

**Company Registration No. 06469680 (England and Wales)**

**GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**FOR**

**ALEPH FINANCE GROUP PLC**

# **ALEPH FINANCE GROUP PLC**

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**For the year ended 31 December 2020**

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# ALEPH FINANCE GROUP PLC

## Company Information

**For the year ended 31 December 2020**

**Directors**

Mauro Grandinetti  
Enrico Danieletto (Resigned on 25 March 2021)  
Andrea Sprizzi  
Ralph Cameron Snedden

**Secretary**

Gergana Atanasova Ivanova

**Registered number**

06469680

**Registered office**

1<sup>st</sup> Floor  
12 Old Bond Street  
London  
W1S 4PW

**Auditors**

MAH, Chartered Accountants  
154 Bishopsgate,  
London,  
EC2M 4LN

**Website Address:**

<https://alephgroup.io/>

# ALEPH FINANCE GROUP

## Strategic Report

### For The Year ended 31 December 2020

The directors present the strategic report for the year ended 31 December 2020.

#### Fair review of the business

##### History of the company

Aleph Finance Group is a financial company headquartered in London, acting as holding company of its Group that is active in managing investments, providing advisory services and insurance solutions to high net worth individuals, family offices and companies throughout Europe. Aleph was incorporated in 2008 with the legal name of Pairstech Limited and, until 2015, was dormant. As of 3 June 2015, Pairstech Limited changed its legal name to Pairstech CM Ltd.

In March 2016, following the departure of a minority partner of Pairstech Capital Management LLP, Aleph increased its interest in Pairstech in order to support its development.

In 2017, the reporting dates of Aleph have changed from 30 April to 31 December, in order to align them with those of its Investees.

As of 16 April 2018, Pairstech CM Ltd changed its name to Aleph Finance Group Ltd.

On 27 March 2019, the company issued 6.5% 2024 Non-Convertible Bonds. As of 27 March 2019, the Bonds were admitted to trading on the Vienna MTF, a Multilateral Trading Facility operated by the Wiener Börse AG (the Vienna Stock Exchange).

By way of a written resolution of the Shareholders of Aleph adopted on 18 July 2019, Aleph was transformed into a public limited company. On the same day, Aleph executed a stock split with the division of the previous 50,000 (fifty thousand) ordinary shares denominated in GBP having a nominal value of GBP 1 (one) each into 10,000,000.00 (ten million) ordinary Shares having a nominal value of GBP 0.005 (zero point zero zero five) each. On 22 November 2019 Aleph allotted number 529,477 (five hundred twenty-nine thousand four hundred seventy-seven) ordinary shares denominated in GBP having a nominal value of GBP 0.005 (zero point zero zero five) each, so the share capital was increased at 10,529,477 (ten million five hundred twenty-nine thousand four hundred seventy-seven) ordinary shares.

As of 11 December 2020 Aleph Finance Group plc was listed on Paris Euronext Stock Market - Access Plus segment.

##### Description of the company's activities

Aleph and its Group are mainly active in the asset management and insurance brokerage industries. Each "business-line" is then divided into different sub-lines, making of Aleph and its Group a real pan-European financial player able to serve clients with a "360-degree" approach.

Aleph's main activities in this business line are: (i) the development of corporate strategy in favour of its Subsidiaries and Investees and (ii) the management of equity interests in other companies operating in the fund management, wealth management, capital markets and financial services industries

# ALEPH FINANCE GROUP

## Strategic Report

### For The Year ended 31 December 2020

The activities falling within each sub-line can be described as follows.

Wealth Management	Fund Sub-Management	Capital Markets	Financial Services Hub
<ul style="list-style-type: none"> <li>Managed Accounts</li> <li>Advisory Mandates</li> <li>Portfolio Allocation</li> <li>Risk Analysis</li> </ul>	<ul style="list-style-type: none"> <li>UCITS Funds</li> <li>Alternative Funds</li> <li>Marketing and Placement</li> <li>Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Finance</li> <li>Listing &amp; Placement</li> <li>Investor Relations Services</li> <li>Club Deals</li> <li>Crowdfunding</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory umbrella</li> <li>Compliance Oversight</li> <li>Securitisation Vehicles, Certificates and Funds Setup</li> </ul>

#### *Wealth Management*

The Group is active in the wealth management space through Pairstech.

The wealth management activities represent the first as well as the key and most relevant business of the Group.

The services falling within such sub-line represent a combination of active management (i.e. managed accounts and portfolio allocation) and advisory (i.e. advisory mandates and risk analysis) activities.

In this business sub-line, the Group has also established strong partnerships with leading credit and financial institutions in the different countries where the Group operates, providing to the Group and its clients custodian, depositary bank, execution, trading and settlement services.

#### Funds' Sub-Management

Funds' sub-management represents a key area for Aleph and its Group. The Group is active in the fund sub-management industry through Pairstech.

The Group firstly operates as a delegated investment manager, both in relation to UCITS and Alternative Investment Funds, based on investment manager agreements entered into with leading European management companies.

Such agreements – whilst, on the one hand, retain the ultimate liability and responsibility to the management companies – on the other hand, attribute significant discretion and powers to the delegated investment manager (i.e. Pairstech) in the execution and monitoring of the investments as well as in the management of the relevant Funds (or compartments thereof).

Such structure allows clients to benefit from, (i) on the one hand, the infrastructure and services of fully regulated and well-respected management companies and (ii) on the other hand, be-spoke investment solutions offered by, and the specific expertise of, Pairstech's investment managers.

Pairstech is also active in the distribution side, by marketing and placing UCITS and Alternative Investment Funds vis-à-vis its clients.

# ALEPH FINANCE GROUP

## Strategic Report

### For The Year ended 31 December 2020

#### *Capital markets*

Capital markets historically represent a core business for Aleph and its Group, both on the transactional as well as the advisory side.

The Group advises corporate clients on the entire transactional process, starting from the structuring activities of capital markets' deals (equity and debt) to the placing and listing phase thereof.

In this regard, the Group's main target clients are European small-medium enterprises ("SMEs") wanting to diversify their funding sources and looking to dis-intermediate the traditional banking channel. In this space, Pairstech has gained a top-notch expertise and market recognition in the structuring and distribution of the so-called mini-bonds (i.e. debt securities issued by Italian SMEs), to be listed typically on the ExtraMOT Pro, a market segment managed and organised by the Italian Stock Exchange, or the Vienna MTF, a market of the Vienna Stock Exchange.

#### *Financial Services Hub*

The Group also operates as a hub for financial services' solutions.

In this regard, a profitable part of the business is represented by the so-called appointed representative services offered by Pairstech to non-regulated entities intending to benefit from the regulatory umbrella and permissions of Pairstech to carry-out certain regulated activities in the United Kingdom.

The appointed representatives' business requires compliance oversight's services that are carried out by the Group in favour of its appointed representatives.

Finally, another important part of the financial services business is represented by the so-called "special opportunities", such as the set-up and management of securitisation vehicles and/or compartments thereof through which securitisation transactions are executed and the structuring of certificates and other investment products.

#### *Insurance's business line*

The insurance brokerage business line is divided into the 3 following sub-lines.

Private Life Insurance	Unit Linked Life Insurance	Health Insurance
Combination of private banking services and asset management embedded within life insurance policies, satisfying the most sophisticated and complex needs with dedicated instruments	A product that combine insurance personal protection with underlying diversified funds portfolio, long terms investment with insurance and fiscal advantages	International medical private schemes protecting entrepreneurs and families related to short terms and long terms Health care needs.

# ALEPH FINANCE GROUP

## Strategic Report

### For The Year ended 31 December 2020

#### Geographical presence

The Group provides its services mainly in the United Kingdom, Ireland, Switzerland, Italy, Spain and Luxembourg.

#### **Principal risks and uncertainties**

##### Risk related to the Issuer's expansion and growth

We have experienced, and intend to continue to pursue, a rapid growth and we intend to implement an expansion strategy. The Company's and the whole Group's organizational structure is also becoming more complex as operational, financial and management infrastructure is growing and we continue to improve and invest into our reporting systems and procedures. These investments will require significant capital expenditures and the allocation of management resources, and any investments the Company makes will occur in advance of experiencing the benefits from such investments, making it difficult to determine in a timely manner if we are efficiently allocating our resources.

If we are unable to manage our growth effectively and efficiently and/or we do not achieve the benefits anticipated from these investments and/or if the achievement of these benefits is delayed, the Group's results of operations and financial and economic conditions may be adversely affected.

Moreover, our capacity to achieve our growth targets and increase our revenues and profits depends, to a large extent, on our capacity to implement our business plan and strategy and to achieve a high level of efficiency and effectiveness in our operations. If we are not able to successfully implement our business strategy, or if such implementation is delayed (for any reason), or if the assumptions as well as targets of our business strategy and plan prove to be incorrect or not achievable (also in part), the Group's results of operations and financial and economic conditions may be adversely affected.

Moreover, our ability to forecast future results of operations is subject to a number of uncertainties. Any predictions about the Group's future revenues and expenses may not be as accurate as expected.

If management assumptions regarding these risks and uncertainties, which the Company uses to plan and operate business, are incorrect or change, or if the Company does not address these risks successfully, results of operations could differ materially from expectations, growth rates may slow, and business would suffer.

