Company Registration No. 07892904 (England and Wales)

VORDERE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

COMPANY INFORMATION

Directors	D Healy	(Appointed 27 April 2020)
	M Fernandes	(Appointed 27 April 2020)
	PLR Hewitt, JP, FCSI (Chairman)	
Secretary	Filex Services Limited	
Company number	07892904	
Registered office	1 London Bridge London SE1 9BG	
Auditor	Mercer & Hole Batchworth House Batchworth Place Church Street Rickmansworth Hertfordshire WD3 1JE	

VORDERE LIMITED

CONTENTS

Chairman's Statement

It is with pleasure that I present the Board's annual report to shareholders for the year ended 31st March 2021. The Covid-19 pandemic continues to hit both operating as well as asset management businesses and this coupled with the uncertainly of 'when' it ends has produced another challenging year for the Group. Nonetheless, Shareholders will see that the Board has continued to actively manage the portfolio whilst working towards a liquidation of the assets.

Review of the business

The preservation and enhancement of property values remains a principal driver for the Directors and they remain committed to reducing professional fees whilst maintaining minimal operational costs to ensure that maximum funds remain available to invest in projects, if appropriate. As is good practice, the board maintains 12- month forward projections of expenditure to ensure we have sufficient funds to operate the Company and to ensure that the value of the properties is protected.

Despite the restrictions imposed by the Covid-19 pandemic, the Board has been extremely active in managing each of the properties in terms of enhancing value or marketing those where limited or no value increase is considered possible.

The Group's properties are mostly development land which have no rental income but carry a cost burden associated with their ownership. The Board has worked hard to prioritise the sales of properties where there is least potential for diminution in net asset value.

The Group's loss for the year was £1,789,108 (2020: £38,201,062) of which £91,892 (2020: £32,680,927) related to the write-down of the value of the properties and £1,114,063 (2020: £2,679,980) of legal and professional fees. During the year the Board has focused on reducing administrative costs across the group to minimise further losses to net asset value. The net asset value of the Group is £38,583,626 (2020: £41,911,682) and with 469,014,169 shares in issue, this represents a net asset value per share of £0.0823 or 8.23 pence.

The reduction in net asset value is predominantly as a result of the trading loss of the Group and the investment properties held in Germany that have been restated in sterling at the year end. Due to the fluctuations in exchange rates, an impairment of £1.5m has been recorded and this is reflected in the movement in other reserves, as explained in Note 29. At the year-end the Group had £110k in cash (2020: £978k) and no secured debt (2020: £nil).

Property valuation methodology

Shareholders will recall that in 2020, the board obtained valuations from Knight Frank based on a more realistic 'as-is' valuation methodology. This year Knight Frank have confirmed that the valuations are materially consistent with the 2020 valuations. The schedule of properties, their status and values, can be found on page 3 of this report.

Loan receivable

The Group currently holds one loan receivable equal in total to £0.8m, earning 7% annualised income, which is secured on a property. The loan was assigned to Vordere Limited during the year and accrued interest to date has been settled post year end. The Directors expect full recovery of this loan.

Reduction in administration costs

The Board has continued to focus on the reduction of administration expenses and is pleased to report that these costs reduced to £1.8m down from £5.4m in the previous year being a reduction of £3.6m year on year. Following receipt of sales proceeds from the sale of the Group's properties in Berchtesgaden and Haag, the Board has been able to settle several creditors, including its corporate services provider in Germany, Vistra. The Board is now in discussions with Vistra to enter into a fair and sustainable future fee agreement given the reduced activity and plans to liquidate the portfolio over time.

Litigation

The Board has been working with its lawyers to prepare proceedings before the English Courts against former directors of Vordere, seeking substantial damages on the grounds of various breaches of duty and other causes of action. As at the time of submitting this Statement, Vordere Limited expects to start these proceedings shortly.

Principal risks and uncertainties

The Board continually monitor the key risks facing the Group, together with assessing the controls used for managing these risks. The Board formally reviews and documents the principal risks facing the business at least annually.

Financial and liquidity risk

As indicated previously and in the last years Report and in these financial statements, the preservation of cash balances remains a principal risk for the Group and the Board remain committed to maintaining minimal operational costs to ensure that maximum funds remain available for working capital purposes and returns for shareholders. Expenditure levels are carefully monitored against available cash balances to mitigate this risk.

Exchange rate fluctuations

The Group’s exposure to fluctuations in the Euro/Sterling exchange rate remains a significant risk. Whilst Vordere Limited is incorporated and based within the UK, all investment properties are held in Germany. As the Group’s intention is to sell several of the properties and return funds to shareholders, there is exposure to exchange rate fluctuations when remitting funds to the UK.

The Board regularly reviews movements in exchange rates and considers opportunities to hedge for significant transactions to limit the group’s exposure to losses on foreign exchange.

