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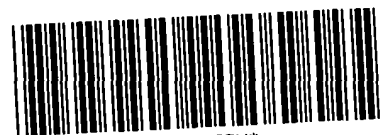
Registered number: 10208262

**GFS Corporate Director II Limited**

**Financial statements**

**For the year ended 30 June 2020**

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**GFS Corporate Director II Limited**

**Company Information**

<b>Directors</b>	A C Norris E M Hughes
<b>Company secretary</b>	J A Edwards
<b>Registered number</b>	10208262
<b>Registered office</b>	Gallium House Unit 2 Station Court Borough Green Sevenoaks Kent TN15 8AD
<b>Independent auditors</b>	Kreston Reeves LLP Chartered Accountants & Statutory Auditor Third Floor 24 Chiswell Street London EC1Y 4YX

## **GFS Corporate Director II Limited**

### **Contents**

	<b>Page</b>
<b>Strategic report</b>	<b>3 - 4</b>
<b>Directors' report</b>	<b>5 - 6</b>
<b>Independent auditors' report</b>	<b>7 - 9</b>
<b>Statement of comprehensive income</b>	<b>10</b>
<b>Statement of financial position</b>	<b>11</b>
<b>Statement of cash flows</b>	<b>12</b>
<b>Notes to the financial statements</b>	<b>13 - 22</b>
<b>Detailed profit and loss account and summaries</b>	<b>23</b>

## **GFS Corporate Director II Limited**

### **Strategic report**

**For the year ended 30 June 2020**

#### **Introduction**

The directors present their strategic report for the year ended 30 June 2020.

#### **Business review**

GFS Corporate Director II Limited (the 'Investee') is party to the Northern Ireland Investment Fund's (the 'Fund') Operational Agreement and will act as the Investee to the Fund. The Investee will facilitate in investing £100,000,000 of HM Treasury's funds in to the Funds projects. The Fund has been set up with two objectives, the first being to address market failures in Northern Ireland and accelerate and increase investment in private sector led development, infrastructure and low carbon projects. The second to secure private and / or public sector leverage to achieve sustainable financial returns, maximize the impact of public sector intervention and deliver economic growth.

The Fund is a 15 year agreement running until 13th November 2032. At the 30th June 2020 HM Treasury had provided £70,000,000 (2019: £40,000,000) to the Investee.

The results for the year are shown on pages 11-12. During the reporting year the Investee recognised a profit of £nil (2019: £nil). As at 30th June 2020 the Investee had current assets of £60,478,876 (2019: £26,587,447), total assets of £72,823,253 (2019: £41,328,336) and net current assets of £60,427,398 (2019: £26,550,822).

As at 30th June 2020 the Investee had committed to 4 projects. The Fund benefits from a first charge over all projects and a full valuation was obtained from 3rd party RICS-registered valuers at the point of underwriting. The first charge theoretically means that the value of the project would need to drop (100%-[ltv%]) before the fund was suffer a loss of capital.

More than half of the Funds loan (and sometimes all of the Funds loan) is the last element of funding into a project, thus protecting the Loan to Value further as investment of most of the funds are made at the point that construction is well progressed. The projects will always be fully funded before investments are made, and should this change during the development due to increased costs, the Borrower is required to make up any shortfall before further investment.

The McCasuland project made available a total loan commitment (capital only) of £7,800,000. These funds are to be used to enable the demolition of the existing buildings on the Property, the clearance of the Property site and the construction on the Property of a circa 17,800 sq. ft. multi-storey car park with 575 spaces and around 7,000 sq. ft. of office. Drawdowns paid to the developer totalled £5,651,146 (2019: £1,205,286). The red-book valuation of 52% Loan (excluding interest) to Value pre-stabilisation of the business and 45% Loan (excluding interest) to Value post stabilisation gives comfort on the ability to recover the loan.

The Lisburn project made available a total loan commitment (capital only) of £4,670,000 to construct a circa 27,500 sq. ft. boutique hotel and to develop units 3, 4, 6 and 7 of the existing property for use as co-working office space. Drawdowns paid to the developer totalled £3,696,356 (2019: £0). The Fund has a first charge over the site, including some smaller units that are let and income producing. The Hotel is pre-let to Beanchorr, an established operator of Boutique Hotels in NI. Loan (net of interest) to value of this scheme was estimated at 57% with the benefit of the hotel lease but prior to established trading, or 48% with the benefit of established trading figures at underwriting, giving comfort on the recoverability of the loan.

