment, are significant to the oversight of the financial reporting process.
Other information	No material inconsistencies or omissions were identified related to other information in the annual report.
Subsequent events	Other than those already disclosed, no material post balance sheet events have been identified that would require adjustment to, or disclosure in, the financial statements. The Directors should confirm at the date of approval of the financial statements that they are not aware of any material events since the balance sheet date that would impact on the financial statements.
Accounting practices	Over the course of our audit, we have evaluated the appropriateness of the Company's accounting policies, accounting estimates and financial statement disclosures. In general, we believe that these are appropriate.
Independence	We have separately provided you with a letter confirming our independence. We reaffirm our independence. Refer to the independence letter on page 7 of this report.
Breaches of independence	No matters to report. The engagement team and the firm have complied with relevant ethical requirements regarding independence.
Related parties	There were no significant matters that arose during the audit in connection with the entity's related parties.
Inquiries	Over the course of our audit, we made all mandatory inquiries under the Auditing Standards. We have nothing to bring to your attention in this regard.

Your audit team

KPMG

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Appendix 1: Independence letter

Private and Confidential
To the Board of Directors
WiseAlpha Public Limited Company
12 Merrion Square
Dublin 2
Ireland

Assessment of our integrity, objectivity and independence as auditor of WiseAlpha Public Limited Company (the "Company")

Professional ethical standards require us to inform you at the conclusion of the audit all significant facts and matters that may bear upon KPMG's integrity, objectivity and independence.

This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard integrity, independence and objectivity;
- Integrity, independence and objectivity considerations relating to the provision of non-audit services and their fees; and
- Integrity, independence and objectivity considerations relating to other matters.

General procedures to safeguard integrity, independence and objectivity

KPMG is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG Partners and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the IAASA Ethical Standard for Auditors (Ireland) April 2017. As a result, we have underlying safeguards in place to maintain independence through:

- Instilling professional values;
- Communications;
- Internal accountability;
- Risk management; and
- Independent reviews.

We are satisfied that our general procedures support our integrity, independence and objectivity.

Integrity, independence and objectivity considerations relating to the provision of non-audit services

Facts and matters related to the provision of non-audit services and the safeguards put in place that bear upon our integrity, independence and objectivity, are set out in the following table:

Analysis of Non-audit services for the period ended 31 December 2019

Disclosure	Description of scope of services	Principal threats to Independence	Safeguards Applied
Tax compliance services	Assistance with the completion of the corporate tax returns for WiseAlpha Plc	Self-review & Management	Work performed by a team separate from the audit team. Services do not result in any material judgments within the financial statements. Management remain responsible for any decisions.

Appendix 1: Independence letter (continued)

Integrity, independence and objectivity considerations relating to other matters

Other Considerations

Reliance on the work of external experts

Firms may employ external consultants as experts as part of their engagement, for example, in an audit engagement, in order to obtain sufficient appropriate audit evidence regarding certain financial statement assertions. There may be threats to an expert’s integrity or objectivity and their independence may be compromised if the expert is related to any entity relevant to the engagement, for example by being financially dependent upon or having an investment in, the entity.

We confirm that we have not used the work of external experts engaged by KPMG.

There are no other matters that, in our professional judgement, bear on our independence which need to be disclosed to the Board of Directors.

Confirmation of audit independence

We confirm that as of the date of this letter, in our professional judgment, KPMG is independent within the meaning of regulatory and professional requirements and the objectivity of the engagement partner and audit staff is not impaired.

This report is intended solely for the information of the Board of the Company and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.

Yours faithfully,

KPMG

Important notice:

Basis of preparation

We have prepared this Audit Findings Report (‘Report’) in accordance with the terms of our audit engagement letter.

Purpose of this report

This Report is presented to you in order to communicate matters of interest as required by by ISAs (including ISA 260 *Communication with Those Charged with Governance*), and other matters coming to our attention during our audit work that we consider might be of interest, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone (beyond that which we may have as auditors) for this Report, or for the opinions we have formed in respect of this Report.

Restrictions on distribution

This Report is for the benefit and information of those charged with governance only and should not be copied, referred to or disclosed, in whole or in part, without our prior written consent, except as specifically permitted in our engagement letter. We accept no responsibility to any other party who obtains access to this report, whether under the Freedom of Information Act or otherwise.

Limitations on work performed

This Report is separate from our audit report and does not provide an additional opinion on the Company's financial statements, nor does it add to or extend or alter our duties and responsibilities as auditors reporting to the Company's members in accordance with the Companies Acts.

We have not designed or performed procedures outside those required of us as auditors for the purpose of identifying or communicating any of the matters covered by this Report.

The matters reported are based on the knowledge gained as a result of our role as auditor to the Company. We have not verified the accuracy or completeness of any such information other than in connection with and to the extent required for the purposes of the audit.

kpmg.ie

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WISEALPHA PUBLIC LIMITED COMPANY

KPMG
1 Harbourmaster Place
IFSC
Dublin 1

26 May 2020

Dear Sirs,

This representation letter is provided in connection with your audit of the financial statements of WiseAlpha Public Limited Company ("the Company"), for the financial period from 22 May 2019 (date of incorporation) to 31 December 2019, for the purpose of expressing an opinion as to whether the financial statements:

i. give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2019 and of its profit for the period then ended;

ii. have been properly prepared in accordance with IFRS as adopted by the European Union; and

iii. have been properly prepared in accordance with the requirements of the Companies Act 2014.

These financial statements comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows, and related notes, comprising a summary of significant accounting policies and other explanatory notes.

The Board confirms that the representations it makes in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board confirms that, to the best of its knowledge and belief, having made such enquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Board has fulfilled its responsibilities, as set out in the terms of the audit engagement letter dated 24 February 2020, for the preparation of financial statements that:

   i. give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2019 and of its profit for the period then ended;

   ii. have been properly prepared in accordance with IFRS as adopted by the European Union; and

   iii. have been properly prepared in accordance with the requirements of the Companies Act 2014.

   The financial statements have been prepared on a going concern basis.

2. Measurement methods and significant assumptions used by the Board in making accounting estimates, including accounting estimates that are fair value measured are reasonable.

3. All events subsequent to the date of the financial statements and for which IAS 10 *Events after the reporting period* require adjustment or disclosure have been adjusted or disclosed.

4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this representation letter.

Jr

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WISEALPHA PUBLIC LIMITED COMPANY

Information provided

5. The Board has provided you with:

- access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
- additional information that you have requested from the Board for the purpose of the audit; and
- unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.

6. All transactions have been recorded in the accounting records and are reflected in the financial statements.

7. The Board confirms the following:

i) The Board has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

ii) The Board has disclosed to you all information in relation to:

a) Fraud or suspected fraud that it is aware of and that affects the Company and involves:

- management;
- employees who have significant roles in internal control; or
- others where the fraud could have a material effect on the financial statements; and

b) allegations of fraud, or suspected fraud, affecting the Company's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.

8. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

9. The Board has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

10. Except as disclosed to you already in writing, there have been no communications from regulatory agencies, governmental representatives, tax authorities employees or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices or other matters that could have a material adverse effect on the financial statements.

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11. We have made an assessment of the Company's ability to continue as a going concern, taking into account all available information about the future, which under IAS 1 Presentation of Financial Statements is at least, but is not limited to, twelve months from the end of the reporting period. We confirm that we have not identified events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

12. The Company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, for example debt covenants.

13. We confirm that we have disclosed information relating to the Company's exposures to risks arising from financial instruments that is adequate to enable users to evaluate the nature and extent of those risks to which the Company is exposed at the end of the reporting period, in accordance with IFRS 7, including the exposures to risks and how they arise, our objectives, policies and procedures for managing the risks, the methods used to measure risks, and a summary of quantitative data about our exposure to risks.

14. We believe the assumptions and techniques used by us are appropriate and that all fair value measurements are determined in accordance with IFRS 13.

15. The Board has disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 Related Party Disclosures. We have also disclosed all transactions with Directors and connected persons, as required by company law.

    Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24.

This letter was tabled and approved at the meeting of the Board of Directors on 26 May 2020.

Yours truly,

RAhmad Syad Rezaah Ahmad
Director

John Madigan
Director
JOHN MADIGAN

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For and on behalf of the Board of Directors

Appendix 1 to the Board Representation Letter of WiseAlpha Public Limited Company:

Definitions

Financial Statements

IAS 1.10 states that "a complete set of financial statements comprises:

- a statement of financial position as at the end of the period;
- a statement of profit or loss and other comprehensive income for the period;
- a statement of changes in equity for the period;
- a statement of cash flows for the period;
- notes, comprising a summary of significant accounting policies and other explanatory information;
- comparative information in respect of the preceding period as specified in paragraphs 38 and 38A; and
- a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 40A-40D.