Realisable value of certain properties – special considerations

- The Hanau Property comprises thirteen residential buildings in Hanau, a town located in the federal state of Hesse, approximately 28km east of Frankfurt. The buildings are currently in a poor state of repair. At the time the Hanau property was agreed to be acquired by the previous Board, the City of Hanau lodged an objection to the sale to Vordere using a ‘right of pre-emption’. Vordere acquired a 94% economic interest in the property the priority notices are registered on the land for Vordere with respect to the asset purchase. The ongoing litigation between the City of Hanau and the seller centres around two key arguments which relate to the right of the City to invoke the pre-emption and secondly, if that right is deemed to be legal, the price that the City should pay for the property. Currently there are two credible offers that are close to the valuation and the Board is optimistic that a sale can be concluded in the not too distant future.
- The Bamberg Property consists of an existing derelict building fronting the road and a large plot to the rear fronting the river. The building was constructed in the year 1663 and has a total area of 770m2. Currently, the property is in a poor condition, in need of complete refurbishment and is therefore vacant. The Group owns 94% of the economic interest in the property. The building is listed and the City is keen to therefore preserve as much as the original fabric of the building as possible. Depending on the conditions imposed by the City of Bamberg, the achievable sale value of the property may be less than the Knight Frank valuation as at 31 March 2021.

COVID-19

Another major risk factor and source of uncertainty faced by the Group is Covid-19. Although our assets are mainly parcels of development land, the resulting uncertainty and reduced liquidity has a direct effect on the ‘as-is’ valuations.

Economic environment

Economic factors which could adversely impact the Group's business include the availability of credit and interest rate fluctuations.

Key performance indicators

Due to the relative simplicity of the business, the Board does not formally consider key performance indicators. It does however monitor cash balances and property valuations on a regular basis, in addition to reviewing monthly management accounts and group budgets.

Status of current property portfolio

The Board has explored all available options and approaches relating to selling, optimising permissions and development in respect of the Company's property portfolio. The Covid-19 pandemic has forced a thorough review of all plans given the lockdowns, scarcity of funding, and general uncertainty with respect to future outlook for real estate.

- The sale of Berchtesgaden completed at the end of April 2021. The injection of €1.57m of cash has allowed the Board to settle a number of outstanding creditors. The sale of Haag completed at the beginning of July 2021.
- The sale of Usedom is progressing according to an agreed timetable and the City has formally declined to exercise its pre-emption rights thereby clearing the final hurdle to completion, which is anticipated to take place in November 2021. Thereafter, the Board expects receipt of funds which will total €8.75m before fees and broker commissions.
- Shareholders may be aware that GPG (the parent company of the original owners of some of the Company’s properties) was placed into insolvency on the 15 of October 2020. Some of the original sellers to the Company have likewise since been put into insolvency or preliminary insolvency, on 26 April 2021. The insolvency administrator has delayed executing the final transfer of the registration of the Group's property at Juterbog. Currently there is no indication as to when the insolvency administrator is likely to comply.

Property SPV	**STATUS as at 31 October 2021**	**Book Value as at 31.3.21 (€m)**
Vordere Berchtesgaden I GmbH & Co KG	Sale completed	n/a
Vordere Hanau I GmbH & Co KG	Being marketed	10.2
Vordere Haag I GmbH & Co KG	Sale completed	n/a
Vordere Bamberg I GmbH & Co KG	Being marketed	2.25
Vordere Usedom I GmbH & Co KG	In exclusivity with potential buyer	8.75
Vordere Pegau I GmbH & Co KG	Finalisation of registration in progress	0.66
Vordere Sehnde I GmbH & Co KG	Registration in progress	3.39
Vordere Jüterbog I GmbH & Co KG	Registration in progress while exploring value-additive asset management options.	8.5
Vordere Schkeuditz I GmbH & Co KG	In discussions with asset manager to take to next stage of planning	10.1

Other post balance sheet events

Share Buyback
The Board intends to return excess funds, following property liquidations, to shareholders through a series of share buybacks as and when sufficient funds are on account to ensure the process is as cost effective as possible.

New Articles of Association
Shareholders will see in the Notice that there is a resolution to adopt new Articles. The new Articles are more comprehensive than those adopted when the Company converted form PLC to private status, and more suited to its new status. The new articles are available for inspection at the offices of Howard Kennedy.

Included in this Notice is a resolution seeking a general authority from the shareholders for the directors to allot new ordinary shares in the Company, as required under s549 read with s551 of the Companies Act 2006. The directors do not have any present intention of exercising this authority, but they consider it desirable that shares be available for issue so that they can more readily raise capital if required.
In addition, the Board seek approval from the shareholders for the directors to allot shares otherwise than in accordance with the statutory pre-emption rights contained in s561 of the Companies Act 2006. This authority is sought because it may be in the best interests of the Company for the directors to be able to allot some shares for cash without having to offer them first to existing shareholders.

Such authorities expire at the later of the date which is 15 months from the passing of the respective resolutions and the conclusion of the next Annual General Meeting of the Company.

VORDERE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Promoting the success of the company

The directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of Vordere for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long-term;
- the interest of Vordere's stakeholders;
- the desirability of Vordere Ltd maintaining a reputation for high standards of business conduct and;
- the need to act fairly as between members of Vordere Ltd.

On behalf of the board

DocuSigned by:

Peter Hewitt

BPF0898887C84BF...

PLR Hewitt, JP, FCSI (Chairman)

Director

1/11/2021......

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities
The principal activity of the Company and the Group continued to be that of a commercial property investment company.

Results and dividends
The results for the year are set out on page 11.

