

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Company Registration Number: 06400833

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

COMPANY INFORMATION

Directors	:	Richard I Walker – Chief Executive Officer Kenneth J G Hillen – Non Executive Officer, appointed 17 October 2018 Andrew J A Flitcroft – resigned 17 October 2018
Secretary	:	Nicholas Narraway
Company Number	:	06400833
Registered Office and Business Address	:	Kings Court Railway Street Altrincham Cheshire WA14 2RD
Auditors	:	Crowe U.K. LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH
Solicitors	:	Hewitson Moorhead Kildare House 3 Dorset Rise London EC4Y 8EN Hamlins LLP Roxburghe House 273-287 Regent Street London W1B 2AD
Bankers	:	Coop P.O Box 101 1 Balloon Street Manchester M60 4EP
Corporate Advisor	:	Cairn Financial Advisors LLP 61 Cheyne House Crown Court 62-63 Cheapside London EC2V 6AX

ANGELFISH INVESTMENTS plc

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STRATEGIC REPORT

Principal activities and review of the business

The Company's principal activity is that of an investment trading company listed on the NEX Exchange Growth Market with trading symbol ANGP for its ordinary shares and ANGS for its preference shares. The Company also charges management fees providing finance support and director services to its investment companies.

The Company's investment strategy is to invest in businesses and companies in the service and technology sectors, including products related to social or life enhancement. The Directors are seeking to identify investee businesses and companies where they perceive the opportunity for significant growth through early stage, start up, opportunities and/or market opportunities. The Company principally invests through secured convertible loan notes or acquire controlling shareholdings in UK based or overseas companies whose managements are proposing to seek a stock market quotation in the short/medium term, although the acquisition of minority interests in companies already admitted to the AIM market of the London Stock Exchange or NEX Exchange Growth Market will not necessarily be precluded.

The Directors will also consider investment opportunities where the natural exit strategy will be through a trade sale. The focus is also on investing in a range of early stage companies seeking seed or follow on funding, where the Directors perceive the opportunity for significant growth, in the service and technology sectors, including products related to social or life enhancement.

Additionally the Company will consider other complementary investment opportunities including but not specifically pre IPO funding. The Board will look to provide management support to those companies as they progress in their growth and development. In so doing the Directors believe that this will assist in the opportunity to achieve healthy returns whilst minimising the investment risk. Subsequent to the year-end two further investments have been made and the Board continues to review other potential opportunities.

During the year to 31 December 2018 ("the Year") the Company made a loss before amortisation of preference shares of £1,174,781 (31 December 2017: profit of £708,126). The loss is after providing for a potential bad debt of £941,891 in respect of aged debts and loans which the Company is uncertain of receiving. Additionally there are fair value charges to the profit and loss account of £130,078.

The loss before taxation for the Year was £1,646,904 (31 December 2017: profit of £257,811). Costs of £472,123 (31 December 2017: £450,315) are in respect of amortisation of the Company's preference shares. This is a non cash item and is charged pro rata in the Company's Income Statement until maturity of the preference shares on 31 March 2021 so that the preference share carrying value in the Company's Statement of Financial Position equates to the full redemption value on maturity.

The Directors consider it appropriate to draw attention to one of the key issues affecting the results for the year. Investments are held at fair value assessed in accordance with IFRS9. This year this treatment has required us to recognise our current year's pre revenue investments at cost given the most recent transactions are equity investments. No fair value uplift has been recognised in these accounts. Given the nature of our recent investments, technology sector start-ups, this does not allow for any fair value uplift which may have been achieved in the individual investee companies from the use of investment funds during the year. In 2018 our two new investments have made good progress but are not expected to move into revenues until this year. Any gain in value is not reflected in these accounts.

The impact on our Balance Sheet from this treatment has resulted in the reserves position moving into one of accumulated losses. The Company now has an inability to pay dividends to the preference shareholders due to the lack of distributable reserves with a significant provision against loan receivables recognised in the current financial year. It is unlikely that the distributable reserve position will change in the foreseeable future so the Board have taken immediate steps to address the position.

Following discussions with our professional advisers, the Board is intending to seek a capital reduction which would have the effect of cancelling the preference shares and raising replacement capital through the issue of bonds carrying an equivalent yield. These proposals will require the approval of ordinary and preference shareholders at general meetings and a circular will be sent to shareholders convening these meetings, setting out the process, sequence and timetable and explaining in detail the impact of the intended changes.