The Kingshall project makes available a total commitment (capital only) of £8,800,000 for the demolition, asbestos removal and site clearance at the property, the construction of the Plot 2 Offices and the construction at the Property of all associated infrastructure works for the use of the Property as a mixed-use development, in each case as described in the Specifications and Project Monitor reports. Drawdowns paid to the developer totalled £2,069,409 (2019: £0). The loan (excl interest) to Value here is 60%, although there is a pre-sold office that is a legally binding conditional sale. Once the office is sold, the Loan (excl interest) to value was considered to be 42%. Note that Fund has a charge over a development agreement that has an enforcement route to grant a virtual freehold (199 leasehold) to the Borrower / Fund.

## **GFS Corporate Director II Limited**

### **Strategic report (continued) For the year ended 30 June 2020**

The Merchant Square project makes available a total commitment (capital only) of £20,000,000 for the development of the property to include extensions to the 7th floor and 2 additional floors above, a 9-storey lift core extension, creation of a roof terrace, alterations to the existing elevations and reconfiguration of the ground floor, more particularly, as described in the Specifications. Drawdowns paid to the developer totalled £19,961,373 (2019: £11,950,000). At the point of underwriting, the Loan (excl interest) to value was only 30%. During 2019 an Agreement for Lease was granted to PwC for the entire building, which improved the value (thereby reducing the LTV) significantly. The PwC lease completed just after Practical Completion and enable a refinance by a third-party bank, repaying the Fund in Q3 2020.

#### **Financial key performance indicators**

Operating profit margin 0% (2019 - 0%)  
Net fee and commission income £1,712,087 (2019 - £1,075,852)  
Return on capital employed £nil (2019 - £nil)

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

The Company is exposed to liquidity risk, credit risk and interest rate risk. However, there are no external borrowings of the company, and therefore the liquidity and interest rate risks are not considered significant by management.

The Company's principal financial assets are cash and trade receivables. Therefore, the Company's credit risk is primarily attributable to its trade receivables. The Company's approach to managing the credit risk is to monitor these trade receivables and make an allowance for impairment when there is objective evidence that the Company will not be able to collect all amounts according to the general terms of the receivables concerned.

The directors have identified that the issues arising from the activities of the appointed representatives have increased the operational risk. This has the potential to increase costs of professional advisers in the short term.

Pillar 3 disclosure will be made available upon request to GFS Corporate Director II Limited.


#### **Other key performance indicators**

The key non-financial performance indicators used to determine the progress and performance of the company are set out below;

- Client service

Performance indicators are reviewed by the management team in order to assess the progress of the company and we are pleased with the overall performance presented in this report.

This report was approved by the board and signed on its behalf.

  
.....  
**A C Norris**  
Director

Date: 15.12.20.

## **GFS Corporate Director II Limited**

### **Directors' report**

**For the year ended 30 June 2020**

The directors present their report and the financial statements for the year ended 30 June 2020.

### **Principal activity**

The principal activity of the company is to act as an SPV to invest funding from the Department of Finance into projects in Northern Ireland. The projects are required to address market failures and accelerate and increase investment in private sector led development, infrastructure and low carbon projects to deliver economic growth.

### **Results and dividends**

The profit for the year, after taxation, amounted to £NIL (2019 - £NIL).

No dividends were declared in the current or prior year.

### **Directors**

The directors who served during the year were:

A C Norris  
E M Hughes

### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements, in accordance with applicable law.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

### **Future developments**

The company plan to continue to act as an SPV to invest funding from the Department of Finance in to project sin Northern Ireland.

**GFS Corporate Director II Limited**

**Directors' report (continued)  
For the year ended 30 June 2020  
Financial Instruments**

*Price risk, credit risk, liquidity risk and cash flow risk*

The company's activities expose it to a variety of financial risks; market risks, credit risks, liquidity risk and cash flow interest rate risk. The company's overall risk management programme focuses on the unpredictability of the marketplace and seeks to minimise potential adverse effects on the company's financial performance.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

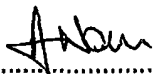
**Post year end events**

Post year end the coronavirus pandemic has continued to impact businesses globally. On 5 November 2020 the UK entered a second lockdown which lasted a month.