Should any of the negative events above materialize and in case we are not able to address such negative events and mitigate the negative consequences thereof quickly and effectively, they may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

# ALEPH FINANCE GROUP

## Strategic Report

### For The Year ended 31 December 2020

#### Risks related to joint ventures, partnerships and future acquisitions

We may establish partnerships or joint ventures or make acquisitions to develop and implement our growth strategy or strengthen our core business. However, the possible benefits or expected returns from such joint ventures, partnerships and acquisitions may be difficult to achieve or may prove to be less valuable than we estimate. Furthermore, joint ventures, partnerships and acquisitions bear the risk of difficulties that may arise when integrating people, operations, technologies and products. This may have a material adverse effect on the Group's business, financial and economic condition and results of operations.

In addition, the success of acquisitions depends in part on our ability to identify successfully and acquire suitable companies and other assets on acceptable terms and, once they are acquired, on the successful integration into our and the Group's operations, as well as our ability to identify suitable strategic partners and conclude suitable terms with them. Any inability to implement an acquisition strategy or a failure in any particular implementation of this strategy may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### Risk related to the failure to meet the expectations of investors

The Group's past results should not be relied upon as indicative measure of future performance. In fact, we may not be able to accurately predict future performance, revenues and results of operations. If our performance, revenues or results of operations fall below the expectations of the investors in a particular year, or below any guidance or forecast that we may communicate to the public and the market, the market price of the Shares may decline.

#### Currency risk

A significant amount of revenues generated by the Group is denominated in Euro while a significant amount of fixed costs in Sterling. Moreover, the Group does not currently undertake foreign currency hedging transactions to mitigate potential foreign currency exposure but may decide to do so in the future.

Therefore, a negative fluctuation of the exchange rates between Sterling and Euro may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### Liquidity and funding risks

We are exposed to potential liquidity risks that may also arise from circumstances outside our control such as a credit crisis or severe economic conditions. Moreover, there can be no assurance that we will be able to (i) receive cash flows from our Subsidiaries and Investees (and Pairstech in particular) and/or (ii) borrow from banks or raise financial resource in the capital markets to meet our payment obligations and/or to refinance our exposure.

The occurrence of any of the above-mentioned events and the consequent inability to ensure sufficient liquidity may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.



# ALEPH FINANCE GROUP

## Strategic Report

### For The Year ended 31 December 2020

#### Operational risks

The Group is potentially subject to various operational risks – including the risk of fraud by employees of other persons, unauthorized transactions by employees or operational errors, including due to malfunctions in production machines and equipment – which may negatively affect its business, financial and economic condition and results of operations.

The occurrence of any of the above-mentioned events, in turn, may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### Risk of changes in tax regimes

We are subject to the risk that countries in which we and our Subsidiaries and Investees operate, or will operate in the future, may impose additional withholding taxes, income taxes or other taxes, as well as changing tax levels from those in force at the date of the respective projects or the date hereof.

Any future adverse changes concerning tax regimes generally applicable to us and/or our Subsidiaries and Investees may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### Risk of litigation

Legal proceedings may arise from time to time in the course of the Company and Group's businesses.

In particular, the Issuer and its Subsidiaries and Investees (and in particular Pairstech) (i) are exposed to possible litigation risks including, but not limited to, regulatory interventions and proceedings as well as third party claims and (ii) may be involved in disputes if, for example, (a) the appropriate standard of care and/or the applicable conduct rules are not satisfied in the performance of financial and insurance services vis-à-vis the clients and/or (b) any power, authority or discretion is not exercised in a prudent or appropriate manner in accordance with accepted standard of practice.

We cannot exclude that litigation may be brought against the Group and that such litigation may have a material adverse effect on our financial conditions and results of operations.

As far as we are aware, however, there is no current, pending or threatened litigation in which the Group is directly or indirectly concerned, which may have a material adverse effect on our reputation, business, financial conditions and results of operations.

#### Risk related to the breach of the Group's security measures

Unauthorized access to, or other security breaches of (including malware attacks), systems or networks used by the Company or its Subsidiaries and Investees (and, in particular, Pairstech) – including those of their contractors, or those with which they have strategic relationships – could result in the loss or corruption of data, loss of business, reputational damage vis-à-vis affected clients, regulatory investigations and orders, litigation, indemnity obligations, damages for contract breach, penalties for violation of applicable laws or regulations, significant costs for remediation and other liabilities.

# ALEPH FINANCE GROUP

## Strategic Report

### For The Year ended 31 December 2020

The occurrence of any of the above-mentioned events may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares. We have addressed mitigation of cyber risk also via proper insurance policy.

#### Risk related to the Issuer's inability to retain key persons

We believe that our success depends on the continuous contribution from the Company and Pairstech's directors, management and other key persons.

In addition, since our future success is dependent on our ability to continue to enhance our existing services and introduce new services, we are heavily dependent on the ability to attract and retain qualified personnel with the requisite education, background, and industry experience. In particular, as we expand our business, our success will also depend, in part, on the ability to attract and retain qualified personnel capable of supporting a larger and more diverse customer base.

The termination of the employment relationships with a significant number of key persons could be disruptive. In addition, if any of the key persons joins a competitor or decides to otherwise compete with the Company or Pairstech, we may experience a material disruption of operations and business strategy, which may result in a loss of clients, in an increase in operating expenses and in a diversion of our personnel's focus.

The occurrence of any of the above-mentioned events may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### Risk related to potential conflicts of interest

As at the date of this report, certain members of the Board of Directors of the Company may have interests of their own or of third parties in certain transactions of the Company and/or the Group, as they hold, directly or indirectly, interests in the Issuer's share capital and/or in the Investees' capital and sit in the Company's or the Investees' Boards of Directors. More specifically:

- Enrico Danieletto holds approximately 71.59% of the Company's share capital;
- Enrico Danieletto is a General Partner of Pairstech and holds an interest equal to 9.4%;
- Mauro Grandinetti is Director of the Issuer and holds 0,10% of Pairstech

#### Risk related to related party transactions

The Company and its Subsidiaries and Investees regularly enter into agreements and/or transactions with related parties.

However, related party transactions present the typical risks of transactions executed by legal entities part of the same Group or, in any case, linked by shareholding and/or business relationships that may jeopardize the fairness of the relevant terms and conditions.

# **ALEPH FINANCE GROUP**

## **Strategic Report**

### **For The Year ended 31 December 2020**

#### Risk related to the macroeconomic framework

In recent years, the macroeconomic framework has been characterised by a high degree of uncertainty due to the crisis of the main financial institutions and the sovereign debt crisis of certain European countries.

The United Kingdom's approval of its exit from the European Union (known as Brexit) have raised and continues to raise concerns about the long-term sustainability of the Economic and Monetary Union and, in the extreme, the resilience of the European Union itself. In this context, several countries of the Economic and Monetary Union have requested and obtained financial assistance from the European authorities and the International Monetary Fund and are currently carrying out structural reform programmes.

At the date of this report there is no legal procedure or practice aimed at facilitating the exit of a Member State from the Euro and the consequences of these decisions are exacerbated by the uncertainty regarding the methods through which a Member State could manage its current assets and liabilities denominated in Euros and the exchange rate between the newly adopted currency and the Euro.

In addition, a collapse of the Eurozone could be accompanied by the deterioration of the economic and financial situation of the European Union and could have a significant negative effect on the entire financial sector, creating new difficulties in the granting of sovereign loans and loans to businesses and involving considerable changes to financial activities both at market and retail level.

The occurrence of any of the abovementioned events may have a significant negative impact on us, with negative implications for the economic, financial and asset situation of our Group.

# ALEPH FINANCE GROUP PLC

## Strategic Report

### For the year ended 31 December 2020

#### Risks related to Brexit

The United Kingdom has now exited from the European Union, however, this has created significant uncertainties with regard to the political and economic prospects of the United Kingdom and the European Union. The situation is very uncertain since there could be:

- a possibility that other European Union countries could hold similar referendums to the one held in the United Kingdom and/or call into question their membership of the European Union.
- Further falls in stock exchange indices.
- a fall in the value of the Sterling and/or the Euro.
- an increase in exchange rates between the Sterling and the Euro and/or greater volatility of markets in general due to the increased uncertainty, with possible negative consequences on capital markets.

These events may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### Risk related to competition

The markets where the Group operates are highly and increasingly competitive. A significant number of companies (including investment firms and insurance companies) have developed, or are developing, services that currently or in the future may compete with those of the Group or be of better quality. This competition could result in decreased revenue, increased pricing pressure, increased sales and marketing expenses and loss of market shares, any of which could adversely affect the Company's business and results of operations.

Many of the Group's competitors and potential competitors are larger and have greater brand and/or name recognition, longer operating histories, larger marketing budgets and established client relationships, access to larger client bases, and significantly greater resources for the development of their solutions. In addition, the Group faces potential competition from participants in adjacent markets that may enter the markets or providing alternative approaches to provide similar results. The Group may also face competition from companies entering the market, including companies that could expand their offerings or acquire one of the Group's competitors. They may have significantly greater financial resources and longer operating histories than the Group does. As a result, competitors and potential competitors may be able to respond more quickly and effectively than the Group can to new or changing opportunities, technologies or clients requirements.