An entity may use titles for the statements other than those used in this Standard. For example, an entity may use the title 'statement of comprehensive income' instead of 'statement of profit or loss and other comprehensive income'.

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

> "Material omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements. Materiality depends on the size and nature of the omission or misstatement judged in the surrounding circumstances. The size or nature of the item, or a combination of both, could be the determining factor."

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation (ISA (Ireland) 240.A5, ISA (UK) 240.A5 or ISA (as issued by IAASB) 240.A5).

JM

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Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

a) was available when financial statements for those periods were authorised for issue; and

b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to "management" should be read as "management and, where appropriate, those charged with governance".

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

a) A person or a close member of that person's family is related to a reporting entity if that person:

   i. has control or joint control over the reporting entity;

   ii. has significant influence over the reporting entity; or

   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b) An entity is related to a reporting entity if any of the following conditions applies:

   i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   iii. Both entities are joint ventures of the same third party.

   iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

   v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

   vi. The entity is controlled, or jointly controlled by a person identified in (a).

   vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

a) a government that has control or joint control of, or significant influence over, the reporting entity; and

b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related Parties:

- WiseAlpha Technologies Limited
- WiseAlpha Investment Limited (BVI)

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Appendix 2

Uncorrected misstatements

KPMG engaged the internal valuations team, KPMG Financial Instruments ("KFI"), to assist with the period-end valuation procedures. They performed a valuation of the portfolio of investments held as at 31 December 2019. KPMG noted a difference with regards to the fair value of the portfolio of investments. The adjusting entry would be the following:

	Profit and Loss		Balance Sheet	
	DR	CR	DR	CR
	£	£	£	£
Net gain on investments at FVTPL	58,541			
Investments at FVTPL				58,541
TOTAL	**58,541**			**58,541**

Being the fair value of the notes linked to the fair value of investments, the former was to be adjusted for too and for the same amount as follows:

	Profit and Loss		Balance Sheet	
	DR	CR	DR	CR
	£	£	£	£
Notes at FVTPL			58,541	
Net loss on notes at FVTPL		58,541		
TOTAL		**58,541**	**58,541**	

WISEALPHA PUBLIC LIMITED COMPANY

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 22 MAY 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2019

Registered number

650450

CONTENTS

DIRECTORS AND OTHER INFORMATION

DIRECTORS	Killian Buckley (Irish, appointed 11 October 2019) John Madigan (Irish, appointed 11 October 2019) Syad Rezaah Ahmad (British, appointed 24 May 2019) Deirdre Geaney (Irish, appointed 22 May 2019; resigned 13 September 2019) Lisa O'Sullivan (Irish, appointed 22 May 2019; resigned 11 October 2019)
COMPANY SECRETARY	IQ EQ Corporate Secretaries (Ireland) Limited
REGISTERED OFFICE	IQ EQ Corporate Services (Ireland) Limited 12 Merrion Square Dublin 2 Co. Dublin Ireland
ADMINISTRATOR	IQ EQ Corporate Services (Ireland) Limited 12 Merrion Square Dublin 2 Co. Dublin Ireland
PRIME BROKER / CUSTODIAN	Global Prime Partners Ltd 101 Wigmore Street London W1U 1QU United Kingdom
ARRANGER / INVESTMENT ADVISOR	WiseAlpha Technologies Limited Level 39, One Canada Square London E14 5AB United Kingdom
FISCAL AGENT	IQ EQ (Isle of Man) Limited First Names House, Victoria Road Douglas IM2 4DF United Kingdom
INDEPENDENT AUDITOR	KPMG Chartered Accountants, Statutory Audit Firm 1 Harbourmaster Place International Financial Services Centre Dublin 1 Ireland

DIRECTORS AND OTHER INFORMATION - (CONTINUED)

LEGAL ADVISOR	Paul Hastings (Europe) LLP Ten Bishops Square Spitalfields London E1 6EG United Kingdom
	Matheson 70 Sir Rogerson's Quay Grand Canal Dock Dublin 2 Ireland
BANKERS	Global Prime Partners Ltd 101 Wigmore Street London W1U 1QU United Kingdom
	National Westminster Bank Plc 250 Bishopsgate London EC2M 4AA United Kingdom

DIRECTORS' REPORT

The Directors present their Directors' report and the audited financial statements of WiseAlpha Public Limited Company (the "Company") for the financial period from 22 May 2019 (date of incorporation) to 31 December 2019.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company was incorporated in Ireland on 22 May 2019 with registration number 650450. The Company is a special purpose company and qualifies for the regime contained in Section 110 of the Irish Taxes Consolidation Act, 1997 (the "TCA"). This provides that a qualifying company will be liable to corporation tax at the rate of 25% under Case III of Schedule D of the TCA, in respect of taxable profits. The Company has raised finance by the issue of unsecured non-negotiable participation fractional bonds ("Notes"), the proceeds have been used to invest in senior secured and unsecured high yield bonds ("Investments"), issued by reputable listed companies, based mainly in the United Kingdom.

On 29 October 2019, the Company entered into the Deed of Substitution, whereby the Company acceded to and became the substitute issuer in respect of a programme for the issue of unsecured notes originally established by WiseAlpha Limited (the "Original Issuer") (the "Substitution"). In addition to the Substitution, the Company established a programme under which it would issue various series of non-negotiable participation fractional bonds going forward. The Notes are offered to retail investors as part of the Company's business model. The Notes are limited recourse and non-petition in nature. The Notes issued by the Company have a maturity of five business days after the maturity date of the investment they relate to. In addition to this, the Company is expected to retain a profit of GBP 1,000 per year. The Notes are non-transferable and are, therefore exempt from the EU Prospectus Directive and its related requirements.

As at 31 December 2019, the Company held the following Investments which were valued at £24,203,418:

Schedule 1

Schedule of Investments

No.	Company	Industry	Asset Security	ISIN	Market Value as at 31 December 2019 £	Currency
1.	NewDay	Banks & Financials	Senior Secured	XS1554448271	610,157	GBP
2.	Lowell (Garfunkelux)	Banks & Financials	Unsecured	XS1308316568	706,261	GBP
3.	Just Group	Banks & Financials	Unsecured	XS2059770409	107,700	GBP
4.	Metro Bank	Banks & Financials	Unsecured	XS2063492396	108,452	GBP
5.	Independent Oil & Gas	Energy, Utilities & Infrastructure	Senior Secured	NO0010863236	174,064	EUR
6.	Ardonagh (Kirs)	Banks & Financials	Senior Secured	XS1623760128	832,266	GBP
7.	The AA	Services	Senior Secured	XS1211308231	886,164	GBP
8.	Eros International	Entertainment, Media & Broadcasting	Senior Unsecured	XS1112834608	395,354	GBP
9.	4Finance	Banks & Financials	Senior Unsecured	XS1417876163	90,066	EUR
10.	Consus Real Estate	Property	Senior Secured	XS1843437465	186,944	EUR
11.	Intu Properties	Property	Senior Secured	XS0904228557	91,513	GBP
12.	Pizza Express	Consumer & Food	Senior Secured	XS1028948120	562,015	GBP
13.	InterGen	Energy, Utilities & Infrastructure	Senior Secured	XS0940701807	796,220	GBP
14.	Domestic & General	Consumer & Food	Senior Secured	XS2028892474	327,140	GBP
15.	EnQuest	Energy, Utilities & Infrastructure	Unsecured	XS0880578728	173,580	GBP
16.	Amigo Loans	Banks & Financials	Senior Secured	XS1533928625	394,833	GBP
17.	International Personal Finance	Banks & Financials	Unsecured	XS1054714248	88,069	EUR
18.	RAC	Services	Senior Secured	XS1645523579	453,970	GBP
19.	Saga	Travel	Senior Unsecured	XS1610655950	269,034	GBP
20.	Worldwide Flight Services	Business Services, Shipping & Logistics	Senior Secured	XS1860216909	78,672	EUR
21.	Burford Capital	Banks & Financials	Senior Unsecured	XS1088905093	209,274	GBP
22.	Alpha Plus Group	Education	Senior Secured	XS1379593566	47,906	GBP
23.	AMP Clean Energy	Energy, Utilities & Infrastructure	Senior Secured	GB00BYVQM755	273,406	GBP
24.	Voyage Care	Healthcare	Unsecured	XS1533910847	280,769	GBP
25.	Pension Insurance Corporation	Banks & Financials	Unsecured, AT1	XS1843431427	237,640	GBP
26.	Domestic & General	Consumer & Food	Unsecured	XS2028892987	319,509	GBP

DIRECTORS' REPORT - (CONTINUED)