**Auditors**

The auditors, Kreston Reeves LLP, were appointed during the year and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

  
.....  
A C Norris  
Director

Date: 15.12.20

## **GFS Corporate Director II Limited**

### **Independent auditors' report to the members of GFS Corporate Director II Limited**

#### **Opinion**

We have audited the financial statements of GFS Corporate Director II Limited for the year ended 30 June 2020 which comprise the Statement of profit or loss and other comprehensive income, the Statement of financial position, the Statement of cash flows and the related notes, including a summary of significant accounting policies set out on pages 14 - 15. 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## **GFS Corporate Director II Limited**

### **Independent auditors' report to the members of GFS Corporate Director II Limited (continued)**

#### **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 year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditors' 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 auditors' 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.

**Independent auditors' report to the members of GFS Corporate Director II Limited (continued)**

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

*Kreston Reeves LLP*

Anne Dwyer BSc (Hons) FCA (Senior statutory auditor)

for and on behalf of  
**Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditor

London  
Date:

**GFS Corporate Director II Limited**

**Statement of profit or loss and other comprehensive income  
For the year ended 30 June 2020**

	Note	2020 £	2019 £
Revenue	4	1,712,087	1,075,852
Gross profit		1,712,087	1,075,852
Administrative expenses		(1,879,009)	(1,181,490)
Loss from operations		(166,922)	(105,638)
Finance income	5	166,922	105,638
Profit for the year		-	-

The above results were derived from continuing activities.

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2020 (2019 - £NIL).

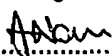
The notes on pages 13 to 22 form part of these financial statements.

GFS Corporate Director II Limited  
Registered number: 10208262

Statement of financial position  
As at 30 June 2020

	Note	2020 £	2019 £
<b>Assets</b>			
<b>Non-current assets</b>			
Trade and other receivables	6	12,395,856	14,777,514
		<u>12,395,856</u>	<u>14,777,514</u>
<b>Current assets</b>			
Trade and other receivables	6	22,313,523	7,910
Cash and cash equivalents	12	38,165,355	26,579,537
		<u>60,478,878</u>	<u>26,587,447</u>
<b>Total assets</b>		<u>72,874,734</u>	<u>41,364,961</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Trade and other liabilities	7	2,823,253	1,328,335
Loans and borrowings	8	70,000,000	40,000,000
		<u>72,823,253</u>	<u>41,328,335</u>
<b>Current liabilities</b>			
Trade and other liabilities	7	51,480	36,625
		<u>51,480</u>	<u>36,625</u>
<b>Total liabilities</b>		<u>72,874,733</u>	<u>41,364,960</u>
<b>Net assets</b>		<u>1</u>	<u>1</u>
<b>Issued capital and reserves</b>			
Share capital	9	1	1
<b>TOTAL EQUITY</b>		<u>1</u>	<u>1</u>

The financial statements on pages 10 to 22 were approved and authorised for issue by the board of directors and were signed on its behalf by:

  
.....  
A C Norris  
Director

Date: 15.12.20

**GFS Corporate Director II Limited**

**Statement of cash flows  
For the year ended 30 June 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
<b>Adjustments for</b>		
<b>Movements in working capital:</b>		
Increase in other assets	(19,923,954)	(2,330,552)
Decrease in trade and other payables	-	(25,000)
Increase in other liabilities	1,509,772	874,031
<b>Cash generated from operations</b>	<u>(18,414,182)</u>	<u>(1,481,521)</u>
<b>Net cash used in operating activities</b>	<u>(18,414,182)</u>	<u>(1,481,521)</u>
<b>Cash flows from investing activities</b>		
<b>Cash flows from financing activities</b>		
Proceeds from lenders	30,000,000	-
<b>Net cash from financing activities</b>	<u>30,000,000</u>	<u>-</u>
<b>Net cash increase/(decrease) in cash and cash equivalents</b>	11,585,818	(1,481,521)
Cash and cash equivalents at the beginning of year	26,579,537	28,061,058
<b>Cash and cash equivalents at the end of the year</b>	<u><u>38,165,355</u></u>	<u><u>26,579,537</u></u>

## **GFS Corporate Director II Limited**

### **Notes to the financial statements For the year ended 30 June 2020**

#### **1. Reporting entity**

GFS Corporate Director II Limited (the 'Company') is a limited company incorporated in England. The Company's registered office and principal place of business is at Gallium House, Unit 2 Station Court, Borough Green, Sevenoaks, Kent, TN15 8AD. The Company's principal activity is to act as an SPV to invest funding from the Department of Finance in to projects in Northern Ireland. The projects are required to address market failures and accelerate and increase investment in private sector led development, infrastructure and low carbon projects to deliver economic growth.