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STRATEGIC REPORT

In January the Company entered into a secured Convertible Loan Note agreement with YBOO Limited (“YBOO”) convertible into 15% of YBOO which the company subsequently exercised. This was increased in July to a total of 20% and was further increased in November by a further 15%, to a total of 35%. The total consideration for all the tranches up to £650,000. As part of this latter agreement the Company agreed to provide a working capital loan of up to £1.5million secured over the assets of YBOO. This funding package is intended to allow YBOO to continue its UK and international rollout campaign and continue with an accelerated development of YBOO products.

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STRATEGIC REPORT (continued)

YBOO owns and operates a UK mobile app which enables the customer to know which mobile network and deal is best for them. It also provides in depth consumer data to mobile operators through its Insight Portal. According to Which? in 2015, UK consumers overpaid by an average of £159. More recent research conducted by The Citizens Advice Bureau, shows 36% of consumers overpay by between £22 and £38 per month, equivalent to between £264 and £456 per year.

The free to use app assesses customers actual usage and signal strength based on their individual most often used geographical locations across the spectrum of mobile service offers, which are updated to provide real time costs and charges. The customer then receives recommendations on the most suitable deal matched to their own personal usage and behaviour. The Insight Portal is the platform YBOO has developed to store the data generated by the app. This is particularly attractive to mobile operators as it represents live information from consumers actual experience. Mobile Operators may then use this in assessing their range of tariffs by understanding how these rank for individual customers and thereby seek to ensure their tariffs are suitably competitive.

In August the Company agreed to subscribe for £150,000 of secured convertible loan notes ("Loan Notes") issued by Wallet Ads Ltd ("Wallet Ads"). On 2 January 2019, the Company announced that following the final instalment on 31 December 2018, the full amount of the loan was converted into equity representing 20% of the ordinary share capital of Wallet Ads.

Wallet Ads owns and operates a mobile engagement platform that combines mobile wallet passes (Apple Wallet / Google Pay), HTML5 web and social media (Facebook, Twitter, WhatsApp) technologies to enable brands to deliver digital vouchers or passes direct to consumers' smartphones. There is no need for a consumer to register or download an app to engage with the technology which is free to the consumer and self-funding to the brand. The platform is supported by cutting edge and highly complex serverless infrastructure capable of updating up to one million devices per minute. This investment is intended to enable Wallet Ads to continue to innovate, further develop its platform and build the necessary awareness and credibility in the market for planned expansion in 2019.

Last year we reported that the Company provided a loan facility to Rapid Nutrition Plc ("Rapid") a natural healthcare company focused on the research, development and production of a range of life science products. Rapid is presently listed on the SIX Swiss Exchange, Zurich and has also applied for the dual admission of its existing issued shares to the OTCQB listing segment of the OTC Market.

Due to delays in the Admission process, and, after a number of variations agreed as a result of this, on 2 January 2019, the Company agreed to amend the terms of the Loan with repayment now to be made in equal monthly instalments starting on 31 January 2019, or earlier at Rapid's sole discretion with interest continuing to accrue until the Loan is redeemed in full. Additionally arrears of previously charged interest is to be settled by the immediate issue and allotment of 50,000 fully paid ordinary shares in Rapid.

In consideration for the Company agreeing to the amended repayment terms of the Loan, Rapid shall pay a fee equal to GBP26,640 to be satisfied by the immediate issue and allotment of 200,000 fully paid ordinary shares in Rapid to Angelfish.

We also reported last year that we had provided a loan facility, to X Markets Group Limited ("XMG"). XMG seeks to provide non-bank liquidity offering executable prices for a variety of mainly spot products which includes CFDs, FX, futures and equities. It streams prices to its clients who are forex and CFD brokers as well as tier-1 & tier-2 banks, brokers and other financial institutions (and exchanges) for their own clients' order execution.

The Company continues to work with the director of XMG, who after some delays in securing the funding needed to commence trading, has confirmed that this is expected in the very near future with trading commencing shortly thereafter. This delay has been a factor in the results for the current year as it is appropriate to provide for any previously recognised gains and for amounts due until this commences. This treatment is therefore reflected in the accounts accompanying this report.

We continue to appraise the merits and added value of the investment in OME. Despite some progress OME continues to experience ongoing delays in their next funding round. Although we are in regular contact the Directors propose to make a substantial provision against the balance owed by OME which is reflected in the results for the year.