Schedule 1

Schedule of Investments

No.	Company	Industry	Asset Security	ISIN	Market Value as at 31 December 2019 £	Currency
27.	NewDay	Banks & Financials	Senior Secured	XS1554449089	298,587	GBP
28.	Punch Taverns	Property	Unsecured	XS1114385955	199,591	GBP
29.	Travelodge	Travel	Senior Secured	XS2021472084	509,873	GBP
30.	Together	Banks & Financials	Unsecured	XS1882541953	307,449	GBP
31.	Refinitiv	Banks & Financials	Senior Unsecured	XS1843460103	97,716	EUR
32.	Flora Foods Group	Consumer & Food	Senior Unsecured	XS1813504666	86,641	EUR
33.	Voyage Care	Healthcare	Senior Secured	XS1533911142	205,150	GBP
34.	Atalian	Business Services, Shipping & Logistics	Senior Unsecured	XS1820760079	397,032	GBP
35.	Energia	Energy, Utilities & Infrastructure	Senior Secured	XS1684812339	206,567	GBP
36.	Ardagh	Consumer & Food	Senior Unsecured	XS1628848241	107,581	GBP
37.	Premium Credit	Banks & Financials	Unsecured	XS1028955687	301,176	GBP
38.	Aston Martin	Automotive	Senior Secured	XS1533915564	380,336	GBP
39.	Pizza Express	Consumer & Food	Unsecured	XS1028948047	246,850	GBP
40.	The Co-operative Bank	Banks & Financials	Unsecured	XS1986325972	315,201	GBP
41.	TP ICAP	Banks & Financials	Senior Unsecured	XS1555815494	109,973	GBP
42.	Daily Mail & General Trust	Entertainment, Media & Broadcasting	Senior Unsecured	XS0306155499	120,134	GBP
43.	Clydesdale Bank	Banks & Financials	Unsecured, AT1	XS1959441640	228,305	GBP
44.	Just Group	Banks & Financials	Unsecured, AT1	XS1934875219	217,298	GBP
45.	Anglian Water	Energy, Utilities & Infrastructure	Senior Unsecured	XS1732478000	98,786	GBP
46.	McLaren	Automotive	Senior Secured	XS1577956516	398,967	GBP
47.	Virgin Media	Cable & Telecoms	Senior Secured	XS1498566766	314,462	GBP
48.	John Lewis	Retail	Senior Unsecured	XS1140961563	97,306	GBP
49.	Pension Insurance Corporation	Banks & Financials	Unsecured	XS1523966197	127,002	GBP
50.	Cabot Financial	Banks & Financials	Senior Secured	XS1405768596	319,404	GBP
51.	Shawbrook Bank	Banks & Financials	Unsecured, AT1	XS1731676794	201,704	GBP
52.	William Hill	Entertainment, Media & Broadcasting	Senior Unsecured	XS1412547660	108,724	GBP
53.	Center Parcs	Property	Senior Secured	XS1622392014	210,893	GBP
54.	Deutsche Bank	Banks & Financials	Unsecured, AT1	XS1071551391	189,090	GBP
55.	DP World	Energy, Utilities & Infrastructure	Senior Secured	XS1883878883	112,740	GBP
56.	Arqiva	Entertainment, Media & Broadcasting	Senior Unsecured	XS1879638697	217,366	GBP
57.	Premier Foods	Consumer & Food	Senior Secured	XS1823568248	212,888	GBP
58.	Centrica	Energy, Utilities & Infrastructure	Unsecured	XS1216019585	108,469	GBP
59.	Santander UK	Banks & Financials	Unsecured, AT1	XS1244538523	218,880	GBP
60.	Vodafone	Cable & Telecoms	Senior Unsecured	XS1472483772	101,392	GBP
61.	Enterprise Inns	Property	Senior Secured	XS0143315140	207,861	GBP
62.	Virgin Media	Cable & Telecoms	Senior Secured	XS1047556664	219,811	GBP
63.	Together	Banks & Financials	Senior Secured	XS1568913559	106,546	GBP
64.	Petrobras	Energy, Utilities & Infrastructure	Senior Unsecured	XS0835891838	112,652	GBP
65.	Stonegate	Property	Senior Secured	XS1575503146	103,911	GBP
66.	Oak North Bank	Banks & Financials	Unsecured	XS1713463047	100,913	GBP
67.	Barclays	Banks & Financials	Unsecured, AT1	XS1658012023	209,844	GBP
68.	Enterprise Inns	Property	Senior Secured	XS1112725814	102,903	GBP
69.	EDF	Energy, Utilities & Infrastructure	Unsecured	FR0011700293	112,470	GBP
70.	R.E.A. Holdings	Energy, Utilities & Infrastructure	Senior Unsecured	GB00BYY8MM32	89,990	GBP
71.	Metro Bank	Banks & Financials	Unsecured	XS1844097987	164,490	GBP
72.	Lowell (Garfunkelux)	Banks & Financials	Senior Secured	XS1308300059	1,006,414	GBP

DIRECTORS' REPORT - (CONTINUED)

Schedule 1

Schedule of Investments

No.	Company	Industry	Asset Security	ISIN	Market Value as at 31 December 2019 £	Currency
73.	Iceland	Retail	Senior Secured	XS1087780166	486,469	GBP
74.	Unique Pub Co.	Property	Senior Secured	XS0154961188	122,673	GBP
75.	AMC	Entertainment, Media & Broadcasting	Unsecured	XS1512809606	199,171	GBP
76.	Paragon Group	Banks & Financials	Unsecured	XS1482136154	109,185	GBP
77.	Shop Direct	Retail	Senior Secured	XS1709298969	483,417	GBP
78.	Premier Foods	Consumer & Food	Senior Secured	XS1619820324	101,793	GBP
79.	Stonegate	Property	Senior Secured	XS1946748057	101,348	GBP
80.	Miller Homes	Housebuilders & Construction	Senior Secured	XS1689521125	105,326	GBP
81.	Wagamama	Consumer & Food	Senior Secured	XS1640922917	101,454	GBP
82.	Talk Talk	Cable & Telecoms	Senior Unsecured	XS1550932344	104,173	GBP
83.	Thames Water	Energy, Utilities & Infrastructure	Senior Unsecured	XS1267053103	106,703	GBP
84.	Ocado	Technology	Senior Secured	XS1634001892	185,260	GBP
85.	PureGym	Retail	Senior Secured	XS1756633126	107,497	GBP
86.	Arrow	Banks & Financials	Senior Secured	XS1486544254	103,655	GBP
87.	Jaguar Land Rover	Automotive	Senior Unsecured	XS1195502031	97,626	GBP
88.	Yell	Entertainment, Media & Broadcasting	Senior Secured	XS1813549257	135,350	GBP
89.	Virgin Media	Cable & Telecoms	Senior Secured	XS1797821037	105,430	GBP
90.	Iceland	Retail	Senior Secured	XS1681806326	88,843	GBP
91.	MyDentist (IDH)	Healthcare	Senior Secured	XS1458419840	93,151	GBP
92.	MyDentist (IDH)	Healthcare	Senior Secured	XS1458419501	95,146	GBP
93.	Clydesdale Bank	Banks & Financials	Unsecured, AT1	XS1346644799	209,822	GBP
94.	Clydesdale Bank (Virgin Money)	Banks & Financials	Unsecured, AT1	XS1516312409	439,692	GBP
95.	Debenhams	Retail	Senior Unsecured	XS1081972850	90,945	GBP
96.	Burger King France	Consumer & Food	Senior Secured	XS1600481821	87,467	EUR
97.	Ziggo	Cable & Telecoms	Senior Secured	XS1493836461	93,622	EUR
98.	Travelex	Banks & Financials	Senior Secured	XS1577963306	265,569	EUR
99.	New Look	Retail	Senior Secured	XS1984318342	146,590	GBP
100.	2 Sisters Food Group	Consumer & Food	Senior Unsecured	XS1082472587	226,645	GBP
101.	Royal London	Banks & Financials	Senior Unsecured	XS2061962465	105,797	GBP
102.	GKN Holdings	Automotive	Senior Unsecured	XS1611857795	103,685	GBP
103.	Marks and Spencer	Retail	Senior Unsecured	XS2024535036	101,016	GBP
104.	Intu Debenture	Property	Senior Secured	GB00B1DBF788	166,569	GBP
105.	Heathrow Finance	Property	Senior Unsecured	XS2081020872	102,380	GBP
106.	Netflix	Entertainment, Media & Broadcasting	Senior Unsecured	XS2076099865	95,666	EUR
107.	esure	Banks & Financials	Senior Unsecured	XS1155568436	102,982	GBP
108.	Lendinvest	Banks & Financials	Senior Secured	XS1649806343	100,365	GBP
109.	New Look (defaulted)	Retail	Senior	XS1248518158	10	GBP
110.	New Look (defaulted)	Retail	Senior Secured	XS1248516616	113,820	GBP
111.	House of Fraser (defaulted)	Retail	Senior Secured	XS1266139895	4,790	GBP

DIRECTORS' REPORT - (CONTINUED)

FUTURE DEVELOPMENTS

The Key performance indicator of the Company is primarily based on income generated by the Investments and its ability to meet its financial obligations. As at 31 December 2019, all Investments are performing and there are adequate cash balances to meet financial obligations recognized in the Statement of Financial Position. In addition to this, the Company is a pioneer in the industry, offering fractional bonds to retail investors. There is a significant appetite with the investors for fractional bonds as it reduces the overall risk and allows the investor to diversify their bond portfolio. The Company plans to list the Notes on the Gibraltar Stock Exchange in the near future.