#### **2. Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs).

Details of the Company's accounting policies, including changes during the year, are included in note 3.

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

These financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest pound, unless otherwise indicated.

##### **2.1 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items.

##### **2.2 Changes in accounting policies**

###### **i) New standards, interpretations and amendments effective from 1 July 2019**

###### **IFRS 16**

The date of initial application of IFRS 16 for the Company is 1 July 2019.

There are no material adjustments required to be made to the Company's financial statements as a result of the application of IFRS 16.

###### **ii) New standards, interpretations and amendments not yet effective**

The following new standards, interpretations and amendments, which are not yet effective and have not been adopted early in these financial statements, will or may have an effect on the Company's future financial statements:

## **GFS Corporate Director II Limited**

### **Notes to the financial statements For the year ended 30 June 2020**

#### **2. Basis of preparation (continued)**

##### **ii) New standards, interpretations and amendments not yet effective (continued)**

The directors anticipate that the adoption of these Standards in future periods may have an impact on the results and net assets of the Company, however, it is too early to quantify this.

The directors anticipate that the adoption of other Standards and interpretations that are not yet effective in future periods will only have an impact on the presentation in the financial statements of the Company.

#### **3. Accounting policies**

##### **3.1 Going concern**

The financial statements of the company have been prepared on a going concern basis. The company made a profit/(loss) in the year of £NIL (2019: profit/(loss) of £NIL), has net current assets of £60,427,398 (2019: £26,550,822), and has cash at bank and in hand of £38,165,354 (2019: £26,579,537) as at the year ended 30 June 2020.

During the year, on 22 March 2020, The World Health Organisation declared COVID-19 a global pandemic which has had some effect on the company. Whilst the impact of COVID-19 virus has been assessed by the directors, so far as reasonably possible, due to its unprecedented impact on the wider economy, it is difficult to evaluate with any certainty the potential outcomes on the company's trade and customers. The directors consider the impact of COVID-19 on the entity not to be significant. Taking into consideration the UK government's response the directors have concluded the company has the necessary financial resources to meet their liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements.

##### **3.2 Revenue**

Revenue represents interest and commission receivable on loans advanced. Revenue is recognised in line with each loan agreement on an accruals basis in the profit and loss account.

##### **3.3 Interest income**

Bank interest income is recognised in the profit and loss account.

##### **3.4 Trade and other receivables**

Trade and other receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost.

##### **3.5 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that after giving 35 days notice are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **3.6 Trade and other payables**

Trade and other payables are recognised initially at the transaction price and subsequently measured at amortised cost.

**Notes to the financial statements  
For the year ended 30 June 2020**

**3. Accounting policies (continued)**

**3.7 Foreign currency**

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**3.8 Financial instruments**

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**4. Revenue**

The following is an analysis of the Company's revenue for the year from continuing operations:

	2020 £	2019 £
Facilities agreement revenue	1,712,087	1,075,852
	<u>1,712,087</u>	<u>1,075,852</u>

Analysis of revenue by country of destination:

	2020 £	2019 £
United Kingdom	1,712,087	1,075,852
	<u>1,712,087</u>	<u>1,075,852</u>

**Estimates and assumptions**

There are no significant estimates or assumptions within revenue.