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

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

D Healy	(Appointed 27 April 2020)
M Fernandes	(Appointed 27 April 2020)
PLR Hewitt, JP, FCSI (Chairman)	

Qualifying third party indemnity provisions
Directors and officers of the Company have the benefit of a directors and officers liability insurance policy which provided appropriate cover in respect of legal actions brought against its directors.

Financial risk management
The Group has a simple capital structure, and its principal financial assets are cash and loan receivables. The Group has exposure to market risk and currency risk and the Directors manage its exposure to liquidity risk by maintaining adequate cash reserves.

Further details regarding risks are detailed in note 24 to the financial statements.

Strategic decisions
The Board provides leadership within a framework of appropriate and effective controls. The Board has overall responsibility for setting the Group's strategic aims, defining the business objectives, managing the financial and operational resources of the Group and reviewing the performance of the officers and management of the Group's business.

Auditor
Mercer & Hole were appointed as auditor and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Energy and carbon report
As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

The Company is currently operating with minimal employees and, therefore, has minimal carbon emissions. It is not practical to obtain emissions data relating to the Group's activities at this stage in the Group's size, scope, and stage of development. However, this decision will remain under review.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Business review, risks and uncertainties

The review of business, principal risks and uncertainties, the position of the company at the year end, analysis based on key performance indicators and future developments are included in the Strategic Report as permitted by s.414 of the Companies Act 2006.

Going concern

The Company's activities, together with the factors likely to affect its future development and performance, the financial position of the Company, its cash flows and liquidity positions have been considered by the Directors and disclosed in the Strategic Report and Financial Statements. Current market conditions have also been considered by the Board.

The Directors believe that the group is a going concern for the foreseeable future. The Board has continued to focus on reducing ongoing operational costs and have raised additional funds through property sales to support the business for the next 12 to 18 months. In their assessment, they have prepared detailed forecasts which take into account expected future impact of COVID-19 on the investment portfolio, additional sources of funding that may be available and further opportunities to reduce unnecessary costs to the company. Based on this, the directors believe the company will have sufficient resources to meet its obligations as they fall due and that the going concern basis is therefore appropriate.

On behalf of the board

DocuSigned by:

Peter Hewitt

BFF0858887C84BF...

PLR Hewitt, JP, FCSI (Chairman)

Director

Date: 1/11/2021

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF VORDERE LIMITED

Opinion

We have audited the financial statements of Vordere Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group income statement, the group statement of comprehensive income, the group and parent company statement of financial position, the group and parent company statement of changes in equity, the group statement of cash flows and the group and parent company notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021, and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter - effects on COVID-19 on the valuation of investment properties

We draw attention to Note 14 of the financial statements, which describes the effects of the Covid-19 pandemic on the valuation of the investment properties as at 31 March 2020. As disclosed in Note 14, the outbreak of COVID-19 during March 2020, has impacted global financial markets. Market activity is being impacted in many sectors, including property. In response to this, the Group's property valuations include a 'Material Uncertainty' clause in all property valuation reports. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of company and German property investment law, and we considered the extent to which non-compliance may have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principle risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure, and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of noncompliance with laws and regulations and fraud;
- evaluation of the operating effectiveness of management's controls designed to prevent and detect irregularities;
- challenging assumptions and judgements made by management in its significant accounting estimates;
- identifying and testing journal entries.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusions.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
David Jones
5D1FF98D5523432...

David Jones FCA (Senior Statutory Auditor)
For and on behalf of Mercer & Hole

2/11/2021

Chartered Accountants
Statutory Auditor

Batchworth House
Batchworth Place
Church Street
Rickmansworth
Hertfordshire
WD3 1JE

GROUP INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Revenue	4	181,099	218,980
Gross profit		181,099	218,980
Other operating income		10,000	-
Administrative expenses		(1,767,739)	(5,403,188)
Operating loss	5	(1,576,640)	(5,184,208)
Investment revenues	8	56,453	122,192
Finance costs	9	(1,089)	-
Other gains and losses	10	(251,956)	(33,139,046)
Loss before taxation		(1,773,232)	(38,201,062)
Income tax expense	11	(15,876)	-
Loss for the year		(1,789,108)	(38,201,062)

Profit for the financial year is all attributable to the owners of the parent company.

VORDERE LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Loss for the year	(1,789,108)	(38,201,062)
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Currency translation differences	(1,538,948)	618,536
Total comprehensive income for the year	(3,328,056)	(37,582,526)

Total comprehensive income for the year is all attributable to the owners of the parent company.

VORDERE LIMITED

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
Non-current assets			
Property, plant and equipment	**12**	5,923	6,585
Investment property	**14**	39,114,917	40,704,051
Other receivables	**17**	837,309	943,165
		39,958,149	41,653,801
Current assets			
Trade and other receivables	**17**	1,087,760	1,090,910
Cash and cash equivalents		110,157	978,532
		1,197,917	2,069,442
Current liabilities			
Trade and other payables	**21**	2,472,440	1,811,561
Borrowings	**24**	100,000	-
		2,572,440	1,811,561
Net current (liabilities)/assets		(1,374,523)	257,881
Net assets		38,583,626	41,911,682
Equity			
Called up share capital	**26**	9,380,284	9,614,058
Share premium account	**27**	75,076,876	75,076,876
Other reserves	**29**	(1,635,850)	(96,902)
Capital redemption reserve	**28**	233,774	-
Retained earnings		(44,471,458)	(42,682,350)
Total equity		38,583,626	41,911,682

The financial statements were approved by the board of directors and authorised for issue on 2/11/2021 and are signed on its behalf by:

DocuSigned by:

F40F6E277885454...