As at 31 December 2019, the Company had investments of £24,203,418 and notes of £24,203,418. The net gain on Investments held at FVTPL was £1,035,698 and net loss on Notes held at FVTPL was £1,035,698.

The Directors have no plans to change significantly the activities and operations of the Company in the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Company relate to the financial instruments held and issued by it. The disclosures in relation to the Company's policies for financial risk management including market risk, credit risk and liquidity risk and the nature of financial instruments used during the financial period to mitigate exposure to these risks, are shown in note 16.

DIRECTORS, SECRETARY AND THEIR INTERESTS

The names of the Directors who were in office at any time during the financial period ended 31 December 2019 are set out below. They served as Directors for the entire financial period unless otherwise indicated. The Directors and Company Secretary who held office at 31 December 2019 had no interest in the shares, share options, deferred shares, loan stock or debentures of the Company or any group undertaking of the Company within the WiseAlpha Group ("Group"), at that date or at any point during the financial period.

Killian Buckley (Irish, appointed 11 October 2019)
John Madigan (Irish, appointed 11 October 2019)
Syad Rezaah Ahmad (British, appointed 24 May 2019)
Deirdre Geaney (Irish, appointed 22 May 2019; resigned 13 September 2019)
Lisa O'Sullivan (Irish, appointed 22 May 2019; resigned 11 October 2019)

RESULTS AND DIVIDENDS

During the financial period, the Company made a profit after tax of £125. The Directors do not recommend the payment of a dividend for the financial period ended 31 December 2019.

GOING CONCERN

The Company's financial statements for the financial period ended 31 December 2019 have been prepared on a going concern basis. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing these financial statements. Furthermore, in the recent developments due to Covid-19, the Investments of the Company declined in their market value post year end. Any change in the value of the Investments is directly reflected in the value of the Notes, as the Company's Notes derive their income and value directly from the Investments held by the Company, therefore limiting the financial impact on the Company due to price fluctuations.

The Company is not exposed to any adverse impact from Brexit as all its assets are held in the United Kingdom. In addition to this, majority of the investors are also based in the United Kingdom.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed in note 18 of the financial statements.

POLITICAL CONTRIBUTIONS

There were no political contributions made by the Company during the financial period ended 31 December 2019.

STATEMENT OF RELEVANT AUDIT INFORMATION

In preparing and approving this Director's report and financial statements and in accordance with Section 330 (1) of the Companies Act 2014, each of the current Directors of the Company confirm that:

DIRECTORS' REPORT - (CONTINUED)

STATEMENT OF RELEVANT AUDIT INFORMATION - (CONTINUED)

(i) So far as the Directors are aware, there is no relevant audit information of which the statutory auditor is unaware; and

(ii) The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and they have established that the statutory auditor is aware of that information.

ISSUE OF SHARES

Authorised share capital consists of 100,000,000 Ordinary Shares of £1 each and 100,000,000 Ordinary Shares of €1 each. 1 share of £1 each was issued on 22 May 2019. 99,999 shares of £1 and 50,000 shares of €1 were issued on 24 September 2019. The shares were issued to IQEQ Nominees (Ireland) Limited.

DIRECTORS COMPLIANCE STATEMENT

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations as defined in section 225(2) of the Companies Act 2014 and Tax laws ("relevant obligations"), and hereby confirm that they have completed the following:

1. Reviewed a Compliance Policy Statement, setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations;

2. Put in place appropriate arrangements and structures that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations; and

3. Have conducted a review of the aforementioned arrangements and structures.

The Directors note that the arrangements and structures, referred to in paragraph 2 above, have been formally reviewed after the financial period end.

AUDIT COMMITTEE

As at the date of these financial statements, the Company is operating within the turnover threshold limit as set out under Section 167(1) of the Companies Act 2014 (the "Act") and, as such, the Company does not meet the requirements to establish an audit committee for the current financial period ended 31 December 2019.

ACCOUNTING RECORDS

The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of adequate accounting records by engaging a corporate service provider who employs accounting personnel with the appropriate expertise and by providing adequate resources to the financial function. Adequate accounting records of the Company are maintained at 12 Merrion Square, Dublin 2, Ireland.

SUBSEQUENT EVENTS

Refer to note 22 of the financial statements for details of the subsequent events.

INDEPENDENT AUDITOR

KPMG, Chartered Accountants, Statutory Audit Firm, was appointed as auditor in accordance with Section 383(1) of the Companies Act 2014 and have indicated their willingness to take office in accordance with the provisions of Section 383(2) of the Companies Act 2014.

On behalf of the Board of Directors:

RAhmad

Syad Rezaah Ahmad
Director

John Madigan

John Madigan
Director

Date: 26 May 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual report and the audited 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, they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2014.

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 company's assets, liabilities and financial position as at the end of the financial period and of the profit or loss of the Company for the financial period. In preparing these financial statements, the Directors are required to:

• select suitable accounting policies and then apply them consistently;

• make judgements and estimates that are reasonable and prudent;

• state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

• assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

• use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the provision of Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the Board of Directors:

RAhmad

Syad Rezaah Ahmad
Director

John Madigan
Director

Date: 26 May 2020

KPMG
Audit
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISEALPHA PUBLIC LIMITED COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of WiseAlpha Public Limited Company ('the Company') for the financial period from 22 May 2019 (date of incorporation) to 31 December 2019, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISEALPHA PUBLIC LIMITED COMPANY (continued)

Other information

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' report and the Statement of Directors' responsibilities. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Based solely on our work on the other information, we report that:

- we have not identified material misstatements in the Directors' report;
- in our opinion, the information given in the Directors' report is consistent with the financial statements; and
- in our opinion, the Directors' report has been prepared in accordance with the Companies Act 2014.

Opinions on other matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of Directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 10, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISEALPHA PUBLIC LIMITED COMPANY (continued)

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 (Ireland) 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 fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsiblities_for_audit.pdf.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

Cr Reyes

Cristian Reyes **26 May 2020**
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019	Notes	31-Dec-19 £
Assets		
Cash and cash equivalents	3	181,981
Trade and other receivables	4	73,302
Investments at fair value through profit or loss ("FVTPL")	5	24,203,418
		24,458,701
Equity and Liabilities		
Share capital presented as equity	8	143,057
Retained earnings		125
Total equity		143,182
Liabilities		
Trade and other payables	6	112,101
Notes at FVTPL	7	24,203,418
Total equity and liabilities		24,315,519
Total liabilities and equity		24,458,701

The financial statements were approved and authorised for issue by the Board of Directors on 26 May 2020 and were signed on its behalf by:

RAhmad

Syad Rezaah Ahmad
Director

John Madigan

John Madigan
Director

The notes on pages 18 to 38 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 22 MAY 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2019

	Note	Financial period from 22 May 2019 to 31 December 2019 £
Net income		
Net gain on investments at FVTPL	9	1,035,698
Net loss on notes at FVTPL	10	(1,035,698)
Other income	11	73,691
		73,691
Other operating expenses		
Other expenses	12	(73,524)
		(73,524)
Profit before taxation		167
Corporation tax	15	(42)
Profit after taxation for the financial period		125
Other comprehensive income		-
Total comprehensive income for the financial period		125

The Company has no items of comprehensive income in the financial period other than those dealt with in the Statement of Comprehensive Income. All amounts relate to continuing operations.