Further, some potential clients, particularly large corporates, may elect to develop their own internal solutions. The ability to compete is also subject to the risk of future disruptive technologies. If new technologies emerge that are able to deliver similar or better solutions at lower prices, more efficiently, or more conveniently, such technologies could adversely affect the Group's ability to compete. With the introduction of new technologies and market entrants, competition is expected to intensify in the future.

If we are unable to keep up with these developments, (i) our results of operations, financial and economic position and profits in the future and consequently (ii) the market price of the Shares, may be negatively affected.

# ALEPH FINANCE GROUP PLC

## Strategic Report

### For the year ended 31 December 2020

#### Risk related to regulatory changes affecting the industries in which the Group operates

Some of the groups Subsidiaries and Investees operate in highly-regulated industries and markets, which impose severe regulatory burdens and compliance obligations as well as an on-going supervision by the relevant competent Authorities.

Moreover, such industries and markets are subject to frequent legal and regulatory changes that require amendments and changes to internal policies and procedures as well as to the business model of the relevant regulated entities.

Compliance with such regulatory requirements and obligations as well as potential regulatory proceedings by the competent Authorities may require the expenditure of significant financial resources by the Group and may cause the Group's management to devote significant time to compliance activities thus diverting resources away from the Group's business activities.

In addition, regulatory changes may have a material negative effect on the business of the Group by restricting or imposing additional conditions to the activities and services that the Group currently carries out. Similarly, the suspension, withdrawal, revocation of the authorisations, licenses and permissions granted to Pairstech and the other Investees operating in regulated industries may result in material negative effects on the Group's business.

The occurrence of any of the above-mentioned events may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

#### Risks relating to COVID-19

The whole world has been affected by the pandemic called COVID-19.

The effects and impacts that such disease may have on the global economy are still uncertain even if financial and economic experts predict that the virus may result in a long-lasting worldwide economic and financial crisis and recession.

As far as the Group's activities are concerned, digital financial and insurance services are likely to profit from the current situation whereas "traditional" business models are likely to be heavily affected.

Notwithstanding the fact that the Group has invested and intends to continue to invest on technology and digital solutions for the performance of its services and activities, the outbreak of the COVID-19 epidemic crisis may have a material adverse effect (i) on our results of operations, financial and economic position and profits in the future and consequently (ii) on the market price of the Shares.

# **ALEPH FINANCE GROUP PLC**

## **Strategic Report**

### **For the year ended 31 December 2020**

#### **Risk related to the issuance of new shares and to the acquisition of additional financing**

The Company may seek to raise financing to fund future acquisitions or other growth opportunities by issuing additional equity or convertible equity securities. As part of its business strategy, the Company may acquire or make investments in companies, products or technologies and issue equity or convertible securities to pay for any such acquisition or investment.

Any such issuances of additional Shares may cause Shareholders to experience significant dilution of their ownership interests and the per-share value of our Shares to decline.

The Company may also raise capital through equity financings in the future. Any additional capital raised through the sale of equity or convertible securities may dilute the then existing Shareholders' ownership in the Company and Shareholders could be asked in the future to approve the creation of new equity securities which could have rights, preferences and privileges superior to those of the holders of the Shares.

Conversely, capital raised through debt financing would require the Company (and the Group) to make periodic interest payments and may impose restrictive covenants on the conduct of the business. Furthermore, additional financings may not be available on terms favourable to the Company (and its Group), or at all. A failure to obtain additional funding could prevent the Issuer from making expenditures that may be required to implement its growth strategy and grow or maintain its operations.

# ALEPH FINANCE GROUP PLC

## Strategic Report

**For the year ended 31 December 2020**

### Business model

#### *The business model's key pillars*

The business model of Aleph and its Group is based on the following key pillars:

1. Geographical presence: the Group is able to offer seamless investment, asset management, insurance and advisory solutions to its clients in all the most relevant financial jurisdictions in Europe, either through the physical presence of regulated intermediaries/branches or on a freedom to provide services basis;
2. Technology and innovation: the Group strongly believes in the role and importance of technology applied to financial and insurance services. In this regard – through its Investees Opstart and Bridge Insurance Services – the Group is able to offer fintech and digital investment and insurance solutions and products to its clients;
3. Manufacturing and structuring capability: the Group does not only operate as a distributor of third- party products but has a strong capability to internally create and develop its own strategies and portfolios as well as to sub-manage funds thus offering bespoke investment solutions to its clients and offering full transparency about their investments;
4. Illiquid investments' capability and expertise: the Group has gained a strong expertise in illiquid products that are becoming more and more part of institutional and professional clients' portfolios, which often, in this period of low interest rate, look for alternative, attractive and high-yield solutions;
5. Advisory and regulatory services: the Group offers on-going and recurring advisory and regulatory services to SMEs, family offices and appointed representatives, thus ensuring a constant and stable flow of business;
6. Human capital: the Group boasts a group of highly-skilled professional with a good age- combination and with a focus on a specific industry and/or geographical area Performances

The core business of the Group is represented by wealth management and funds' management.

# **ALEPH FINANCE GROUP PLC**

## **Strategic Report**

**For the year ended 31 December 2020**

### **Review of the business and key performance indicators**

#### *Listing of the shares on the Euronext Access Paris equity market*

The Company has listed its own shares on the Euronext Access Paris equity market in order to:

- a) Increase recognizability (brand recognition) on the market
- b) Increase reputation
- c) Increase the transparency offered to counterparties, with the increased information and publicity coming with the listing, especially in an economic and financial environment more and more sensible to disclosures and KYC requirements
- d) Ability to remunerate its stakeholders with stock options and shares into a listed company
- e) Ability to offer shares in a listed company as a currency when pursuing M&A deals
- f) Being better positioned to raise equity capital as a listed company
- g) Expands its geographical presence



# ALEPH FINANCE GROUP PLC

## Strategic Report

### For the year ended 31 December 2020

#### *Business performance*

During 2020, Aleph Finance Group plc had kept performing accordingly to its business plan, with the monitor and oversight of controlled and participated companies, with no variations in its holdings.

The main holding, Pairstech Capital Management LLP (“Pairstech”) has been transitioning in the post Brexit era, in anticipation of the conclusion of the “transitional period” as of December 31st 2020. A new application with Italian regulator was filed as of the end of 2020 and authorization to perform certain investment services has been achieved just after the end of the first half of 2021, which required a commensurate effort from the Board and Senior Management.

During the second quarter of 2021 a strong governance initiative has been spurred from the Senior Management and the Board, which brought to a renewed governance and the appointment of a new Executive Committee, replacing previous Board of Directors. As for the underlying business, the Company benefited of a benign situation in the economy and in the financial markets, still in a recovery mode from the pandemic started in the first quarter of 2020.

In terms of other holdings, it is noteworthy the accelerated growth experienced by Bridge Insurance owner of the “viteSicure” brand, together with the entry in the cap table of new institutional venture partners.

The Italian Crowdfunding platform Opstart had a very positive quarter, keeping its lead in terms of deal flows and associated overall funds raised.

From a stock exchange point of view, it’s been the first full semester of listing, with a few relevant institutional players joining the formers investors at listing time, providing with a valuable long term strategic support and valuable support and oversight to the Board, in the interest of the overall shareholders’ base.

Price of the shares have been mostly flat since the listing time, with some remarkable trading activity in conjunction with the entrance of new shareholders.

In terms of Asset Under Management (“AUM”), the year end 2020 has seen a stable situation compared with 2019.

# ALEPH FINANCE GROUP PLC

## Strategic Report

### For the year ended 31 December 2020

As per table below, total AUM are nearly the same: € 174,550,153 at the end of 2020 versus € 173,852,046 at the end of 2019 (+0.40%); there was an increase of the AUM for the Managed Accounts (+ 4,731,582 / +8.9%) and a decrease of Funds managed by the Group (- 4,033,475 / -3.30%).

	2019	2020
Managed Accounts	EUR	EUR
	<b>52.987.144</b>	<b>57.718.726</b>
FUNDS	EUR	EUR
LEMANIK HR6	33.113.758	24.059.160
PHARUS MV7	24.323.146	18.550.897
CARDIFF	42.000	33.523
NAXOS	52.700.000	52.392.135
MAINFIRST O3	10.685.998	21.795.712
	<b>120.864.902</b>	<b>116.831.427</b>

## Future Developments

### *Mission*

Aleph's and its Group's mission is to develop an innovative and integrated "insurwealth" platform, both with on-line and traditional off-line services, able to provide investment, advisory and insurance solutions to its clients across Europe.

The 3 key strategic pillars of the Group's philosophy and business approach are as follows:

1. Scouting of investment opportunities: the Group is active in the scouting and selection process of international and innovative investment opportunities to be offered to existing and prospective clients;
2. Value creation through a thorough risk-management approach: the Group focuses on creating value for its clients, through a diligent and thorough risk management and risk mitigation approach;
3. Monitoring and attention to changes: the Group dedicates significant resources to the monitoring and analysis of market's trends and changes.

The above described 3 pillars are heavily embedded in the strategic vision and in the business model of the Company and its Group.