D Healy

Director

VORDERE LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
Non-current assets			
Property, plant and equipment	13	5,923	6,585
Investments	15	34,229	34,229
Other receivables	18	837,309	-
		877,461	40,814
Current assets			
Trade and other receivables	18	40,022,925	41,671,737
Cash and cash equivalents		31,748	120,565
		40,054,673	41,792,302
Current liabilities			
Trade and other payables	22	1,047,236	669,900
Borrowings		100,000	-
		1,147,236	669,900
Net current assets		38,907,437	41,122,402
Net assets		39,784,898	41,163,216
Equity			
Called up share capital		9,380,284	9,614,058
Share premium account		75,076,876	75,076,876
Capital redemption reserve		233,774	-
Retained earnings		(44,906,036)	(43,527,718)
Total equity		39,784,898	41,163,216

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £1,378,318 (2020 - £39,124,464 loss).

The financial statements were approved by the board of directors and authorised for issue on 2/11/2021 and are signed on its behalf by:

DocuSigned by:
F40F6E277885454...
D Healy
Director

Company Registration No. 07892904

VORDERE LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Retained earnings £	Total £
Balance at 1 April 2019		3,995,008	24,505,431	-	(715,438)	(4,481,288)	23,303,713
Year ended 31 March 2020:							
Loss for the year		-	-	-	-	(38,201,062)	(38,201,062)
Other comprehensive income:							
Currency translation differences		-	-	-	-	618,536	618,536
Total comprehensive income for the year		-	-	-	-	(37,582,526)	(37,582,526)
Issue of share capital	**26**	5,619,050	50,571,445	-	-	-	56,190,495
Transfer to other reserves		-	-	-	618,536	-	618,536
Transfers		-	-	-	-	(618,536)	(618,536)
Balance at 31 March 2020		9,614,058	75,076,876	-	(96,902)	(42,682,350)	41,911,682
Year ended 31 March 2021:							
Loss for the year		-	-	-	-	(1,789,108)	(1,789,108)
Other comprehensive income:							
Currency translation differences		-	-	-	-	(1,538,948)	(1,538,948)
Total comprehensive income for the year		-	-	-	-	(3,328,056)	(3,328,056)
Transfer to other reserves		-	-	-	(1,538,948)	-	(1,538,948)
Redemption of shares	**26**	-	-	233,774	-	-	233,774
Transfers		-	-	-	-	1,538,948	1,538,948
Other movements		(233,774)	-	-	-	-	(233,774)
Balance at 31 March 2021		9,380,284	75,076,876	233,774	(1,635,850)	(44,471,458)	38,583,626

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Total
		£	£	£	£	£
Balance at 1 April 2019		3,995,008	24,505,431	-	(4,403,253)	24,097,186
Year ended 31 March 2020:						
Loss and total comprehensive income for the year		-	-	-	(39,124,465)	(39,124,465)
Issue of share capital		5,619,050	50,571,445	-	-	56,190,495
Balance at 31 March 2020		9,614,058	75,076,876	-	(43,527,718)	41,163,216
Year ended 31 March 2021:						
Loss and total comprehensive income for the year		-	-	-	(1,378,318)	(1,378,318)
Redemption of shares		-	-	233,774	-	233,774
Other movements		(233,774)	-	-	-	(233,774)
Balance at 31 March 2021		9,380,284	75,076,876	233,774	(44,906,036)	39,784,898

VORDERE LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash absorbed by operations	**1**		(911,950)		(4,545,571)
Interest paid			(1,089)		-
Tax paid			(15,877)		-
Net cash outflow from operating activities			(928,916)		(4,545,571)
Investing activities					
Purchase of investment property		-		(59,453,772)	
Proceeds on disposal of investment property		-		1,654,672	
Receipts/(payments) arising from loans made		(54,926)		1,067,957	
Interest received		56,453		122,193	
Net cash generated from/(used in) investing activities			1,527		(56,608,950)
Financing activities					
Proceeds from issue of shares		-		56,190,495	
Proceeds of new bank loans		100,000		-	
Net cash generated from financing activities			100,000		56,190,495
Net decrease in cash and cash equivalents			(827,389)		(4,964,026)
Cash and cash equivalents at beginning of year			978,532		5,645,997
Effect of foreign exchange rates			(40,986)		296,561
Cash and cash equivalents at end of year			110,157		978,532

VORDERE LIMITED

GROUP STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Cash absorbed by operations

	2021	2020
	£	£
Loss for the year after tax	(1,789,108)	(38,201,062)
Adjustments for:		
Taxation charged	15,876	-
Finance costs	1,089	-
Investment income	(56,453)	(122,192)
(Gain)/loss on disposal of investment property	-	322,539
Depreciation and impairment of property, plant and equipment	662	663
Other gains and losses	251,956	32,680,927
Movements in working capital:		
Decrease/(increase) in trade and other receivables	3,149	(190,129)
Increase in trade and other payables	660,879	963,683
Cash absorbed by operations	(911,950)	(4,545,571)

2 Accounting policies

Company information

Vordere Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 London Bridge, London, SE1 9BG. The company's principal activities and nature of its operations are disclosed in the directors' report.