**GFS Corporate Director II Limited**

**Notes to the financial statements  
For the year ended 30 June 2020**

**5. Finance income and expense**

**Recognised in profit or loss**

	2020 £	2019 £
<b>Finance income</b>		
Interest on:		
- Bank deposits	166,922	105,638
<b>Total interest income arising from financial assets</b>	<u>166,922</u>	<u>105,638</u>
<b>Total finance income</b>	<u>166,922</u>	<u>105,638</u>
<b>Net finance income recognised in profit or loss</b>	<u><u>166,922</u></u>	<u><u>105,638</u></u>

**6. Trade and other receivables**

	2020 £	2019 £
Prepayments and accrued income	-	7,909
Unpaid share capital	1	1
Other receivables	34,709,378	14,777,514
<b>Total trade and other receivables</b>	<u>34,709,379</u>	<u>14,785,424</u>
Less: current portion - prepayments and accrued income	-	(7,909)
Less: current portion - other receivables	(22,313,522)	-
Less: current portion - unpaid share capital	(1)	(1)
<b>Total current portion</b>	<u>(22,313,523)</u>	<u>(7,910)</u>
<b>Total non-current portion</b>	<u><u>12,395,856</u></u>	<u><u>14,777,514</u></u>

**GFS Corporate Director II Limited**

**Notes to the financial statements  
For the year ended 30 June 2020**

**6. Trade and other receivables (continued)**

All amounts within other receivables are wholly repayable within 5 years as at 30 June 2020 (not by monthly instalments) and accrue interest at a rate of 4% plus the EU reference rate. The company has debentures in place creating fixed and floating security over the assets of the borrowers. Repayments of other receivables fall due as follows:

	2020 £	2019 £
Within one year	22,313,521	-
Between 1-2 years	6,181,993	13,336,385
Between 2-5 years	6,213,864	1,441,129
	<u>34,709,378</u>	<u>14,777,514</u>

**7. Trade and other payables**

	2020 £	2019 £
Other payables	2,823,253	1,328,335
Accruals	51,480	36,625
<b>Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost</b>	<u>2,874,733</u>	<u>1,364,960</u>
Less: current portion - accruals	(51,480)	(36,625)
<b>Total current portion</b>	<u>(51,480)</u>	<u>(36,625)</u>
<b>Total non-current position</b>	<u>2,823,253</u>	<u>1,328,335</u>

Other payables due in more than one year are amounts due to the Department of Finance which are repayable in line with the repayments of other receivables within note 6.

**GFS Corporate Director II Limited**

**Notes to the financial statements  
For the year ended 30 June 2020**

**8. Loans and borrowings**

	2020 £	2019 £
<b>Non-current</b>		
Other loans - secured	70,000,000	40,000,000
	<u>70,000,000</u>	<u>40,000,000</u>
<b>Current</b>		
<b>Total loans and borrowings</b>	<u><u>70,000,000</u></u>	<u><u>40,000,000</u></u>

The carrying value of loans and borrowings classified as financial liabilities measured at amortised cost approximates fair value.

**Loan Terms**

The loan is repayable to the Department of Finance upon the receipt of the capital amounts within other receivables. The loan accrues intermediary fees at a rate of 1.58% per annum along with an annual fee of £100,000 per annum.

**Security**

a) In order to secure the liabilities owed by GFS Corporate Director II Limited the Investor, GFS Corporate Director II Limited has to:

i) create a first ranking charge (expressed as a fixed charge) over the Accounts in the form of the Accounts Charge;

ii) create security in favour of the investor in respect of each equity investment and certain other related rights, in the form of the Share Security Agreement;

iii) execute the Assignment agreement and shall, in respect of each project loan agreement entered into between GFS Corporate Director II Limited and a final recipient, serve such notice of such assignment on, and obtain an acknowledgement from, each final recipient and shall deliver to the investor copies of such notice and acknowledgement within 5 business days of the date of each project loan agreement; and

iv) in respect of each project loan and equity investment, grant such additional security as may be deemed necessary by the investor and agreed with GFS Corporate Director II Limited as part of the approval process for the relevant project.

**9. Share capital**

**Authorised, issued and partly paid**

	2020 Number	2020 £	2019 Number	2019 £
<b>Shares treated as equity</b>				
Ordinary share shares of £1.00 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**GFS Corporate Director II Limited**

**Notes to the financial statements  
For the year ended 30 June 2020**

**9. Share capital (continued)**

**Issued and partly paid**

	<b>2020 Number</b>	<b>2020 £</b>	<b>2019 Number</b>	<b>2019 £</b>
<b>Ordinary share shares of £1.00 each</b>				
At 1 July and 30 June	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**10. Reserves**

**Share capital**

Represents the nominal value of shares that have been issued.

**Retained earnings**

This reserve comprises all current and prior period retained profits and losses after deducting any distributions made to shareholders.