The notes on pages 18 to 38 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 22 MAY 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2019

	Note	Share Capital £	Retained earnings £	Total Equity £
Issue of share capital on 22 May 2019	8	1	-	1
Issue of share capital on 24 September 2019	8	143,056	-	143,056
Total comprehensive income for the financial period		-	125	125
Balance at 31 December 2019		143,057	125	143,182

The notes on pages 18 to 38 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 22 MAY 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2019

	Notes	Financial period from 22 May 2019 to 31 December 2019
		£
Cash flows from operating activities		
Total comprehensive income for financial period		125
Adjusted for:		
Coupon income	9	(545,295)
Coupon expense	10	545,295
Net gain on investments at FVTPL	9	(490,403)
Net loss on notes at FVTPL	10	490,403
Changes in working capital:		
Increase in trade and other receivables	4	(73,302)
Increase in trade and other payables	6	112,101
Coupon paid		(315,319)
Net cash used in operating activities		(276,395)
Cash flows used in investing activities		
Purchase of Investments at FVTPL	5	(2,259,848)
Coupon received		315,319
Net cash used in investing activities		(1,944,529)
Cash flows from financing activities		
Issue of share capital	8	143,057
Proceeds from issue of Notes at FVTPL	7	2,259,848
Net cash generated from financing activities		2,402,905
Net increase in cash and cash equivalents		181,981
Cash and cash equivalents at the beginning of the financial period		-
Cash and cash equivalents at the end of the financial period	3	181,981

The notes on pages 18 to 38 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 22 MAY 2019 (DATE OF INCORPORATION) TO 31 DECEMBER 2019

1. BACKGROUND TO THE COMPANY

WiseAlpha Public Limited Company ("The Company") was incorporated, domiciled and registered in Ireland on 22 May 2019 with registration number 650450, and with a registered office at 12 Merrion Square, Dublin 2, Co. Dublin, Ireland. The Company is a special purpose company and qualifies for the regime contained in Section 110 of the Irish Taxes Consolidation Act, 1997 (the "TCA"). This provides that a qualifying company will be liable to corporation tax at the rate of 25% under Case III of Schedule D of the TCA, in respect of taxable profits. The Company has raised finance by the issue of unsecured non-negotiable participation fractional bonds ("Notes"), the proceeds have been used to invest in senior secured and unsecured high yield bonds ("Investments"), issued by reputable listed companies, based mainly in the United Kingdom.

On 29 October 2019, the Company entered into the Deed of Substitution, whereby the Company acceded to and became the substitute issuer in respect of a programme for the issue of unsecured notes originally established by WiseAlpha Limited (the "Original Issuer") (the "Substitution"). In addition to the Substitution, the Company established a programme under which it would issue various series of non-negotiable participation fractional bonds going forward. The Notes are offered to retail investors as part of the Company's business model. The Notes are limited recourse and non-petition in nature. The Notes issued by the Company have a maturity of five business days after the maturity date of the investment they relate to. In addition to this, the Company is expected to retain a profit of GBP 1,000 per year. The Notes are non-transferable and are, therefore exempt from the EU Prospectus Directive and its related requirements.

On 11 November 2019, the Board approved to invest in a range of senior secured and unsecured high yield bonds details of which can be found in the Directors' report, which shows the Company's schedule of investments as at 31 December 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and those parts of the Companies Act 2014 applicable to companies reporting under IFRS EU. The accounting policies set out below have been applied in preparing the financial statements for the financial period ended 31 December 2019. There has been no material departure from the Standards. These accounting policies have been applied consistently in preparing the financial statements for the period ended 31 December 2019.

Basis of preparation

The financial statements have been prepared on the historical cost basis except for the following, which have been classified at fair value through profit or loss under IFRS 9:
• Investments at FVTPL are measured at fair value; and
• Notes designated as at FVTPL are measured at fair value.

The method used to measure fair values is discussed further in notes 5, 7 and 17.
In order to avoid the accounting mismatch that would otherwise arise, the Company has designated the notes issued to be at fair value through profit or loss as the investments are monitored, managed and reported on, on a fair value basis based on the business model of the Company.

As at 31 December 2019, the Directors believe that the Company had adequate resources to continue in operational existence. Owing to the limited recourse nature of the notes designated at fair value through profit or loss, the Company will not realise any losses originating from the Investments at FVTPL since any losses will be ultimately borne by the noteholders. Owing to the substance of the transaction undertaken by the Company and the expected future business plans, the Directors concluded that the going concern basis to be appropriate in preparing these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Use of estimates and judgements

The preparation of the financial statements in accordance with IFRS EU, requires the Directors to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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 financial period in which the estimate is revised if the revision affects only that financial period, or in the financial period of the revision and future financial periods if the revision affects both current and future financial periods.

The following are the critical judgements, apart from those involving estimates, 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.

Investments purchased and notes issued at fair value through profit or loss.

Notes 5, 7 and 17 to the financial statements describe that the Directors have measured the Investments and Notes issued at fair value through profit or loss. In making their judgement, the Directors have considered the requirements of IFRS 9 Financial Instruments. The Directors consider that such measurement will significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. Please see notes 5, 7 and 17.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

In applying the valuation technique, the Company makes assumptions that are mainly based on market conditions existing at the end of each reporting period, some of which are unobservable as outlined in Note 17 to the financial statements.

Because of its limited recourse nature, the fair value of Notes issued by the Company (notes at FVTPL) is determined by reference to the fair value of associated investments at FVTPL. Any future change in the fair value of investments will have an equal but opposite impact on the fair value of notes.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included below on the determination of the Company's functional currency.

Functional and presentation currency

These financial statements are presented in Pound Sterling denominated by the symbol "£" which is the Company's functional currency and presentation currency. This reflects the fact that the majority of the Company's transactions are denominated in this currency and the Directors have determined that this reflects the Company's primary economic environment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency differences arising on retranslation are recognised in the Statement of Comprehensive Income.

New standards and interpretations not yet adopted

Effective for annual periods beginning on or after 1 January 2020

Standards and interpretations	**EU effective date (periods beginning)***
Amendments to References to Conceptual Framework in IFRS Standards	1 Jan 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	1 Jan 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)	1 Jan 2020
Definition of a Business (Amendments to IFRS 3)	Not yet endorsed
IFRS 17 Insurance Contracts	Not yet endorsed
Classification of liabilities as current or non-current (Amendments to IAS 1)	Not yet endorsed
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Not endorsed
IFRS 14 Regulatory Deferral Accounts	Not endorsed

*Where new requirements are endorsed, the EU effective date is disclosed. Where any of the upcoming requirements are applicable to the Company, it will apply them from their EU effective date.

The Directors have considered the new standards, amendments and interpretations as detailed in the above table and do not plan to adopt these standards early. The application of all of these standards, amendments or interpretations will be considered in detail in advance of a confirmed effective date by the Company. The Directors have reviewed those standards and interpretations that are issued but not yet effective up to the date of issuance of the Company's financial statements and assessed that none of those new standards and interpretations are expected to have an impact on the Company's financial statements.

Financial instruments

The financial instruments held by the Company include the following:

• Investments at FVTPL; and
• Notes at FVTPL.

The Company has adopted IFRS 9 Financial Instruments.

Recognition and initial measurement

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Financial instruments (continued)

Initial measurement

Financial assets and financial liabilities at FVTPL are initially recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at FVTPL) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

• The entity's business model for managing the financial assets; and
• The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortised cost

A financial instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category trade and other receivables, and cash and cash equivalents.

Financial assets measured at fair value through profit or loss (FVTPL)

Business model assessment

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

• the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

• how the performance of the portfolio is evaluated and reported to the Company's management;

• the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

• how WiseAlpha Technologies Limited (the "Investment Advisor" or the "Arranger") is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

The Company includes in this category investments at FVTPL that are held under a business model to manage them on a fair value basis for investment income and fair value gains. The Investment Advisor reviews the performance of the investments in the portfolio regularly on a fair value basis and uses market values to assess if selling any investments would maximise the return to the noteholders.

Financial liabilities

Financial liabilities measured at fair value through profit or loss (FVTPL)

The Company includes in this category notes which are designated at FVTPL at initial recognition to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Financial instruments (continued)

Financial liabilities measured at amortised cost
This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category trade and other payables.

Subsequent Measurement of financial assets
After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss at their fair value. Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the Statement of comprehensive income.

For financial assets at amortised cost, these assets are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any coupon expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. The Company includes in this category: trade and and other payables.

Measurements
Fair value measurement principles
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date.

The Company's financial instruments carried at fair value are analysed below by valuation method. The different levels have been defined as follows:
• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
• Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of a financial instrument is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty, in the case of non-exchange traded instruments, at the reporting date without any deduction for estimated future selling costs.

If a quoted market price is not available on a recognised stock exchange or from a reputable Broker or counterparty, the fair value of the financial instrument is determined by the Directors using estimates provided by Global Prime Partners Limited (the "Custodian" or "GPP"). The Custodian estimates may be based on quotations from specialist pricing vendors, use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The fair value of notes designated at fair value through profit or loss is determined by reference to the fair value of the associated investments at fair value through profit or loss and the sundry receivables and payables held by the Company.

Amortised cost measurement
The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Financial instruments (continued)

The Company recognises loss allowances for ECLs ("expected credit losses") on financial assets measured at amortised cost. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Under IFRS 9, loss allowances are measured on either of the following basis: 12-month ECLs that result from possible default events within the 12 months after the reporting date; and lifetime ECLs that result from all possible default events over the expected life of a financial instrument. For other receivables, the Company measures loss allowances applying a simplified approach at an amount equal to 12-month ECLs.

Cash and cash equivalents
The Company has determined that the application of IFRS 9's expected credit loss results in an immaterial provision on the cash and cash equivalents. The Company considers cash and cash equivalents to have low credit risk based on the external credit ratings of the counterparty.