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

STRATEGIC REPORT (continued)

The Company's risks and uncertainties can be grouped into four categories; strategic, financial, operational and compliance. In so doing the Company continually seeks suitable investments not specifically in the UK that will provide an adequate return in the short to medium term (strategic). The Company can, but is not limited to, raising funds through its ordinary and preference shares whilst ensuring the cost of capital is attractive to investors but can be maintained by the Company (financial). The Company operates at a low cost base but ensures that it rewards the directors appropriately and support its advisor costs so it can operate effectively in order to achieve its strategic goals (financial). The Company must also retain suitably experienced directors and advisors to maintain its listing on the NEX Exchange Growth Market and comply with all its regulatory obligations (compliance).

Key Performance Indicators ("KPIs") provide an illustration of management's ability to successfully deliver against the Company's strategic objectives. The Board periodically reviews the KPIs of the Company taking into account the strategic objectives and the challenges facing implementation of such. The measures reflect the Company's development focused strategy, the importance of a positive cash position and our underlying commitment to ensuring safe operations. These KPI's can be categorised into operational and financial. These include, but are not limited to, adopting an agreed risk based strategy and monitoring its successful implementation on a regular basis (operational); return on investment both income and capital, control of overheads and costs, current and forecast Company cash balances and availability of future funding being sufficient to support the needs of the business and service the Company's current debt (financial).

In measuring these KPIs, the Company's investment balance has been fully appraised and is shown in the balance sheet at fair value for held investments and matured investments at future expected cash flow receipts. The Company's cash balance at 31 December 2018 stood at £1,484,236 and the Company's total assets have increased from £1,993,504 to £2,948,982 in the Year.

The Directors continue to explore and consider other investment opportunities which are in accordance with the Company's stated investment strategy.

Richard Walker
Director
On Behalf of the Board
Dated: 21 June 2019

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS' REPORT

The directors present their report and financial statements of the Company for the period ended 31 December 2018.

The Company is incorporated and domiciled in England and Wales. The Company's ordinary shares and preference shares are quoted on the NEX Exchange Growth Market.

Future developments

The Company will continue to work with its existing investments and explore and review other suitable investment opportunities in line with the Company's investment strategy.

Significant post balance sheet events

Post balance sheet events are referred to in note 21.

Going concern

The Company's business activities, together with factors likely to affect its future operations, financial position and liquidity position have been considered by the directors of the Company. The Directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to execute its operations over the next 12 months. The Directors, therefore, have made an informed judgement, at the time of approving financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Financial risk management

The Company finances its operations through a mixture of equity, preference shares and retained earnings. Finance requirements are reviewed by the Board when funds are required for investments and loan funding.

The Company's policy is to maintain a strong financial position to sustain future development of the business. There were no changes to the Company's capital management approach during the period.

The Company's treasury functions are responsible for managing fund requirements and investments which include banking, cash flow management, interest and foreign exchange exposure to ensure adequate liquidity at all times to meet cash requirements.

The Company's principal financial instruments are cash, deposits, loans and investments and these instruments are only for the purpose of meeting its requirement for operations.

The Company's main financial risks are foreign currency risk, liquidity risk, interest rate risk and credit risks. Set out below are policies that are used to manage such risks:

Foreign currency risk

The Company reports in pound sterling although some of its loans and investments have been provided in US dollars. The Company also retains an investment whose fair value has been calculated in Euros. The Company do not at present hedge against US dollar to sterling or Euro to Sterling exchange rate fluctuations, however, the Board continually assess whether this is an appropriate policy and review on a regular basis.

Interest rate risk

During the period the Company's surplus funds were placed in deposits at floating rates. The Company's debt is provided through fixed dividend preference shares.

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS' REPORT (continued)

Credit risk

Deposits, as a general rule, are placed with banks and financial institutions that have ratings of not less than AA or equivalent, which are verified before placing the deposits. The Board will continue to assess the strategies for managing credit risk and is satisfied with the existing policies.

Investments and loans are made to companies which the directors consider to be commensurate with the potential gains receivable. At the period end, the Company had a bad debt risk with one or more of its investments. This has been explained further in note 14. The maximum financial risk exposure relating to the financial assets is the carrying value of such financial assets as on the period end date. At the balance sheet date the carrying value of these financial assets was £195,925 (2017: £481,855)

Capital management

The objective of the Company's capital management is to ensure that there is sufficient liquidity within the Company to carry out the committed and forecast investment and expenditure. The Company monitors the long-term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility. The Company's capital consists of ordinary and preference share capital only. The Board manages the structure of its capital and makes necessary adjustments to accommodate the changes in the economic conditions. To maintain or adjust the capital structure, the Board may issue new shares for cash. No significant changes were made in the objectives, policies or processes during the year ended 31 December 2018.