# ALEPH FINANCE GROUP PLC

## Strategic Report

For the year ended 31 December 2020

The company will look to pursue its growth mission, in particular toward

- a) Addressing Brexit changes in the regulatory landscape
- b) Growing the AUM strategically supporting operating companies,
- c) Scouting for acquisition in the fin tech wealth management arena
- d) Opportunistically monitor ability to enter in acquisitions where synergic with existing businesses
- e) Developing an online and social media presence in order to create business opportunities with presenting to a larger audience the group activities, with a primary focus in cross selling among the exiting operating companies client base

### ON BEHALF OF THE BOARD

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Andrea Sprizzi  
Director

12 November 2021

# **ALEPH FINANCE GROUP PLC**

## **Directors' Report**

### **For the year ended 31 December 2020**

The directors present their report and the audited financial statements for the year ended 31 December 2020.

#### **Results and dividends**

The trading results and the Company's financial position at the end of the period are shown in the attached financial statements. The Directors have not recommended a dividend.

#### **Directors**

The following directors have held office:

Mauro Grandinetti

Andrea Sprizzi

Ralph Cameron Snedden

Enrico Danieleto (Resigned on 25 March 2021)

#### **Directors' Remuneration**

The directors are entitled to receive relevant fees, as detailed in the directors' remuneration in Note 5.

#### **Financial risk and management of capital**

The major balances and financial risks to which the company is exposed to and the controls in place to minimise those risks are disclosed.

A description of how the company manages its capital is also disclosed in note 22.

The Board considers and reviews these risks on strategic and day to day basis in order to minimise any potential exposure.

#### **Strategic Report**

In accordance with section 414C (11) of the companies Act 2006 the company chooses to report the review of the business, the future outlook and the risks and uncertainties faced by the company in the Strategic Report.

#### **Financial Instruments**

The company has not entered into any financial instruments during the period to hedge against interest rate or exchange rate risk.

#### **Events After the Reporting Period**

Refer to note 24 to the financial statements for further details.

#### **Publication of Accounts on Group Website**

Financial statements are published on the group's website. The maintenance and integrity of the website is the responsibility of the directors. The directors' responsibilities also extend to the financial statements contained therein.

#### **Going Concern**

The Directors, having made appropriate enquiries, consider that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the financial statements.

# ALEPH FINANCE GROUP PLC

## Directors' Report

### For the year ended 31 December 2020

#### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors confirms that, to the best of their knowledge, the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

#### Statement of disclosure to auditors

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

#### Auditors

The auditors, MAH, Chartered Accountants were appointed and have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

#### ON BEHALF OF THE BOARD

DocuSigned by:  
  
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Andrea Sprizzi, Director  
 12 November 2021

# ALEPH FINANCE GROUP PLC

## Independent Auditor's Report to the members of Aleph Finance Group Plc

### For the year ended 31 December 2020

#### Opinion

We have audited the financial statements of Aleph Finance Group Plc and its subsidiaries for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, Company Statement of Financial Position, Company Statement of Changes in Equity, Company Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as regards to the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 auditors' 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.

In our opinion:

- the financial statements give a true and fair view of the state of the group and company's affairs as at 31 December 2020 and of the group's loss for the period then ended;
- the group and parent company financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

#### Basis for opinion

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

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included reviewing the group's financial status and checking and evaluating the forecasts. 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 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.

# ALEPH FINANCE GROUP PLC

## Independent Auditor's Report to the members of Aleph Finance Group Plc

### For the year ended 31 December 2020

#### Key audit matters

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

Key audit matter	Our audit work included, but was not restricted to:
Valuation and recoverability of financial assets	<p>We checked equity securities and loan notes to 3<sup>rd</sup> party documentation to agree ownership. We reviewed the method for obtaining fair value and checked market prices at the period end where available. For unquoted investments, we also reviewed and checked the estimates and calculations for fair value reviewed the latest information regarding business performance and fundraising activities.</p> <p>We reviewed secured loan note agreements, checked the accrued interest calculations and checked post period end loan repayments. We also reviewed for any other indicators of impairment or fair value movements depending on the basis of measurement.</p>
Valuation and recoverability of other debtors	<p>We performed substantive tests of detail and checked a sample to supporting documentation and reviewed after date cash collected and the latest available financial information for debtors where available. We also reviewed for any bad debts and expected credit losses or other impairments.</p>
IFRS Transition	<p>We checked if any adjustments are required as at the transition date and reviewed any exemptions claimed, in particular in relation to business combinations. We also considered whether any IFRS adjustments were required to the subsidiary component figures which are prepared under UK GAAP.</p>
Accounting treatment of bonds	<p>We reviewed the Bond Information Memorandum for the key terms and we checked that the total bond value agreed to bond register, checked bond certificates, checked completeness, existence and valuation of bonds payable and re-calculated interest. We also considered whether there is any equity component that needs to be recognised separately from the liability component.</p>

# **ALEPH FINANCE GROUP PLC**

## **Independent Auditor's Report to the members of Aleph Finance Group Plc**

### **For the year ended 31 December 2020**

#### **Our application of materiality**

Materiality for the Group was set at £141,000 and for the Company it was set at £92,000.

This has been calculated based on 2% of turnover for the Group and 3% of gross assets for the Company, which we have determined, in our professional judgement to be the principal benchmarks within the financial statements relevant to members of the Company in assessing financial performance of the Group and Company.

We report to the Directors all corrected and uncorrected misstatements we identified through our audit with a value in excess of £14,000 for the Group and £9,500 for the Company, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

#### **An overview of the scope of our audit**

We tailored the scope of our audit to ensure that we were able to give our audit opinion on the financial statements of Aleph Finance Group Plc taking into account the nature of the Group's activities, the Group's risk profile, the accounting processes and controls, and the environment in which the Group operates.

We designed our audit to ensure that we obtain sufficient and appropriate audit evidence in respect of:

- The significant transactions and balances;
- Other items, which, irrespective of size, are perceived as carrying a significant level of audit risk whether through susceptibility to fraud, or other reasons;
- The appropriateness of the going concern assumption used in the preparation of the financial statements.

We performed a full scope audit of the two companies which were included in the consolidated accounts: Aleph Finance Group Plc and Pairstech Capital Management LLP.

#### **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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# **ALEPH FINANCE GROUP PLC**

## **Independent Auditor's Report to the members of Aleph Finance Group Plc**

### **For the year ended 31 December 2020**

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Directors' Report for the financial period 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters 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 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 the directors**

As explained more fully in the directors' responsibilities statement set out on page 19, the directors are responsible for the preparation of group's and parent's financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends 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.

# ALEPH FINANCE GROUP PLC

## Independent Auditor's Report to the members of Aleph Finance Group Plc

### For the year ended 31 December 2020

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Company and determined that the most significant are the International Financial Reporting Standards as it applies to the European Union, the UK Companies Act 2006, the Financial Conduct Authority's (FCA) rules and regulations, and tax legislation (governed by HM Revenue and Customs).
- We understood how the Group and Company are complying with those frameworks by making enquiries of senior management. We also reviewed significant correspondence between the Group and Company and regulatory bodies, reviewed any minutes of the Board, and gained an understanding of the Group and Company's approach to governance, demonstrated by the Board's review of the Group and Company's risk management framework and internal control processes.
- We assessed the susceptibility of the Group and Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Group and Company has established to address risks identified by the Group and Company, or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved inquiries of senior management, review of significant correspondence with regulatory bodies and submissions made to the FCA, review of risk assessments, minutes of meetings of the Board, and focused testing.
- The Group operates in the investment management industry which is a regulated environment. As such, the Senior Statutory Auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi>

This description forms part of our auditor's report.

DocuSigned by:  
  
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**Mohammed Haque**  
Senior Statutory Auditor

Date: 12 November 2021

For and on behalf of  
**MAH Chartered Accountants**  
Statutory Auditors  
154 Bishopsgate  
London  
EC2M 4LN

# ALEPH FINANCE GROUP PLC

## Consolidated Statement of Comprehensive Income

For the year ended 31 December 2020

	Notes	Period ended 31 December 2020 £'000	Restated Period ended 31 December 2019 £'000
Revenue	4	7,064	6,176
Cost of sales		(6,296)	(5,490)
<b>Gross profit</b>		<b>768</b>	<b>686</b>
Administrative expenses	7	(1,672)	(1,273)
Other operating income	6	641	68
<b>Operating loss</b>		<b>(263)</b>	<b>(519)</b>
Finance costs	6	(290)	(142)
Finance income	6	41	21
<b>Loss before tax</b>		<b>(512)</b>	<b>(640)</b>
Tax	8	-	48
<b>Loss for the period</b>		<b>(512)</b>	<b>(592)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the period</b>		<b>(512)</b>	<b>(592)</b>
<b>Loss and total comprehensive loss attributable to:</b>			
- Owners of the company		(516)	(787)
- Non-controlling interests		4	195
		<b>(512)</b>	<b>(592)</b>
<b>Loss per share attributable to the owners of the company:</b>			
Basic & Diluted loss per share - pence	9	(4.86)	(5.62)