Other receivables
The Company has determined that the application of IFRS 9's expected credit loss on other receivables results in an immaterial impairment on other receivables. Other receivables are short-term in nature and relate to amounts owed by reputable counterparties.

Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Offsetting
Financial assets and liabilities are offset and the net amount presented in the Statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Financial liability and equity
The financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:
• they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
• where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that these conditions are not met, the proceeds of issue are classified as a financial liability.

Finance payments associated with financial liabilities are dealt with as part of the ongoing remeasurement of debt securities to fair value. Finance payments associated with financial instruments that are classified in equity are distributions from the net income attributable to equity- holders and are recorded directly in equity. The Company's debt securities issued are classified as liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Net gain on financial assets at FVTPL

Net gain on financial assets at FVTPL relates to investments in securities and includes realised and unrealised fair value changes and coupon income.

Net loss on financial liabilities at FVTPL

Net loss on financial liabilities at FVTPL comprises of coupon payments, realised and unrealised fair value changes arising on the financial liabilities.

Cash and cash equivalents

For the purposes of these financial statements, cash comprises cash on hand and demand deposits while cash equivalents are short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

Other income and expense

Other income and expense is recognised in the Statement of Comprehensive Income on an accrual basis.

Taxation

Corporation tax is provided on taxable profits at current rates applicable to the Company's activities. The Company is an Irish tax resident Section 110 qualifying company and is therefore subject to corporation tax in Ireland at 25% of its income.

Tax on the profit or loss for the period comprises of current and deferred tax.

The tax expense represents the sum of the tax currently payable. The tax currently payable is based on taxable profit for the period as calculated in accordance with Irish Tax Laws. Taxable profit may differ from profit before tax as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period date.

Deferred tax is provided on all timing differences that have originated but not reversed at the reporting date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements, which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes. Deferred tax is measured at the tax rates that are expected to apply in the years, in which the timing differences are expected to reverse based on tax rates and levies that have been enacted or substantively enacted at the reporting date. Deferred tax is not discounted.

Share capital presented as equity

Ordinary shares are not redeemable and are classified as equity in accordance with IAS 32. Ordinary shares entitle the holders to receive notice of, and vote at, any general meeting of the Company, to ordinary dividends as may be declared by the Directors from time to time and to participate in the winding up of the Company. No dividend shall exceed the amount recommended by the Directors. Dividends are recognised as a liability in the period in which they are approved. The shares forming the capital may be increased or reduced and be divided into such classes and issued with any special rights, privileges and conditions as set out in the Constitution.

3. CASH AND CASH EQUIVALENTS

	31-Dec-19
	£
Cash at bank	181,981
	181,981

Cash and cash equivalents of the Company are held by National Westminster Bank PLC ("Natwest") and Lloyds Bank PLC and The Bank of New York Mellon Brussels, on behalf of GPP. As at 31 December 2019, the Moody's credit rating of Natwest Bank was P-1, Lloyds' credit rating was P-1 and BNY Mellon's credit rating was P-1.

As at 31 December 2019, the cash balance was comprised of €102,605 and £94,617.

4. TRADE AND OTHER RECEIVABLES

	31-Dec-19
	£
Other receivables	2,025
Reimbursement of expenses	71,277
	73,302

Trade and other receivables are short-term in nature and relate to other income receivable. Given the short term maturities, there is no ECLs recorded as management considers ECL provision to be immaterial.

The Company is reimbursed by the Arranger for all the expenses incurred, as per the "Fees and Expenses Agreement" dated on 29 October 2019. This Agreement includes the terms and conditions with regards the payment of certain fees, costs and expenses incurred by the Company in connection with the issuance of the Notes, and the day-to-day fees, costs and expenses associated with maintaining the Company.

5. INVESTMENTS AT FVTPL

	31-Dec-19
	£
Balance at the beginning of the financial period	-
Investments at FVTPL transferred to the Company	21,225,049
Purchases of investments at FVTPL	2,259,848
Accrued coupon on investments at FVTPL	228,118
Fair value movement	490,403
Balance at the end of the financial period	24,203,418

During the financial period, the Company acquired investments and notes in a non cash transaction, from WiseAlpha Limited, of £21,225,049 in accordance with the Deed of Substitution.

The investments which consist of senior secured and unsecured high yield bonds are valued by the Custodian using data from the active market. The bonds have a varied maturity profile, note 16 (ii) provides an overview of the maturity of the investments.

The carrying value of the assets of the Company represents their maximum exposure to credit risk.

The assets held by the Company are pledged as security for the Notes issued. Please refer Note 16 for more details on the portfolio.

The Directors have engaged the Investment Advisor to provide investment management services, having appropriate recognised professional qualification and recent experience in the market in which the investment securities being managed and valued are traded, to value the portfolio at 31 December 2019 as part of its Investment Advisory and Intermediation Agreement.

The estimate of the investment securities value provided by the Custodian has been prepared in accordance with their obligations under the Transaction Documents. The Custodian prices the portfolio using IDC.

Maturity analysis of investments at FVTPL	**31-Dec-19**
	£
Due within 1 year	94,781
Due within 1-2 years	2,550,490
Due within 2-5 years	13,464,178
Greater than 5 years	8,093,969
	24,203,418

6. TRADE AND OTHER PAYABLES

	31-Dec-19
	£
Accrued audit fee	24,069
Accrued tax compliance fee	5,232
Corporation tax payable	42
Directors' fees	4,720
Accrued corporate service fee	17,698
Unsettled trades	45,142
Payables to related parties	10,233
Other payables	4,965
	112,101

All accrued expenses are due within one year.

7. NOTES AT FVTPL

	31-Dec-19
	£
Balance at the beginning of the financial period	-
Transfer of Notes at FVTPL to the Company	21,225,049
Issue during the period	2,259,848
Accrued coupon on notes at FVTPL	228,118
Fair value movement	490,403
Balance at the end of the financial period	24,203,418

During the financial period, the Company acquired investments and notes in a non cash transaction, from WiseAlpha Limited, of £21,225,049 in accordance with the Deed of Substitution.

The Notes are limited recourse and non-petition in nature. The Notes issued by the Company have a maturity of five business days after the maturity date of the investment they relate to.

Maturity analysis of notes at FVTPL	**31-Dec-19**
	£
Due within 1 year	94,781
Due within 1-2 years	2,550,490
Due within 2-5 years	13,464,178
Greater than 5 years	8,093,969
	24,203,418

Limited recourse of Notes issued

If the net proceeds of realisation of the assets secured against the Notes are less than the aggregate amount payable by the Company to the noteholders, the obligations of the Company will be limited to such net proceeds, which shall be applied in accordance with the Notes issuance agreement.

In such circumstances, the other assets of the Company will not be available for payment of such shortfall which shall be borne by the noteholders in accordance with the Notes issuance agreement applied at the time of final settlement.

Coupon expense to the noteholders is based on the coupon income received by the Company. As this is a limited recourse transaction, the return of coupon and principal to the noteholders is contingent on the realisable value of the investments. The returns made to the noteholders over the life of the Company would depend on the coupon income earned by the Company. At each reporting date, when the results of operations are computed, this gain or loss is recognised in the Statement of Comprehensive Income and added to or set off against the principal amounts.

Notes issued are limited recourse debt obligations which are payable solely out of amounts received by or on behalf of the Company in respect of the investments securing the Notes.

8. SHARE CAPITAL PRESENTED AS EQUITY

	31-Dec-19
	£
Authorised:	
100,000,000 Ordinary Shares of £1 each	100,000,000
100,000,000 Ordinary Shares of €1 each	85,080,000
	185,080,000

	31-Dec-19
Allotted, called up and paid	£
100,000 ordinary shares issued at £1 each	100,000
50,000 ordinary shares issued at €1 each	43,057
	143,057

The shares were issued to IQEQ Nominees (Ireland) Limited.

On 16 September 2019, a resolution was passed to increase the authorised share capital of the Company from £100,000,000, to £100,000,000 and €100,000,000.

9. NET GAIN ON INVESTMENTS AT FVTPL

	Financial period from 22 May 2019 to 31 December 2019
	£
Coupon income	545,295
Fair value movement on investments at FVTPL	490,403
	1,035,698

Coupon income is generated from coupon earned on the investments.

10. NET LOSS ON NOTES AT FVTPL

	Financial period from 22 May 2019 to 31 December 2019
	£
Coupon expense	545,295
Fair value movement on Notes at FVTPL	490,403
	1,035,698

11. OTHER INCOME

	Financial period from 22 May 2019 to 31 December 2019
	£
Reimbursement of expenses	71,277
Other income	2,414
	73,691

The Company is reimbursed by the Arranger for all the expenses incurred, as per the "Fees and Expenses Agreement" dated on 29 October 2019. This Agreement includes the terms and conditions with regards the payment of certain fees, costs and expenses incurred by the Company in connection with the issuance of the Notes, and the day-to-day fees, costs and expenses associated with maintaining the Company.