These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in property investment and development.

2.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

These consolidated financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated. Management have considered the functional currency of each company individually, based on the various factors outlined in IAS 21, and concluded that each of the subsidiaries has the Euro as their functional currency.

The consolidated financial statements have been prepared on the historical cost basis except for the Investment Properties which are measured at fair value on each reporting date.

2 Accounting policies **(Continued)**

The financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that Standard in relation to statement of share-based payments, financial instruments, disclosures of related party within the Group, disclosures of key management personnel and presentation of a cash flow statement and related notes.

2.2 Business combinations

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the
- current ability to direct the relevant activities at this time that decisions need to be made, including voting patterns at previous shareholders meetings.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2 Accounting policies **(Continued)**

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

The financial year of the parent company and its subsidiaries is 31 March 2021, except for St James Square Management GmbH which is 31 December 2020.

2.4 Going concern

The Company's activities, together with the factors likely to affect its future development and performance, the financial position of the Company, its cash flows and liquidity position have been considered by the Directors, taking account of the current market conditions which demonstrate that the Company shall continue to operate within its own resources.

The Board has continued to focus on reducing ongoing operational costs and have raised additional funds through property sales to support the business for the next 12 to 18 months. In their assessment, they have prepared detailed forecasts which take into account expected future impact of COVID-19 on the investment portfolio, additional sources of funding that may be available and further opportunities to reduce unnecessary costs to the company. Based on this, the directors believe the company will have sufficient resources to meet its obligations as they fall due and that the going concern basis is therefore appropriate.

2.5 Revenue

Revenue is measured as the fair value of the consideration received or receivable. The revenue of £181,099 (2020: £219,980) arose during the year relates to rental income. Rental income is recognised in the period which it relates.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer.

2.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Fixtures and fittings	25% on cost
Office equipment	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

2.7 Investment properties

2 Accounting policies **(Continued)**

Investment properties are properties held to earn rent and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

2.8 Non-current investments

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

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

2.9 Impairment of tangible and intangible assets

At each reporting end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2 Accounting policies **(Continued)**

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units (CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

2.11 Financial assets

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

2 Accounting policies (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instruments as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group’s core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's
- external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in the credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 60 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definition.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitments relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

2 Accounting policies **(Continued)**

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable date about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or a past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrowers
- financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

2.12 Financial liabilities

The group recognises financial debt when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that are managed together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group’s obligations are discharged, cancelled, or they expire.

2.13 Equity instruments

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

2.14 Taxation

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

2 Accounting policies (Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Current and deferred tax for the year

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

2.15 Employee benefits

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

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

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

2.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The Group issued warrant instruments as described in note 25 to these financial statements. The warrants were issued in exchange for services rendered to the Company and as a result have been accounted for as an equity-settled share-based payment. The fair value of the services rendered has been determined indirectly by reference to the fair value of the warrants issued. This fair value is determined at grant date. The share-based payment is recognised as an expense in the profit and loss account with corresponding credit to retained earnings. Upon exercise of the warrants, the proceeds received, net of any directly attributable transaction costs are allocated to share capital up to the nominal value shares issued with the excess being recorded as share premium.

2 Accounting policies (Continued)

2.17 Leases

At inception, the group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

2.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

3 Critical accounting estimates and judgements

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Deferred tax

In the current year a deferred tax asset arose on the loss brought forward and current year loss. However, management determined that they could not conclude with reasonable certainty that it would be recoverable in the future, as the properties are not yet realised and therefore a deferred tax asset should not be recognised.

3 Critical accounting estimates and judgements (Continued)

Key sources of estimation uncertainty
Impairment of investment properties

The fair value of investment properties was established using an 'as-is' basis and the valuations were carried out by Knight Frank and Dr H Geppert, external independent qualified valuers.

All fair value estimates for investment properties are included in level 3 under the fair value hierarchy for determining the fair value of non-financial assets.

The valuation of each property was prepared on an 'as-is' basis based on comparable transactions to provide expected market value for the sites without development at the 31 March 2020. The Directors consider this valuation to remain appropriate. This is explained further in the Strategic Report.

During the year ended 31 March 2021, the fair value of the investment properties has decreased immaterially. The impairment recognised in the year amounted to £91,892 (€103,000).

4 Revenue

	2021	2020
	£	£
Revenue analysed by class of business		
Rental receivable	181,099	218,980

	2021	2020
	£	£
Other significant revenue		
Interest income	56,453	122,192

In the opinion of Management, the Group has only one segment in the current period being investment in property in Germany.