The notes on pages 34 to 62 form part of these financial statements

# ALEPH FINANCE GROUP PLC

## Consolidated Statement of Financial Position

For the year ended 31 December 2020

	Notes	As at 31 December 2020 £'000	Restated As at 31 December 2019 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	11	140	140
Property, plant & equipment	12	1	-
		<u>141</u>	<u>140</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	15	2,420	2,097
Other financial assets	14	1,609	1,208
Cash and cash equivalents	16	971	972
		<u>5,000</u>	<u>4,277</u>
<b>TOTAL ASSETS</b>		<u>5,141</u>	<u>4,417</u>
<b>EQUITY</b>			
<b>Shareholders' Equity</b>			
Called up share capital	17	52	52
Accumulated deficit		(1,308)	(791)
Non-controlling interest		531	526
<b>Total Equity</b>		<u>(725)</u>	<u>(213)</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	18	1,643	1,270
		<u>1,643</u>	<u>1,270</u>
<b>Non - current liabilities</b>			
Financial liabilities	19	4,223	3,360
<b>TOTAL LIABILITIES</b>		<u>5,866</u>	<u>4,630</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>5,141</u>	<u>4,417</u>

These financial statements were approved and authorised for issue by the Board of Directors on 12 November 2021 and were signed on its behalf by:

DocuSigned by:  
  
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Andrea Sprizzi

Director

Company Registration no. 06469680

The notes on pages 34 to 62 form part of these financial statements

# ALEPH FINANCE GROUP PLC

## Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	Called up Share capital	Accumulated deficit	Non-Controlling interest	Total equity
	£'000	£'000	£'000	£'000
Balance at 31 December 2018	50	(4)	331	377
Loss for the period (restated: note 26)	-	(788)	196	(592)
Other comprehensive income	-	-	-	-
	<u>-</u>	<u>(788)</u>	<u>196</u>	<u>(592)</u>
Total comprehensive income for the period	-	(788)	196	(592)
Issue of shares	2	-	-	2
	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
Balance at 31 December 2019 (restated)	52	(792)	527	(213)
Loss for the period	-	(516)	4	(512)
Other comprehensive income	-	-	-	-
	<u>-</u>	<u>(516)</u>	<u>4</u>	<u>(512)</u>
Total comprehensive income for the period	-	(516)	4	(512)
Issues of shares	-	-	-	-
Rounding	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 December 2020	<u>52</u>	<u>(1,308)</u>	<u>531</u>	<u>(725)</u>

Share capital is the amount subscribed for shares at nominal value.

Accumulated deficit represents the cumulative losses of the group attributable to the owners of the company.

The notes on pages 34 to 62 form part of these financial statements

# ALEPH FINANCE GROUP PLC

## Consolidated Statement of Cash Flows

For the year ended 31 December 2020

	Notes	Period ended 31 December 2020 £'000	Restated Period ended 31 December 2019 £'000
<b>Cash flows from operating activities</b>			
Cash (utilised) / generated by operations	1	(778)	(1,263)
Interest paid		(290)	(142)
Income taxes paid		-	(48)
<b>Net cash outflow from operating activities</b>		<b>(1,068)</b>	<b>(1,453)</b>
<b>Cash flows from investing activities</b>			
Net movement from investments and loans made		159	(1,091)
Interest Received		41	19
Purchase of tangible fixed assets		(1)	-
Dividends received		5	2
<b>Net cash outflow from investing activities</b>		<b>204</b>	<b>(1,070)</b>
<b>Cash flows from financing activities</b>			
Issue of convertible loans		863	3,360
Repayment of borrowings		-	(27)
<b>Net cash inflow from financing activities</b>		<b>863</b>	<b>3,333</b>
<b>Taxation</b>		<b>-</b>	<b>-</b>
<b>Increase/(decrease) in cash and equivalents</b>		<b>(1)</b>	<b>810</b>
Cash and cash equivalents at beginning of period		972	162
<b>Cash and cash equivalents at end of period</b>		<b>971</b>	<b>972</b>

### Non-cash transactions

Refer to Note 11 for details of non-cash transactions in relation to business combinations in the period.

**The notes on pages 34 to 62 form part of these financial statements**

# ALEPH FINANCE GROUP PLC

## Notes to the Consolidated Statement of Cash Flows

### For the year ended 31 December 2020

#### 1. Reconciliation of loss before income tax to cash outflow from operations

	Period ended 31 December 2020 £'000	Restated Period ended 31 December 2019 £'000
Loss for the year	(512)	(592)
Increase in trade and other receivables	(250)	(601)
Increase in trade and other payables	374	(74)
Other adjustments:		
Depreciation	1	-
Finance Costs	290	142
Taxation	-	(48)
Investment income	(41)	(22)
Net gains on investments	(353)	(68)
Fair value gains	(287)	-
Net cash outflow from operations	<u>(778)</u>	<u>(1,263)</u>

The notes on pages 34 to 62 form part of these financial statements

# ALEPH FINANCE GROUP PLC

## Company Statement of Financial Position

As at 31 December 2020

	Notes	As at 31 December 2020 £'000	As at 31 December 2019 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	1	-
Investments	13	696	696
		<u>697</u>	<u>696</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	15	854	808
Other financial assets	14	1,125	723
Cash and cash equivalents	16	690	821
		<u>2,669</u>	<u>2,352</u>
<b>TOTAL ASSETS</b>		<u><u>3,366</u></u>	<u><u>3,048</u></u>
<b>EQUITY</b>			
<b>Shareholders' Equity</b>			
Called up share capital	17	52	52
Accumulated deficit		(1,256)	(759)
<b>Total Equity</b>		<u>(1,204)</u>	<u>(707)</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	347	395
		<u>347</u>	<u>395</u>
<b>Non-Current Liabilities</b>			
Financial liabilities at amortised cost	19	4,223	3,360
<b>TOTAL LIABILITIES</b>		<u>4,570</u>	<u>3,755</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>3,366</u></u>	<u><u>3,048</u></u>

These financial statements were approved and authorised for issue by the Board of Directors on 12 November 2021 and were signed on its behalf by:

DocuSigned by:  
  
 Andrea Sprizzi  
 Director

Company Registration no. 06469680

The notes on pages 34 to 62 form part of these financial statements



# ALEPH FINANCE GROUP PLC

## Company Statement of Change in Equity

For the year ended 31 December 2020

	Called up Share capital	Accumulated deficit	Total equity
	£'000	£'000	£'000
Balance at 31 December 2018	50	39	89
Loss for the period	-	(798)	(798)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(798)	(798)
Issue of share capital	2	-	2
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2019	52	(759)	(707)
Loss for the period	-	(497)	(497)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(497)	(497)
Issues of shares during the period	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	<u>52</u>	<u>(1,256)</u>	<u>(1,204)</u>

Share capital is the amount subscribed for shares at nominal value.

Accumulated deficit represents the cumulative losses of the company attributable to the owners of the company.

**The notes on pages 34 to 62 form part of these financial statements**

# ALEPH FINANCE GROUP PLC

## Company Statement of Cash Flows

For the year ended 31 December 2020

	Notes	Period ended 31 December 2020 £'000	Period ended 31 December 2019 £'000
<b>Cash flows from operating activities</b>			
Cash utilised by operations	1	(643)	(1,256)
Interest paid		(275)	(131)
Income taxes paid		-	(48)
Net cash outflow from operating activities		(918)	(1,435)
<b>Cash flows from investing activities</b>			
Net movement from investments and loans made		(127)	(1,091)
Purchases of tangible fixed assets		(1)	-
Dividends received		16	3
Interest received		36	9
Net cash outflow from investing activities		(76)	(1,079)
<b>Cash flows from financing activities</b>			
Issue of Convertible Loans		863	3,360
Repayment of borrowings		-	(27)
Net cash inflow from financing activities		863	3,333
Increase in cash and equivalents		(131)	819
Cash and cash equivalents at beginning of period		821	2
Cash and cash equivalents at end of period		690	821

The notes on pages 34 to 62 form part of these financial statements

# ALEPH FINANCE GROUP PLC

## Company Statement of Cash Flows

For the year ended 31 December 2020

### 1. Reconciliation of loss before income tax to cash outflow from operations

	Period ended 31 December 2020 £'000	Period ended 31 December 2019 £'000
Loss for the year	(497)	(797)
Increase in trade and other receivables	(26)	(198)
Increase in trade and other payables	(48)	(263)
Other adjustments:		
Depreciation	1	-
Finance Costs	275	130
Taxation	-	(48)
Investment income	(52)	(12)
Net gains on investments	(8)	(68)
Fair value gains	(287)	-
	<hr/>	<hr/>
Net cash outflow from operations	(643)	(1,256)
	<hr/>	<hr/>

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 1. General Information

Aleph Finance Group Plc (the “Company”) is a public limited company incorporated and domiciled in England and Wales. Details of the registered office, the officers and advisers to the company are presented on the company information page at the start of this report. The Company is listed on the Euronext Access + Paris stock market.

The principal activities of the Group are described in the Strategic Report.

The consolidated financial statements comprised of the Company and its subsidiary Pairstech Capital Management LLP (together referred to as “the Group”) as at and for the 12 month period to 31 December 2020. The parent Company financial statements present information about the Company as a separate entity and not about its Group.