12. OTHER EXPENSES

	Financial period from 22 May 2019 to 31 December 2019
	£
Audit fee	24,069
Tax compliance fee	5,232
Corporate service fee	17,698
Bank charges	8,219
Arranger / Investment Advisor fees	10,233
Foreign exchange loss	1,106
Directors' fees	4,720
Other expenses	2,247
	73,524

	Financial period from 22 May 2019 to 31 December 2019
Auditor's remuneration (excluding VAT)	£
Statutory audit	19,568
Tax advisory services	4,254
Other assurance services	-
Other non audit services	-
	23,822

13. EMPLOYEES

The Company had no employees during the financial period ended 31 December 2019.

14. DIRECTORS' FEES

The Directors' remuneration in respect of the financial period ended 31 December 2019 was £4,720 (€5,548).

	Financial period from 22 May 2019 to 31 December 2019
Directors' remuneration (including persons connected with Directors)	£
Emoluments	4,720
Gains on the exercise of certain share options	-
Amounts receivable under long-term incentive schemes	-
Contributions to pension schemes:	
Defined contribution schemes	-
Defined benefit schemes	-
Compensation for loss of office or other termination benefits:	
Paid by/receivable from Company	-
Paid by/receivable from subsidiary undertakings	-
Paid by/receivable from holding undertaking	-
Paid by/receivable from any other person	-
	4,720

15. CORPORATION TAX CHARGE

	Financial period from 22 May 2019 to 31 December 2019
	£
Corporation tax based on profit for the financial period	42

A reconciliation between the total tax charge and the tax charge that would result from applying the standard rate of Irish corporation tax to the profit on ordinary activities is provided below:

15. CORPORATION TAX CHARGE - (CONTINUED)

Factors affecting the total tax charge for the financial period

	Financial period from 22 May 2019 to 31 December 2019
	£
Profit on ordinary activities before taxation	167
Profit on ordinary activities multiplied by the standard rate of Irish corporation tax of 12.5%	21
Higher rate tax applicable under Section 110 TCA, 1997	21
Total tax charge for the financial period	42

The Company is a qualifying Company within the meaning of Section 110 of the Taxes Consolidation Act, 1997. As such, profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25% but are computed in accordance with the provisions applicable to Case I of Schedule D.

16. FINANCIAL RISK MANAGEMENT

Financial risks are risks arising from financial instruments to which the Company is exposed during or at the end of the reporting period. Financial risk comprises of market risk (including interest rate risk, foreign currency risk and other price risk), credit risk, liquidity risk and operational risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The main risks arising from the Company's financial instruments are market risk, credit risk and liquidity risk.

Capital risk management

The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to stakeholders.

There were no changes to the policies and procedures during the financial period with respect to the Company’s approach to its capital management program. The Company does not have any externally imposed capital requirements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk profile of the Company is such that market, credit, liquidity and other risks of the investment securities are borne fully by the noteholders. The income payments to the noteholders are determined with reference to priorities of payment schedule as contained in their terms and conditions of the notes issued. Principal repayments are also determined with reference to conditions of the notes issued schedule.

The notes issued are initially recorded at the value of the net proceeds received and are carried as financial liabilities at fair value through profit or loss. The ultimate amount to be repaid to the noteholders will depend on the proceeds from the related collateral and the running costs of the Company, due to the limited recourse nature of the Notes in issue.

(i) Market risk

Market risk is the risk the market price of a financial instrument will fluctuate due to changes in foreign exchange rates, market factors specific to the particular instrument or its issuer or factors affecting all instruments traded in the market. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(a) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on the fair value of financial assets and liabilities and future cash flows.

16. FINANCIAL RISK MANAGEMENT - (CONTINUED)

(i) Market risk - (continued)

(a) Interest rate risk - (continued)

As at 31 December 2019, the interest rate profile of the Company's financial assets and liabilities is as follows:

2019	Fixed rate	Floating rate	Non-interest bearing	Total
	£	£	£	£
Investments at FVTPL	22,351,315	1,852,103	-	24,203,418
Trade and other receivables	-	-	73,302	73,302
Cash and cash equivalents	-	181,981	-	181,981
	22,351,315	2,034,084	73,302	24,458,701
Notes at FVTPL	-	24,203,418	-	24,203,418
Trade and other payables	-	-	112,101	112,101
	-	24,203,418	112,101	24,315,519

Sensitivity analysis

IFRS 7 requires disclosure of a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date. The following is an interest risk sensitivity analysis on net assets, under floating and fixed interest rate:

Net assets on floating interest rate:	**31-Dec-19**
	£
Investments at FVTPL	1,852,103
Cash and cash equivalents	181,981
Notes at FVTPL	(24,203,418)
Net assets	(22,169,334)

Sensitivity analysis on Investments at FVTPL	
1% increase in interest rate	(46)
1% decrease in interest rate	(39)

Sensitivity analysis on cash and cash equivalents
The interest rate risk for cash is £ nil.

Sensitivity analysis on Notes at FVTPL
The interest on the Notes is dependent on the interest from the Investments at FVTPL.

Net assets on fixed interest rate:	**31-Dec-19**
	£
Investments at FVTPL	22,351,315
1% increase in interest rate	(790,170)
1% decrease in interest rate	849,791

The interest rate risk of the financial assets is borne by the noteholders and thus changes in interest rates have no net impact on the equity or the results of the Company.

16. FINANCIAL RISK MANAGEMENT - (CONTINUED)

(i) Market risk - (continued)

(b) Foreign currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

All of the assets acquired are matched as to principal and currency with the corresponding Notes. Any coupon receivable on the investments and any coupon payable on the Notes are also matched as to currency. The Company does not have a material exposure to foreign currency risk as at 31 December 2019.

The table below details the Company's foreign currency denominated financial assets and financial liabilities as at 31 December 2019:

EUR exposure	**31-Dec-19**
	£
Cash and cash equivalents	87,364
Investments at FVTPL	1,344,496
Notes at FVTPL	(1,344,496)
Total exposure	87,364

A 5% strengthening in the EUR against the British Pound as at 31 December 2019 would cause the value of the Company's assets to decrease by £4,368. A 5% weakening in the EUR would cause the value of the Company's assets to increase by £4,368.

Foreign exchange rate (EUR)	**31-Dec-19**
GBP/EUR	1.1754

(c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Notes issued by the Company are limited recourse obligations and the future cash flows for the Notes depends on the future cash flows of the investment at FVTPL after deducting the cash outflows and other liabilities.

16. FINANCIAL RISK MANAGEMENT - (CONTINUED)

(i) Market risk - (continued)

(c) Price risk - (continued)

Sensitivity analysis

Any changes in the prices of the financial assets at fair value through profit or loss would not have any effect on the equity or net profit or loss of the Company as any fair value fluctuations in prices are ultimately borne by the noteholders. The impact of a 5% movement in the market prices of the financial assets with all other variables held constant at the reporting date on the Statement of Comprehensive Income is shown as follows:

	Financial period from 22 May 2019 to 31 December 2019
	£
5% net movement in fair value of assets	1,210,171
5% net movement in fair value of liabilities	(1,210,171)
Net exposure	-

As the Company has limited recourse Notes issued, all gains and losses are passed on to the noteholders with no residual risk remaining. The sensitivity analysis has been determined based on the Company's exposure to variable interest rates for interest bearing assets (included in the interest rate exposure tables above) at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting financial year in the case of instruments that have floating and fixed rates. For variable instruments, this analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(ii) Liquidity risk

Liquidity risk is risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash, thus the Company will not be able to meet its financial obligations as they fall due. The ability of the Company to meet its obligations under the Notes is dependent on the receipt of coupon and principal from its Investments. There has been no liquidity issues experienced by the Company in respect of meeting its obligations to the noteholders. The Company did not default on any of its contractual commitments during the financial period. The contracted undiscounted cash flows of all financial liabilities by remaining contractual maturities as at 31 December 2019 is as per the table below. If an event occurred that caused the early maturity and termination of the Notes, then the contractual cash flows would change accordingly to be less than one year.

2019	Less than 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Gross contractual cashflows	Carrying amount
	£	£	£	£	£	£
Notes at FVTPL	362,249	1,301,255	22,996,375	7,861,600	32,521,479	24,203,418
Trade and other payables	-	112,101	-	-	112,101	112,101
	362,249	1,413,356	22,996,375	7,861,600	32,633,580	24,315,519

Contractual cash flows are comprised of future principal repayments on notes and projected future coupon payments on the financial liabilities issued and trade and other payables. Contractual cash flows owed to the noteholders are only contractually due if monies are received from the investments. The above amounts are based on the interest rates prevailing at the financial period end in relation to the Investments that the Notes relate to.