5 Operating profit

	2021	2020
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(599)	46,012
Fees payable to the company's auditor for the audit of the company's financial statements	30,000	45,000
Depreciation of property, plant and equipment	662	663
(Profit)/loss on disposal of investment property	-	322,539

6 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	30,000	45,000
For other services		
Other services	12,000	15,000

7 Employees

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

	2021 Number	2020 Number
Directors	4	3
Administrative staff	-	1
Total	4	4

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	156,002	412,965
Social security costs	10,699	17,383
Pension costs	-	1,359
	166,701	431,707

All wages and salaries incurred by the Group relate to Key Management Personnel, being persons having authority and responsibility for planning, directing and controlling the activities of the Group. This includes the Directors of the Company and the Chief Operating Officer of the Company.

8 Investment income

	2021 £	2020 £
Interest income		
Other interest income	56,453	122,192
Dividends received	-	-

The above represents interest on financial assets measured at amortised cost.

9 Finance costs

	2021 £	2020 £
Other interest payable	1,089	-

10 Other gains and losses

	2021 £	2020 £
Changes in the fair value of investment properties	(91,892)	(33,161,165)
Amounts written off non-current loans	(160,064)	-
Amounts written back to financial assets at amortised cost	-	22,119
	(251,956)	(33,139,046)

11 Income tax expense

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	15,876	-

There were no factors that may affect future tax charges.

The charge for the year can be reconciled to the profit per the income statement as follows:

	2021 £	2020 £
Profit before taxation	(1,773,232)	(38,201,062)
Expected tax credit based on a corporation tax rate of 19.00% (2020: 19.00%)	(336,914)	(7,258,202)
Effect of expenses not deductible in determining taxable profit	2,363	-
Income not taxable	(194,611)	-
Unutilised tax losses carried forward	308,184	952,680
Change in unrecognised deferred tax assets	236,854	-
Fair value adjustments not deductible	-	6,305,522
Taxation charge for the year	15,876	-

The Group has losses of approximately £6.0m (2020: £6.0m) which equate to a deferred tax asset of approximately £1m (2020: £1m).

Management determined that they could not conclude with reasonable certainty that it would be recoverable in the future, as the properties are not yet developed and therefore a deferred tax asset should not be recognised.

12 Property, plant and equipment

Group

	Fixtures and fittings	Office equipment	Total
	£	£	£
Cost			
At 1 April 2019	5,990	1,961	7,951
At 31 March 2020	5,990	1,961	7,951
At 31 March 2021	5,990	1,961	7,951
Accumulated depreciation and impairment			
At 1 April 2019	499	204	703
Charge for the year	499	164	663
At 31 March 2020	998	368	1,366
Charge for the year	499	163	662
At 31 March 2021	1,497	531	2,028
Carrying amount			
At 31 March 2021	4,493	1,430	5,923
At 31 March 2020	4,992	1,593	6,585
At 31 March 2019	5,491	1,757	7,248

13 Property, plant and equipment

Company

	Fixtures and fittings	Computers	Total
	£	£	£
Cost			
At 1 April 2019	5,990	1,961	7,951
At 31 March 2020	5,990	1,961	7,951
At 31 March 2021	5,990	1,961	7,951
Accumulated depreciation and impairment			
At 1 April 2019	499	204	703
Charge for the year	499	164	663
At 31 March 2020	998	368	1,366
Charge for the year	499	163	662
At 31 March 2021	1,497	531	2,028

13 Property, plant and equipment **(Continued)**

Company

	Fixtures and fittings	Computers	Total
Carrying amount			
At 31 March 2021	4,493	1,430	5,923
At 31 March 2020	4,992	1,593	6,585
At 31 March 2019	5,491	1,757	7,248

14 Investment property

Group	2021	2020
	£	£
Fair value		
At 1 April 2020	40,704,051	15,586,442
Additions through acquisition	-	59,453,772
Disposals	-	(1,707,201)
Fair value adjustment	(91,892)	(32,680,927)
Foreign currency adjustments	(1,497,242)	51,965
At 31 March 2021	39,114,917	40,704,051

Rental income of £181,099 (2020: £219,980) was recognised in respect of investment properties.

The fair value of the investment properties was established using the an ‘as is’ value method and carried out by Knight Frank and Dr Hubert Geppert, external independent qualified valuers with recent experience valuing investment properties in the locations held by the Group. In response to the outbreak of COVID-19, declared a global pandemic by the World Health Organisation, a material uncertainty clause has been included in these valuations due to the unknown impact of COVID on the property markets.

All fair value estimates for investment properties are included in level 3 under the fair value hierarchy for determining the fair value of non-financial assets.

The valuation of each property was prepared on an ‘as-is’ basis based on comparable transactions to provide expected market value for the sites without development at the 31 March 2020. The directors consider this valuation to remain appropriate for the valuations as at 31 March 2021. This is explained further in the Strategic Report.

15 Investments

	Current		Non-current	
Company	**2021**	**2020**	**2021**	**2020**
	£	£	£	£
Investments in subsidiaries	-	-	34,229	34,229

15 Investments (Continued)

Investment in subsidiary undertakings
Details of the company's principal operating subsidiaries are included in note 16.