#### 2. Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the period presented unless otherwise stated.

#### Statement of compliance

The consolidated financial statements of Aleph Finance Group Plc have been prepared in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively ‘IFRSs’) as adopted for use in the European Union and as issued by the International Accounting Standards Board and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements were previously prepared under FRS 102 1A (UK GAAP). The impact of the adoption of IFRS is disclosed in Note 26.

#### Basis of preparation

The financial statements have been prepared under the historical cost convention.

The principal accounting policies are summarised below. They have all been applied consistently throughout the period under review.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 2. Accounting Policies (continued...)

##### Going concern

Where the total liabilities of the Group exceed current assets the Directors consider whether it is appropriate to prepare the accounts on a going concern basis. In making this assessment the Directors consider whether they expect the Group to have sufficient resources to meet its anticipated day to day working capital requirements for a period of at least 12 months and whether the Group has the support of its creditors. Where the Directors conclude that the Group has access to sufficient resources and support, the Directors will, subject to and in accordance with applicable laws, prepare the accounts on a going concern basis.

The Directors note that the World Health Organisation declared a pandemic relating to COVID-19 on 11 March 2020, and social distancing measures were introduced in the UK during March 2020. The Directors have assessed the impact of incorporating additional COVID-19 risk factors in the Going Concern assessment over a period of at least 12 months after the signing of these financial statements.

Key assumptions considered by management when assessing going concern include adjusting managements best estimate of forecasted performance for factors including the length and extent of current lockdown/tiered restrictions, the resulting general business environment and the speed of recovery of trading after lockdown/tiered restrictions ease. These have been estimated for their respective impacts on the Group's revenues, fixed and variable costs and resultant expected cash flow requirements.

The Group's forecasts and projections, taking into account a reasonable estimate of a possible downturn in trading performance arising from the COVID-19 outbreak, show that the Group has sufficient financial resources for the going concern period. The Directors therefore do not believe that the COVID-19 outbreak represents a material uncertainty about the entity's ability to continue as a going concern.

The Directors have also considered the potential impact on its business of the UK's exit from the European Union (Brexit). The Directors do not believe that Brexit represents a material uncertainty about the entity's ability to continue as a going concern.

Accordingly, the Directors have adopted the going concern basis in preparing these consolidated financial statements.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 2. Accounting Policies (continued...)

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company (its subsidiaries) made up to 31<sup>st</sup> December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Changes in the group's ownership interests in subsidiaries that do not result in the group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 "Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 2. Accounting Policies (continued...)

##### Business combinations (continued)

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree and the equity interests issued by the group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment transactions with share-based payment transactions of the group are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

##### New and amended standards adopted by the group

There are no IFRSs or IFRIC interpretations that are effective for the first time in this financial period that would be expected to have a material impact on the group.

##### New Standards, amendments and interpretations issued but not effective

Reference	Title	Application date of standard	Application date of Company
IFRS 17	IFRS 17 "Insurance Contracts",	Periods commencing on or after 1 January 2023	1 January 2023

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the group. The group does not intend to apply any of these pronouncements early.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 2. Accounting Policies (continued...)

##### Revenue recognition

Revenue represents income from the provision of financial services such as wealth and asset management, insurance brokerage, corporate finance, regulatory umbrella and compliance services.

Revenue is recognised over time in accordance with the terms of the agreements with customers.

The pricing of these services (which drives the revenue recognition) depends on the service level required by the client, and on the commercial imperatives and pricing sensitivities of the client.

The contractual performance obligations will typically be embedded in an agreement with the client.

Where that agreement is detailed, the revenue recognition will follow the allocation of fees and revenues against the completion of the agreed performance milestones in the accounting period.

Where the agreement is not specific, the revenue recognition will be in proportion to the completion of performance milestones in the relevant accounting period against the internal costings prepared in advance for each project.

##### Foreign currency

The functional and presentational currency of the Group is Sterling Pound (£).

Transactions entered by the Group's entities in a currency other than the reporting currency are recorded at the rates ruling when the transaction occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position date. Exchange differences arising on the re-translation of outstanding monetary assets and liabilities are also recognised in the income statement.

##### Taxation

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

##### (i) Current tax

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules using tax rates enacted or substantially enacted by the statement of financial position date.

Tax is recognised in the income statement or in equity if it relates to items that are recognised in the same or a different period, directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.



# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

For the year ended 31 December 2020

### 2. Accounting Policies (continued...)

#### (ii) Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

#### Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. The company's primary reporting format is determined by the geographical segment according to the location of its establishments.

#### Investments

Investments in subsidiaries are held at cost less any impairment.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 2. Accounting Policies (continued...)

##### 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. Any bank overdrafts are shown within borrowings in current liabilities.

##### Financial assets

The Group's financial assets mainly comprise of investments but also include cash and cash equivalents, and loans and receivables. These are recognised in the Company's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Unquoted investments classified as at fair value through profit or loss or through other comprehensive income are valued by the directors using primary valuation techniques such as recent transactions, last price and net asset value. Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as "Net change in fair value of investments".

The Group holds financial assets including equities and debt securities. The classification and measurement of financial assets at the year end is in accordance with IFRS 9.

On the initial recognition, the Company classifies financial assets as measured at amortised cost, fair value through other comprehensive income ("FVTOC") or fair value through profit or loss ("FVTPL").

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specific dates to cash flows that are Solely Payments of Principal and Interest (SPPI).

A financial asset is measured at FVTOC if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specific dates to cash flows that are Solely Payments of Principal and Interest (SPPI).

All other financial assets of the Company are measured at FVTPL.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 2. Accounting Policies (continued...)

##### **Valuation of financial asset investments**

Investment transactions are accounted for on a trade date basis. Assets are de-recognised at the trade date of the disposal. Assets are sold at their fair value, which comprises the proceeds of sale less any transaction cost. The valuations in respect of unquoted investments (Level 3 financial assets) are explained in note 14.

Changes in the fair value of investments held at FVTOC or FVTPL are recognised in the consolidated statement of comprehensive income as “fair value gains/(losses) on investments”.

To determine the fair value of each investment, the directors have reviewed all the information received from each investee company and also from publicly available information on the internet. Where all of the information available is all positive but there is insufficient information to demonstrate that the fair value is anything other than cost as a result of a lack of other inputs or evidence to suggest an uplift or impairment of the value, no fair value movement is recognised.

##### **Loans and receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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

For trade receivables and other receivables due in less than 12 months, the Group applies the simplified approach in calculating Expected Credit Losses (ECL's), as permitted by IFRS 9. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 2. Accounting Policies (continued...)

##### **Financial liabilities**

Basic financial liabilities, including trade and other creditors and bank loans, excluding any financing transactions, are initially recognised at transaction price and are subsequently measured at amortised cost determined using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### **Equity instruments**

Equity instruments issued by the 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 at the discretion of the Group.

##### **Compound financial instruments**

The component parts of compound instruments issued by the group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

##### **Impairment of non-financial assets**

At each statement of financial position date, the group reviews the carrying amounts of its investments 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 the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

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 (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 2. Accounting Policies (continued...)

##### Impairment of non-financial assets (continued...)

Where an impairment loss subsequently reverses, the carrying amount of the asset (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 (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, 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.

##### Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

##### Capital management

Capital is made up of stated capital, premium and retained earnings. The objective of the group's capital management is to ensure that it maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised.

The group manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the company may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processes during the year.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 2. Accounting Policies (continued...)

##### **Goodwill**

Goodwill is carried at cost less accumulated impairment losses. Goodwill is reviewed for impairment at least annually and any impairment is recognised immediately in profit or loss and is not subsequently reversed. Goodwill is deemed to have an indefinite useful life due to the expectation of the acquired business to operate in perpetuity, so is not amortised. Refer to Note 11 for further details.

Goodwill is calculated as the excess of the sum of:

- i) the consideration transferred;
- ii) any non-controlling interest; and
- iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.

The value of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 100% interest will depend on the method adopted in measuring the aforementioned non-controlling interest.

The Group can elect to measure the non-controlling interest in the acquiree either at fair value ('full goodwill method') or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets ('proportionate interest method'). The Group determines which method to adopt for each acquisition.

Under the 'full goodwill method', the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 2. Accounting Policies (continued...)

##### **Property, plant and equipment**

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight line method to write off their cost over their estimated useful lives at the following annual rates:

Computer Equipment	33%
--------------------	-----

Useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss in the year in which the asset is derecognised.

##### **Critical accounting judgments and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

The resulting accounting estimates will, by definition, differ from the related actual results.

- **Fair value of financial assets – level 3**

The Group reviews the fair value of its unquoted equity instruments at each Statement of Financial Position date. This requires management to make an estimate of the value of the unquoted securities in the absence of an active market.. At year end, management's best judgement, based on the information provided to them by the investee companies and also from their own research from other information publicly available on the internet.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 3. Segmental Reporting

The accounting policy for identifying segments is based on the internal management reporting information that is regularly reviewed by the Directors.

The Group has one reportable segment which generates revenue from the provision of financial services such as wealth and asset management, insurance brokerage, corporate finance, regulatory umbrella and compliance services.

#### 4. Revenue

The Group derives revenue from the transfer of services over time to customers all located in the Europe.