The trade and other receivables is expected to be received in less than 1 year. See note 5 for the maturity analysis of Investments at FVTPL.

16. FINANCIAL RISK MANAGEMENT - (CONTINUED)

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's financial assets. The Company's principal financial assets are cash and cash equivalents and investments at FVTPL, which represent the Company's maximum exposure to credit risk in relation to financial assets. In addition to this, any loss in the value of the investments is directly attributable to the noteholders.

The exposure of the Company's investments is continuously monitored and the Directors receive the market update from the Investment Advisor on a regular basis. The Investment Advisor monitors the credit status of all of the financial assets held by the Company and compares this against the market values that could be derived by selling the securities. The credit characteristics of the financial assets in the portfolio are measured, updated and analysed regularly, to determine the current credit status of each financial asset.

The table below represents the maximum exposure to credit risk:

Credit risk exposure relating to financial statements	**31-Dec-19**
	£
Cash and cash equivalents	181,981
Investments at FVTPL	24,203,418
Trade and other receivables	73,302
Total exposure	24,458,701

The credit characteristics of the financial assets in the Portfolio are measured, updated and analysed every quarter, and in some cases every month, to determine the current credit status of each financial asset. The Investment Advisor and Arranger tracks the credit ratings for the financial assets in the Portfolio. The Company manages the credit risk through monitoring of the credit ratings of the counterparties, financial assets and financial liabilities.

(i) The Moody's credit rating profile of the investment at FVTPL is as follows:

Credit rating	**31-Dec-19**
	%
B1	11
B2	10
B3	11
Ba1	2
Ba2	6
Ba3	7
Baa3	1
C	1
Ca	2
Caa1	9
Caa2	5
Caa3	4
WR*	1
Unrated	30
	100

*Rating Withdrawn

16. FINANCIAL RISK MANAGEMENT - (CONTINUED)

(iii) Credit risk - (continued)

Financial assets split by class	**31-Dec-19**
	£
Bonds	24,203,418
	24,203,418

The Company has defaulted assets at the period ended 31 December 2019 as follows:

Issuer	**Security ID**	**Principal balance £**	**Carrying amount £**
New Look Senior Issuer PLC	XS1248518158	100,000	10
House of Fraser (Funding) PLC	XS1266139895	100,000	4,791
New Look Secured Issuer PLC	XS1248516616	600,000	113,820

The assets listed above are classified as defaulted by credit rating agencies but still have value as they may pay cash distributions in the future.

Concentration risk

Concentration risk can arise from the type of investments held in the Portfolio, the maturity of assets, the concentration of sources of funding, concentration of counterparties or geographical locations. Prudent risk management implies maintaining the exposure to various risks at a reasonable level.

The Investment Advisor monitors the exposure of the Company to various risks including Country/Geographical, Single Obligor/Counter-party, Industry categories/segments and asset type. The geographical locations for the Investments are shown in the table below.

The Portfolio has exposure across 13 Moody's industry categories.

(i) The Company's exposure to geographical locations is detailed below.

Exposure	**31-Dec-19**
	%
United States	2
France	2
Germany	2
United Kingdom	86
Netherlands	4
Ireland	1
India	2
Other	1
	100

16. FINANCIAL RISK MANAGEMENT - (CONTINUED)

(iii) Credit risk - (continued)

(ii) Moody's industry categories

Exposure	**31-Dec-19**
	%
Automotive	4
Banks & Financials	39
Business Services, Shipping & Logistics	2
Cable & Telecoms	4
Consumer & Food	10
Energy, Utilities & Infrastructure	10
Entertainment, Media & Broadcasting	5
Healthcare	3
Property	6
Retail	7
Services	6
Technology	1
Travel	3
	100

(iv) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the service providers for the Company, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the activities of the Company.

The Company's aim is to manage operational risk so as to balance limiting of financial losses and damage to its reputation while achieving its investment objective of generating returns to investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the Board of Directors. The Directors' assessment over the adequacy of the controls and processes in place at the service providers with respect to operational risks is carried out via regular board meetings with the Arranger and Administrator.

17. FAIR VALUE ESTIMATION

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

IFRS 13 defines a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair

Level 1: Financial assets and liabilities are measured using quoted market prices (unadjusted) in an active market for an identical instrument;

Level 2: Financial assets and liabilities are measured using valuation techniques which use observable market data, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments when the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below analyses the financial instruments measured at fair value as at financial period end in the fair value hierarchy

31 December 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets	**£**	**£**	**£**	**£**
Investments at FVTPL	-	24,203,418	-	24,203,418

	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities	**£**	**£**	**£**	**£**
Notes at FVTPL	-	24,203,418	-	24,203,418

During the period ended 31 December 2019, no financial instruments were transferred between any levels.

Financial instruments not measured at fair value

The cash and cash equivalents has been classified under Level 2 considering the liquidity of the market.

Trade receivables, trade payables and accruals have fair values that approximate to their carrying value because of their short term nature thus have been classified as Level 2.

18. RELATED PARTY TRANSACTIONS

Transactions with related parties

(a) WiseAlpha Technologies Limited act as Investment Advisor and Arranger. Arranger fees earned by the Arranger amounted to £10,233, the entire amount of which was outstanding at the financial period end. In addition to this, the Arranger reimburses the Company for all expenses incurred. During the financial period, the reimbursement income was £71,277, and the entire amount was receivable as at 31 December 2019.

(b) WiseAlpha Investment Limited (BVI) (the "Noteholder") holds £4,287,778 (18%) of the fractional bonds issued by the Company.

(c) The Company also acquired investments and notes from WiseAlpha Limited during the financial period. The amount of investments and notes acquired was £21,225,049, in a non-cash transaction. The investments and notes were acquired under the terms of the Deed of Substitution.

Transactions with Key Management Personnel

The Board is considered to be the Key Management Personnel of the Company for the period ended 31 December 2019. Although the Investment Advisor and the Company has entered into an investment advisory agreement, the Board is still considered to have authority and responsibility for planning and directing activities of the Company being the purchase and sale of the Portfolio.

During the financial period, Syad Rezaah Ahmad, who is a Director of the Company, is also a director of the Noteholder and Arranger. As at 31 December 2019, the Company owed an amount of £10,233, to the Arranger in relation to the arranger fees.

See note 14 for Directors' fees amounting in total to £4,720.

Transactions with other key contracts

(a) Transactions with IQ EQ Corporate Services (Ireland) Limited (the "Administrator")

The Company engages the Administrator for all management and administration functions to manage the operational risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The Administrator is entitled to receive administrative fees for the services it provides per the terms and conditions of the Agreement.

During the financial period, the Company incurred a fee of £16,948 relating to administration services provided by the Administrator, and £16,948 was due as at the period end.

(b) Transactions with IQ EQ (Isle of Man) Limited (the "Fiscal Agent")

The Company engages the Fiscal Agent for all the duties as outlined in the Administration Agreement ("Agreement"). The Fiscal Agent is entitled to receive fees for the services it provides per the terms and conditions of the Agreement. During the financial period, the Company incurred a fee of £750 for the services provided by the Fiscal Agent for the financial period, of which £750 was due as at 31 December 2019.

19. COMMITMENTS AND CONTINGENCIES

The Company had no commitments and contingent liabilities at 31 December 2019.

20. CHARGES

The Notes are secured in favour of the Trustee for the benefit of the noteholders by security over the Investments of the Company. The Notes are limited recourse in nature and are secured over the Investments of the Company.

21. CONTROLLING PARTY

The Company has one shareholder, IQEQ Nominees (Ireland) Limited. All shares are held under the terms of declarations of trust, under which the relevant share trustee holds the issued shares of the Company in trust for a charity.

The Board of Directors are responsible for the day-to-day management and administration of the Company.
The Board is composed of three directors, two of the Directors are independent non executive Directors, whereas one of the Director, is also a Director of the Noteholder and Arranger as mentioned in note 18.

The Directors are of the view that based on the information available to them that there is no single entity that has overall control of the Company as defined under IFRS 10.

22. SUBSEQUENT EVENTS

In the recent developments due to Covid-19, the Investments of the Company declined in their market value post year end. Any change in the value of the Investments is directly reflected in the value of the Notes, as the Company's Notes derive their income and value directly from the Investments held by the Company, therefore limiting the financial impact on the Company due to price fluctuations.

The Investment Advisor and Arranger will continue to monitor the underlying portfolios and trading activity of its investments to ensure that managers are reducing risk appropriately. The outbreak could result in changes or increased volatility in capital markets activity, lower asset price levels, disruptions in general economic activity, or in financial market settlement functions, which could negatively impact the Company; however, the potential impact of this is highly uncertain and is not possible for the Company to quantify at this time.

There have been no other significant events subsequent to the period end that require adjustment to or disclosure in these financial statements up to the date of signing these financial statements.

23. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 26 May 2020.