Movements in non-current investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2020 & 31 March 2021	34,229
Carrying amount	
At 31 March 2021	34,229
At 31 March 2020	34,229

16 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Address	Principal activities	Class of shares held	% Held Direct
Vordere Capital S.a.r.l.	Luxembourg	Investment holding		100.00
St James Square Management GmbH	Germany	Investment holding		100.00
Vordere Haag GmbH & Co KG*	Germany	Investment property holding		100.00
Vordere Hanau GmbH & Co KG*	Germany	Investment property holding		100.00
Vordere Berchtesgaden GmbH & Co KG*	Germany	Investment property holding		100.00
Vordere Bamberg GmbH & Co KG*	Germany	Investment property holding		100.00
Dolphin Capital 192 GmbH & Co KG*	Germany	Investment property holding		94.00
Dolphin Capital 214 GmbH & Co KG*	Germany	Investment property holding		94.00
Vordere Usedom GmbH & co KG*	Germany	Investment property holding		100.00
Vordere Pegau GmbH & Co KG*	Germany	Investment property holding		100.00
Vordere Sehnde GmbH & Co KG*	Germany	Investment property holding		100.00
Vordere Juterbog GmbH & Co KG*	Germany	Investment property holding		100.00
Vordere Schkeuditz GmbH & Co KG*	Germany	Investment property holding		100.00
Vordere Mohriner Allee GmbH & Co KG*	Germany	Investment property holding		100.00

16 Subsidiaries (Continued)

**denotes an indirectly held subsidiary*

The registered office of Luxembourg subsidiary is 14 Rue Edward Steichen, 2540 Luxembourg, the registered office of all German subsidiaries is Westendstrafle 28, 60325 Frankfurt am Main, Germany.

All of the subsidiaries are included in the consolidation.

17 Trade and other receivables

	Current		Non-current	
Group	**2021**	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
Trade receivables	95,104	-	-	-
Other receivables	890,876	918,455	837,309	943,165
Prepayments	101,780	172,455	-	-
	1,087,760	1,090,910	837,309	943,165

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The non-current loan receivables of £837,309 (2020: £943,165) represents a third party loan from Vordere Limited to JV11 Elendom AS.

On the 15 November 2017, Vordere Capital S.a.r.l. agreed to provide JV11 Elendom AS with a secured term loan facility of NOK 9,500,000 with interest of aggregate 6 percent per annum and 1 percent per annum. The loans are repayable 5 years from the Drawn down Dates of the loans, as described above. Interest receivable for year amounts to £56,453 (2020: £122,192). During the year, this loan was assigned to Vordere Limited.

The loan is secured over property.

18 Trade and other receivables

	Current		Non-current	
Company	**2021**	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
Amounts owed by fellow group undertakings	39,093,368	40,704,052	-	-
Other receivables	890,663	890,662	837,309	-
Prepayments	38,894	77,023	-	-
	40,022,925	41,671,737	837,309	-

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

18 Trade and other receivables (Continued)

The company does not hold any collateral as security. The receivables from subsidiary undertakings are repayable on demand. No interest is charged on the intercompany loans.

During the year, amounts due from subsidiaries have been impaired to reflect the expected recoverable amount based upon the adjustment due to changes in foreign exchange rates on property values throughout the group.

19 Trade receivables - credit risk

Fair value of trade receivables
The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

20 Cash and cash equivalents

Group

	2021 £	2020 £
Cash at bank	110,157	978,532
Cash and cash equivalents in the statement of financial position	110,157	978,532

Company

	2021 £	2020 £
Cash at bank	31,748	120,565
Cash and cash equivalents in the statement of financial position	31,748	120,565

21 Trade and other payables

Group

	2021 £	2020 £
Trade payables	1,518,787	993,271
Accruals	808,121	818,290
Social security and other taxation	14,543	-
Other payables	130,989	-
	2,472,440	1,811,561

22 Trade and other payables

Company

	2021	2020
	£	£
Trade payables	578,783	329,727
Accruals	421,800	340,173
Social security and other taxation	14,543	-
Other payables	32,110	-
	1,047,236	669,900

23 Fair value of financial liabilities

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

24 Borrowings

Group and company

	2021	2020
	£	£
Borrowings held at amortised cost:		
Bank loans	100,000	-

The above loan attracts interest at a rate of 20% per annum and is due for repayment within 12 months. The loan is secured against the properties owned within the Group.

25 Retirement benefit schemes

Defined contribution schemes

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £0 (2020 - £1,359).

26 Share capital

	2021	2020	2021	2020
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of 2p each	469,014,169	480,702,886	9,380,284	9,614,058

There is a single class of ordinary shares. There are no restrictions on the distributions of dividends and repayment of capital. At the year end, a total of 4,706,083 shares remain unpaid.

27 Share premium account

	2021	2020
	£	£
At the beginning of the year	75,076,876	24,505,431
Issue of new shares	-	50,571,445
At the end of the year	75,076,876	75,076,876

Share premium represents the amount subscribed for share capital in excess of nominal value.

28 Capital redemption reserve

	2021	2020
	£	£
At the beginning of the year	-	-
Transfers	233,774	-
At the end of the year	233,774	-

29 Reserves

Foreign exchange reserve ("Other reserves")

Represents exchange differences arising on translation of the foreign controlled entities that are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Retained earnings

Represents accumulated profit/loss.

Capital redemption reserve

Represents effects of cancelled shares on reserves.