The Directors have reviewed the revenue from contracts with customers and have determined that there is no material distinction in how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors in both the current and prior year, and therefore revenue has not been disaggregated.

#### 5. Employees and Directors Group

	Period ended 31 December 2020 £'000	Period ended 31 December 2019 £'000
Wages and salaries	20	44
Social security costs	1	4
	<u>21</u>	<u>48</u>
	<u><u>21</u></u>	<u><u>48</u></u>

The average monthly number of employees during the period was as follows:

	Period ended 31 December 2020 No.	Period ended 31 December 2019 No.
Directors	4	3
Fund Management	1	2
	<u>5</u>	<u>5</u>
	<u><u>5</u></u>	<u><u>5</u></u>



# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

5. Employees and Directors (continued)	Period ended 31 December 2020	Period ended 31 December 2019
	£'000	£'000
Directors' fees	219	26
Total emoluments	<u>219</u>	<u>26</u>
Emoluments paid to the highest paid director	<u>181</u>	<u>26</u>
6. Other Income and expenses		
Group		
a) Finance Costs		
	Period ended 31 December 2020 £'000	Period ended 31 December 2019 £'000
Bank interest paid	1	-
Amortised cost on Bonds	<u>289</u>	<u>142</u>
Net Finance Income / (Costs)	<u>290</u>	<u>142</u>
b) Finance and other income		
	Period ended 31 December 2020 £'000	Period ended 31 December 2019 £'000
Non-bank Interest received	36	19
Dividends received	<u>5</u>	<u>2</u>
Finance Income	<u>41</u>	<u>21</u>

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 6. Other Income and expenses (continued)

##### c) Other income

	Period ended 31 December 2020 £'000	Period ended 31 December 2019 £'000
Capital Gains	367	95
Loss on investments	(13)	(27)
Fair value gain on investments	287	-
	<u>        </u>	<u>        </u>
Other Income	641	68
	<u>        </u>	<u>        </u>

#### 7. Expenses – analysis by nature Group

	Period ended 31 December 2020 £'000	Restated Period ended 31 December 2019 £'000
Wages and Salaries	21	48
Auditor remuneration - audit fees (Company only £5,000 (2019: £7,500))	12	15
Depreciation on property, plant and equipment	-	-
Consultancy fees	522	484
Legal and professional fees	326	237
Travel costs	60	100
Net foreign exchange losses	83	83
Operating lease rental payments	26	32
Other expenses	622	274
	<u>        </u>	<u>        </u>
Total administrative expenses	1,672	1,273
	<u>        </u>	<u>        </u>

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 8. Income Tax Group

	Period ended 31 December 2020 £'000	Period ended 31 December 2019 £'000
Current tax	-	(48)
Total taxation	-	(48)

#### Analysis of tax expense

The reconciliation of the tax expense and the product of the accounting loss multiplied by the effective rate is as follows:

	Period ended 31 December 2020 £'000	Restated Period ended 31 December 2019 £'000
Loss on ordinary activities before taxation	(512)	(640)
Tax at the effective rate of 19% (2019: 19%)	(97)	(122)
Effects of:		
Expenses not deductible for tax purposes	12	1
Tax effect of utilisation of tax losses not previously recognised	-	(30)
Unutilised tax losses carried forward	30	142
(Profit)/loss not subject to corporation tax	55	(39)
Total taxation	-	(48)

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2020. Deferred tax assets have not been recognised in respect of tax losses and other temporary differences giving rise to deferred tax assets as the directors believe there is uncertainty whether the assets are recoverable. The effective tax rate used is the standard UK corporation tax rate as this is deemed to provide the most meaningful information to users of these financial statements.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 9. Earnings per Share

##### Group

Basic earnings per share is calculated by dividing the earnings attributable shareholders by the weighted average number of ordinary shares outstanding during the period.

Reconciliations are set out below:

	Earnings £'000	Weighted average Number of shares	Loss per-share Pence
<b>2020</b>			
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(512)	10,529,477	(4.86)
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>
<b>2019</b>			
Basic and diluted EPS			
Earnings attributable to ordinary shareholders	(592)	10,529,477	(5.62)
	<u><u>          </u></u>	<u><u>          </u></u>	<u><u>          </u></u>

Basic and diluted earnings per share are different, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation.

#### 10. Company's result for the period

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent Company income statement account.

The loss for the parent Company for the period was £497,000 (2019: £798,000).

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

For the year ended 31 December 2020

### 11. Intangible assets

Group	Restated Goodwill £'000
<b>Cost</b>	
At 1 January 2019 and 2020	192
Additions	-
	<hr/>
At 31 December 2020	192
	<hr/> <hr/>
<b>Amortisation</b>	
At 1 January 2019 and 2020	52
Amortisation charge for the year	-
	<hr/>
At 31 December 2020	52
	<hr/> <hr/>
<b>Carrying amount</b>	
At 31 December 2020	140
At 31 December 2019	140
	<hr/> <hr/>

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. The assets have been allocated for impairment testing purposes to the individual businesses acquired which are also the cash-generating units ("CGU") identified. The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections based on financial budgets approved by the Directors. The projections are based on the assumption that the company can realise projected sales. A prudent approach has been applied with no residual value being factored into these calculations. If the projected sales do not materialise there is a risk that the total value of the intangible assets shown above would be impaired.

Goodwill is assessed annually for impairment. At the period end based on these assumptions there is no indication of impairment of the value of goodwill.

The Group has elected not to apply IFRS 3 retrospectively to past business combinations. Accordingly, the goodwill and amortisation brought forward as at the date of transition to IFRS has not been restated.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

For the year ended 31 December 2020

### 12. Property, plant and equipment

	Group Computer equipment £'000	Company Computer equipment £'000
<b>Cost</b>		
At 1 January 2019 and 2020	30	-
Additions	1	1
	<hr/>	<hr/>
At 31 December 2020	31	1
	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation</b>		
At 1 January 2019 and 2020	30	-
Charge for the year	-	-
	<hr/>	<hr/>
At 31 December 2020	30	-
	<hr/> <hr/>	<hr/> <hr/>
<b>Carrying amount</b>		
At 31 December 2020	1	1
At 31 December 2019	-	-
	<hr/> <hr/>	<hr/> <hr/>

### 13. Investments in associate undertakings

<b>Company</b>	
	<b>£'000</b>
<b>Cost</b>	
At 1 January 2019 and 2020	696
Additions	-
	<hr/>
	696
	<hr/> <hr/>
<b>Carrying amount</b>	
At 31 December 2020	696
At 31 December 2019	696
	<hr/> <hr/>

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 13. Investments in associate undertakings (continued)

As at 31 December 2020, the Company held the following subsidiaries:

Name of company	Class of shares held	Country of incorporation and place of business	Proportion of equity interest of ordinary shares
Pairstech Capital Management LLP	Ordinary	United Kingdom	90%
B. Securitization S.A	Ordinary	Luxembourg	100%*
Sofias SRL	Ordinary	Italy	60%*

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Pairstech Capital Management LLP is a non-wholly owned subsidiary in which the Group has a material controlling interest with 10% of their ownership structure held by non-controlling interests.

Pairstech Capital Management LLP	Period ended 31 December 2020 £'000	Period ended 31 December 2019 £'000
Assets	2,401	2,048
Liabilities	(1,740)	(1,295)
Profit for the period	190	205
Net cashflow	130	(10)
Profit for the period allocated to non-controlling interests during the period	4	195
Accumulated non-controlling interests as at the end of the period	531	526

\*The subsidiaries are held for sale and are not material, individually or on aggregate. The investments in these subsidiaries are therefore classified as current asset investments at fair value through the profit or loss and are not included in the consolidated financial statements.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

For the year ended 31 December 2020

### 14. Other financial assets

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Carrying amount of financial assets</b>				
Instruments measured at fair value through profit or loss	997	622	997	622
Instruments held at amortised cost	509	575	25	90
Instruments measured at fair value through other comprehensive income	103	11	103	11
	<u>1,609</u>	<u>1,208</u>	<u>1,125</u>	<u>723</u>
<b>Categorised as</b>				
Level 1 – quoted investments	125	11	125	11
Level 3 – unquoted investments	1,484	1,197	1,000	712
	<u>1,609</u>	<u>1,208</u>	<u>1,125</u>	<u>723</u>

### 15. Trade and other Receivables

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade receivables	267	227	-	1
Unpaid share capital	8	8	8	8
Other receivables	1,242	1,159	771	751
Corporation Tax	48	48	48	48
Prepayments	855	655	27	-
	<u>2,420</u>	<u>2,097</u>	<u>854</u>	<u>808</u>

The carrying value of trade and other receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements and they are neither past due nor impaired.



# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

For the year ended 31 December 2020

### 16. Cash and Cash Equivalents

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Cash and bank balances	971	972	690	821

### 17. Called Up Share Capital

Ordinary shares are classified as equity. Proceeds from issuance of ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

Allotted, called up and fully paid ordinary shares of £1 each	Number of shares	Share Capital	Share Premium
		£	£
Incorporation on 10 January 2008	10	10	-
Share issue at £1 each – 28 February 2017	990	990	-
Share issue at £1 each – 30 March 2018	2,200	2,200	-
Share issue at £1 each – 30 March 2018	19,000	19,000	-
Share issue at £1 each – 1 August 2018	27,800	27,800	-
Subdivision of shares into £0.005 each – 18 July 2019	10,000,000	50,000	-
Share issue at £0.005 each – 22 November 2019	529,477	2,647	-
Balance at 31 December 2020	10,529,477	52,647	-

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 18. Trade and other payables

##### Current:

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	-	16	-	16
Trade Payables	473	516	200	152
Accrued expenses	812	538	111	71
Tax and other social security	3	-	1	-
Other payables	355	200	35	156
	<u>1,643</u>	<u>1,270</u>	<u>347</u>	<u>395</u>
Total trade and other payables	<u>1,643</u>	<u>1,270</u>	<u>347</u>	<u>395</u>

Trade and other payables are unsecured and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

#### 19. Financial liabilities

Group and Company	2020	2019
Convertible loan notes	£'000	£'000
Due within 2-5 years	4,223	3,360
	<u>4,223</u>	<u>3,360</u>

The company has previously issued bonds for a maximum aggregate amount of EUR 10,000,000. At 31 December 2020, bonds amounting to EUR 4,798,000 had been subscribed for and are included in creditors due after more than one year. The transaction costs associated to these bonds amount to £116,000.

The bonds bear interest at 6.5% per annum, payable semi annually in arrears commencing September 2019 and will be redeemed in cash at their nominal amount in September 2024, unless previously redeemed, purchased and cancelled. The company may elect to satisfy its obligation to redeem the bonds by exercising a share settlement option that permits the issue to settle the bonds by the issue of shares. The amount of shares issued to settle the bonds is variable.

Full details of the bonds and relevant information are contained within the information memorandum dated 27 March 2019 (for the purposes of admission of the bonds to the listing on the third market of the Vienna stock exchange).

The financial liabilities above have been measured at amortised cost.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 20. Related Party Disclosures

Included in other debtors, are loans owed by non-consolidated subsidiaries totalling £83,413 (2019: £163,899).

Included in other debtors are loans to companies with common shareholders totalling £59,374 (2019: 18,855).

Included in trade creditors, is a balance owed to shareholders totalling £Nil (2019: 136,288).

Included in other debtors is a loan to a company with common directors totalling £168,070 (2019: 162,064).

Included in other debtors is a director's loan account balance totalling £Nil (2019: £171,268).

#### 21. Ultimate Controlling Party

The ultimate controlling party is Mr E Danieleto by virtue of his shareholding in the company.

#### 22. Financial Risk Management Objectives and Policies

The Group's financial instruments comprise cash balances and receivables and payables that arise directly from its operations.

The main risks the group faces are foreign currency risk, interest risk, liquidity risk, market risk and capital risk.

The board regularly reviews and agrees policies for managing each of these risks. The Group's policies for managing these risks are summarised below and have been applied throughout the period. The numerical disclosures exclude short-term debtors and their carrying amount is considered to be a reasonable approximation of their fair value.

##### Foreign currency risk

The Group is exposed to movement in foreign currency exchange rates arising from normal trading transactions that are denominated in currencies other than the respective functional currencies of the Group entities, primarily with respect to Euros. The group does not currently have a policy to hedge its exposure to foreign currency exchange risk. The gains or losses disclosed in Note 7 are equivalent to a sensitivity analysis and indicate how the profit or loss is affected by changes in foreign currency exchange rates.

##### Interest risk

The Group is not exposed to significant interest rate risk as it has fixed rates of interest-bearing liabilities at the period end.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

### For the year ended 31 December 2020

#### 22. Financial Risk Management Objectives and Policies (continued)

##### **Credit risk**

The group is exposed to significant credit risk from its loans and receivables if underlying borrowers fail to make repayments or default.

The Board of Directors manages credit risk by using secured Debt instruments with collateral where possible and by reviewing the credit worthiness of counterparties prior to making loans and credit sales. The carrying amounts of trade and other receivables, secured loan notes and cash and bank balances represent the Group's maximum exposure to credit risk in relation to financial assets.

Cash and bank balances, including fixed deposits are placed with reputable financial institutions.

##### **Liquidity risk**

Liquidity risk is the risk that group will encounter difficulty in meeting these obligations associated with financial liabilities.

The responsibility for liquidity risks management rest with the Board of Directors, which has established appropriate liquidity risk management framework for the management of the group's short term and long-term funding risks management requirements.

During the period under review, the Group has utilised various borrowing facilities and their carrying amount is a reasonable approximation of their fair value.

The group manages liquidity risks by maintaining adequate reserves and reserve borrowing facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

##### **Market risk**

The group is exposed to market risk from its financial assets in equity securities, the prices of which can fluctuate as they are determined by reference to quoted market prices. The capital gains or losses disclosed in Note 6 are equivalent to a sensitivity analysis and indicate how the profit or loss is affected by changes in market prices.

The group manages market risk through portfolio diversification and by closely monitoring its investment strategies.

##### **Capital risk**

The group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

For the year ended 31 December 2020

### 23. Financial instruments by category

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
<b>Financial Assets measured at amortised cost</b>				
Trade receivables	267	227	-	1
Other receivables	1,242	1,159	771	751
Cash and cash equivalents	971	972	690	821
Investments	509	575	25	90
	<u>2,989</u>	<u>2,933</u>	<u>1,486</u>	<u>1,663</u>
<b>Financial Assets measured at fair value through profit or loss</b>				
Investments	997	622	997	622
	<u>997</u>	<u>622</u>	<u>997</u>	<u>622</u>
<b>Financial Assets measured at fair value through other comprehensive income</b>				
Investments	103	11	103	11
	<u>103</u>	<u>11</u>	<u>103</u>	<u>11</u>
<b>Financial Liabilities measured at amortised cost</b>				
Trade payables	473	532	200	152
Bank loans and overdrafts	-	16	-	16
Other payables	355	201	35	156
Convertible loan notes	4,223	3,360	4,223	3,360
	<u>5,051</u>	<u>4,109</u>	<u>4,458</u>	<u>3,684</u>

Refer to notes 6, 14, 15, 18, 19 and 22 for further details about gains, losses fair values, credit exposure and risk management relating to financial instruments.

### 24. Post Balance Sheet Events

After the balance sheet date, the company had two subscriptions of its 6.5% bonds: EUR 250,000 on 9 February 2021 and EUR 60,000 on 9 April 2021.

# **ALEPH FINANCE GROUP PLC**

## **Notes to the Financial Statements**

### **For the year ended 31 December 2020**

#### **25. Financial Commitments**

During a prior year, a loan amounting to £349,600 owed to a third party was waived by the third party. The loan has originally been provided to purchase listed investments, and these investments subsequently became delisted and have been written off as having no value.

In the event that these investments return to their previous listed value, the loan amounting to £349,600 will become payable.

Neither the loan, nor the investments, are included in the balance sheet. There is a contingent liability of £349,600, which is not recognised as an actual liability on the basis that the investments currently have no value.

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

For the year ended 31 December 2020

### 26. IFRS 1 Transition Statement

#### Reconciliation of total comprehensive income for 2019

Group	UK GAAP 31 December 2019 £'000	Effect of transition to IFRS £'000	IFRS 31 December 2019 £'000
Revenue	6,176	-	6,176
Cost of sales	(5,490)	-	(5,490)
<b>Gross profit</b>	<b>686</b>	<b>-</b>	<b>686</b>
Administrative expenses	(1,292)	19	(1,273)
Other operating income	68	-	68
<b>Operating loss</b>	<b>(538)</b>	<b>19</b>	<b>(519)</b>
Finance costs	(142)	-	(142)
Finance income	21	-	21
<b>Loss before tax</b>	<b>(659)</b>	<b>19</b>	<b>(640)</b>
Tax	48	-	48
<b>Loss for the period</b>	<b>(611)</b>	<b>19</b>	<b>(592)</b>
Other comprehensive income	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(611)</b>	<b>19</b>	<b>(592)</b>

# ALEPH FINANCE GROUP PLC

## Notes to the Financial Statements

For the year ended 31 December 2020

### 26. IFRS 1 Transition Statement (continued)

#### Reconciliation of equity at 1 January 2019 (date of transition to IFRSs)

Group	As at 31 December 2018	Effect of transition to IFRS	As at 31 December 2018
	£'000	£'000	£'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	140	-	140
	<u>140</u>	<u>-</u>	<u>140</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	923	-	923
Other financial assets	556	-	556
Cash and cash equivalents	162	-	162
	<u>1,641</u>	<u>-</u>	<u>1,641</u>
<b>TOTAL ASSETS</b>	<u>1,781</u>	<u>-</u>	<u>1,781</u>
<b>EQUITY</b>			
<b>Shareholders' Equity</b>			
Called up share capital	50	-	50
Accumulated deficit	(4)	-	(4)
Non-controlling interest	331	-	331
<b>Total Equity</b>	<u>377</u>	<u>-</u>	<u>377</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	1,404	-	1,404
	<u>1,404</u>	<u>-</u>	<u>1,404</u>
<b>Non - current liabilities</b>			
Financial liabilities	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,781</u>	<u>-</u>	<u>1,781</u>