**GFS Corporate Director II Limited**

**Notes to the financial statements  
For the year ended 30 June 2020**

**11. Financial instruments - fair values and risk management**

**11.1 Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

30 June 2020	Note	Amortised cost £	Other financial liabilities £	Carrying amount Total £
<b>Financial assets measured at fair value</b>				
		-	-	-
<b>Financial assets not measured at fair value</b>				
Trade and other receivables	6	34,709,378	-	34,709,378
		34,709,378	-	34,709,378
<b>Financial liabilities measured at fair value</b>				
		-	-	-
<b>Financial liabilities not measured at fair value</b>				
Secured bank loans	8	-	70,000,000	70,000,000
Trade payables	7	-	2,823,253	2,823,253
		-	72,823,253	72,823,253

Notes to the financial statements  
For the year ended 30 June 2020

## 11. Financial instruments - fair values and risk management (continued)

## 11.1 Accounting classifications and fair values (continued)

30 June 2019	Note	Amortised cost £	Carrying amount Other financial liabilities £	Total £
<b>Financial assets measured at fair value</b>				
		-	-	-
<b>Financial assets not measured at fair value</b>				
Trade and other receivables	6	14,785,424	-	14,785,424
		<u>14,785,424</u>	<u>-</u>	<u>14,785,424</u>
<b>Financial liabilities measured at fair value</b>				
		-	-	-
<b>Financial liabilities not measured at fair value</b>				
Secured other loans	8	-	40,000,000	40,000,000
Trade payables	7	-	1,328,335	1,328,335
		<u>-</u>	<u>41,328,335</u>	<u>41,328,335</u>

## 11.2 Financial risk management objectives

The company's activities expose it to a variety of financial risks; market risks, credit risks, liquidity risk and cash flow interest rate risk. The company's overall risk management programme focuses on the unpredictability of the marketplace and seeks to minimise potential adverse effects on the company's financial performance.

## 12. Notes supporting statement of cash flows

	2020 £	2019 £
Cash at bank available on demand	<u>38,165,355</u>	<u>26,579,537</u>
Cash and cash equivalents in the statement of financial position	<u>38,165,355</u>	<u>26,579,537</u>
Cash and cash equivalents in the statement of cash flows	<u>38,165,355</u>	<u>26,579,537</u>

## **GFS Corporate Director II Limited**

### **Notes to the financial statements For the year ended 30 June 2020**

#### **13. Events after the reporting date**

Following on from the World Health Organisation's declaration of the global pandemic COVID-19, the UK was placed into a second lockdown starting on 5 November 2020. While the monetary value of the impact of COVID-19 on GFS Corporate Director II Limited cannot be quantified, as at the date of signing the financial statements it is £nil.

#### **14. Controlling Party**

The ultimate controlling party is A C Norris by virtue of his shareholding.

**GFS Corporate Director II Limited**

**Detailed profit and loss account  
For the year ended 30 June 2020**

	2020 £	2019 £
Turnover	1,712,087	1,075,852
Gross profit	<u>1,712,087</u>	<u>1,075,852</u>
Less: overheads		
Administration expenses	<u>(1,879,009)</u>	<u>(1,181,490)</u>
Operating loss	<u>(166,922)</u>	<u>(105,638)</u>
Finance income	<u>166,922</u>	<u>105,638</u>
Loss for the year	<u>-</u>	<u>-</u>



**GFS Corporate Director II Limited**

**Schedule to the detailed accounts  
For the year ended 30 June 2020**

	2020 £	2019 £
<b>Turnover</b>		
Loan agreement fees	239,370	142,200
Loan commitment fees	272,087	272,913
Loan interest receivable	1,200,630	660,739
	<u>1,712,087</u>	<u>1,075,852</u>
	2020 £	2019 £
<b>Administration expenses</b>		
Bank charges	351	212
Amounts due to Department of Finance	1,494,918	1,058,350
CBRE - annual fee	100,000	100,000
CBRE - Performance fee	292,142	14,526
Irrecoverable VAT	(8,402)	8,402
	<u>1,879,009</u>	<u>1,181,490</u>
	2020 £	2019 £
<b>Finance income</b>		
Bank interest receivable	166,922	105,638
	<u>166,922</u>	<u>105,638</u>