30 Other leasing information

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of lease arrangements are as follows:

	2021	2020
	£	£
Expense relating to short-term leases	19,800	34,899

30 Other leasing information (Continued)

Set out below are the future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities:

Land and buildings	2021 £	2020 £
Within one year	-	19,800

31 Financial instruments - fair values and risk management

The Group's Investment Committee is responsible to the Board for the Group's financial risk management. This includes analysing the Group's exposure by degree and magnitude of risks. These risks include property market risk (including currency risk and interest rate risk) and liquidity risk.

The Group seeks to minimise the effects of these risks where possible. It does this by maintaining bank accounts in all currencies in which the Group holds the properties.

Accounting classifications and fair values

Group

	Carrying amount 2021 £	Carrying amount 2020 £
Financial assets at amortised cost		
Other financial assets at amortised cost	1,823,289	1,861,621
Cash and cash equivalents	110,157	978,532
	1,933,446	2,840,153

Prepayments are excluded from the Financial assets at amortised cost balance as this analysis is only required for financial instruments.

	Carrying amount 2021 £	Carrying amount 2020 £
Financial liabilities at amortised cost		
Trade and other payables	2,472,440	1,811,561
Borrowings	100,000	
	2,572,440	1,811,561

There are no financial assets and liabilities measured at fair value as at 31 March 2021 or 31 March 2020.

32 Market risk

Market risk management

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Group reviews the need to enter into financial instruments on a regular basis but has not entered into any during the current or previous period. As the Group has no debt, it is not significantly exposed to interest rate risk on its financial liabilities and continues to seek to maximise the returns from bank deposits.

Foreign exchange risk

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary current assets and monetary liabilities at the end of the reporting period are as follows:

	Assets		Liabilites	
	Assets		**Liabilities**	
	2021	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
Euro	182,459	983,845	1,412,126	1,141,662
NOK	837,309	943,165	-	-
	1,019,768	1,927,010	1,412,126	1,141,662

The Group is mainly exposed to the Euro and to a lesser extent, the NOK.

In addition the to current assets noted above, the Group holds investment properties located in Germany totaling €46m. At each year end, the impact of foreign currency fluctuations are recorded in other comprehensive income as noted in Note 29. In 2021, this amounted to a loss of £1.5m (2020: £52k).

The following table details the Group's sensitivity to a 3% increase and decrease in the pound sterling against the relevant foreign currencies. 3% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 3% change in foreign currency rates. The sensitivity analysis includes external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the pound sterling strengthens 3% against the relevant currency. For a 3% weakening of the pound sterling against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

		Euro Impact
	2021	**2020**
	£	**£**
Profit or loss	(81,776)	(105,153)
	(81,776)	(105,153)

32 Market risk **(Continued)**

Interest rate risk

The Group's exposure to interest rate risk on borrowings is limited as there is no outstanding debt within the Group. The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

33 Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating 'A' are accepted.

Credit risk also arises in relation to the non-current loan receivables, as described in note 18, but this is mitigated through the security over the properties bought with the proceeds of the loan. Management have applied the expected credit risk model on adoption of IFRS 9, which has resulted in the recognition of a loss allowance as described in note 2.2 i). Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Credit risk for intercompany receivables is relevant only within the parent company financial statements and is assessed by reference to the carrying value of the counterparties net assets and an assessment of their ability to repay the outstanding balance. Provisions are made against the intercompany receivables to reflect impairment down to the carrying value of net assets.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the group's maximum exposure to credit risk.

The group does not hold any collateral or other credit enhancements to cover this credit risk.

34 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities through share issuance, and by continuously monitoring forecast and actual cash flows.

35 Capital risk management

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing investment properties

The Group monitors 'adjusted capital' which comprises all components of equity (i.e. share capital, share premium and retained earnings). Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the return capital to shareholders or issue new shares.

36 Related party transactions

Remuneration of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the Directors of the Company and the Chief Operating Officer of the Company.

	2021	2020
	£	£
Short-term employee benefits	166,701	430,349
Other long-term benefits	-	1,359
	166,701	431,708

Other information

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

Other related party transactions

Other related party transactions are as follows:

Fees of £25,265 and £7,639 were paid during the year to M Fernandes and D Irving respectively. M Fernandes is a director of the company and D Irving is considered to be Key Management Personnel.

At the year end £12,500 was outstanding and due to M Fernandes and £7,639 was owed to D Irving.

Mr Nigel Fitzpatrick, a previous director of Vordere Limited, is also a director of Ocean Park Developments Ltd. During the year directors' fees of £nil(2019: £61,944) were paid to Ocean Park Developments Ltd. As at year end the outstanding balance due to Ocean Park Developments Ltd was £nil(2020: £5,500).

Warrants

On 3 October 2016, Vordere Limited granted warrants over ordinary shares to GFG Limited, a Company in which Mr Nicholas Hofgren (a previous director of Vordere Limited) is also a director. The warrants may be exercised between the Grant date and the fifth anniversary of the Grant date and will lapse if not exercised during that period. The warrant instrument allows GFG Limited to acquire up to 5% of the share capital of the Group, after taking into account the shares issued as a result of the warrant valuation model at a price of 15p per share.

37 Events after the reporting date

Sale of investment property

Post year end, the investment properties held by Vordere Berchtesgaden GmbH & Co KG and Vordere Haag GmbH & Co KG have been sold.