Liquidity risk

The Company ensures it has sufficient liquidity to meet its expenditure and investment requirements. The Company has no outstanding loan obligations at the period end.

Directors

The following directors have held office since 1 January 2018:

Andrew J A Flitcroft (resigned 17 October 2018)

Richard I Walker

Kenneth J G Hillen (appointed 17 October 2018)

Directors' interests

The interests of the directors in the shares of the Company are as follows:

	Ordinary Shares	
	At 17 Oct 2018	At 31 Dec 2017
Andrew Flitcroft	4,077,844	4,077,844

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS' REPORT (continued)

Substantial shareholders

The following shareholders hold more than 3% of the total issued shares of 710,082,349 of Angelfish Investments plc

	31 Dec 2018	31 Dec 2017
Valley Holdings Limited	14.08%	14.08%
Intrinsic Business Solutions Ltd	6.76%	5.60%
Trustees SVS SIPP – GE Robshaw	3.20%	3.20%
Trustees SVS SIPP – A P Ward	3.06%	3.06%

Payment of trade payables

It is the current policy to establish payment terms with suppliers when agreeing terms of supply, to ensure that suppliers are made aware of the terms of payment, and to adhere to those terms.

Auditors

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. In accordance with section 489 of the Companies Act 2006, a resolution proposing that Crowe U.K. LLP be reappointed as auditors to the company will be put to the Annual General Meeting.

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' 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 (IFRSs') as adopted by the EU and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Angelfish Investments plc web site is the responsibility of the directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS' REPORT (continued)

Statement of disclosure to auditor

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

Richard Walker
Director
On behalf of the Board
Dated: 21 June 2019

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

We have audited the financial statements of Angelfish Investments Plc for the year ended 31 December 2018, which comprise:

- the statement of comprehensive income for the year ended 31 December 2018;
- the statement of financial position as at 31 December 2018;
- the statement of cash flows for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements 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 31 December 2018 and of the company's profit for the period then ended;
- the company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- 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.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the financial statements as a whole to be £65,000, based on approximately 2% of assets.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Board to report to it all identified errors in excess of £5,000. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

As part of designing our audit, we determine materiality and assessed the risks of material misstatement in the financial statements of Angelfish investments plc. In particular we focussed on where directors made subjective judgements, for example in respect of the carrying value of investments.

A full scope audit has been performed on the company.

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 assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included 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.

This is not a complete list of all risks identified by our audit.

<i>Key audit matter</i>	<i>How the scope of our audit addressed the key audit matter</i>
<p>Preference shares</p> <p>In October 2018, 2,350,000 redeemable £0.10 preference shares were issued for £1 each. These have a 7.1% dividend associated with it and is redeemable in March 2021. We assessed the recognition of these preference shares and the amortisation charge of the associated costs.</p> <p>The valuation of the preference shares require management judgement. Due to the size of the preference share liability, this is deemed to be material.</p>	<p>We agreed the value, recognition and terms of the preference shares additions to the documentation and the associated costs.</p> <p>We recalculated the amortisation of the issue costs over the life of the preference shares and agreed this to the accounts.</p> <p>We also recalculated the adjustment to the preference shares to increase the liability to the redemption value.</p> <p>The total charge in the statement of comprehensive income of £472,123 in regards to the fair value uplift and amortisation was recalculated and agreed.</p> <p>The 7.1% dividend associated with all the preference shares was recalculated and agreed.</p>

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

Fair value of investments

During the year, the company made new investments in unlisted entities.

We have agreed the investments held in the company back to the agreements. We discussed with the board the fair value of these investments in conjunction with the information available.

The investments are to be fair valued in line with IFRS 9. There is the risk that the investments are overvalued and could possibly be impaired

We considered the forecasts, the future discounted cash flows and recent share transactions to enable us to conclude whether the valuation was deemed not to be materially misstated.

Recoverability of receivables

The company has several debtors and loans due, some of which are over a year old. There is a risk that these are not recoverable and a provision is required.

We reviewed the aged analysis of the receivables and the cash received after the period end date.

We reviewed and considered future forecasts of the relevant debtor.

We considered whether the unpaid balances are likely to be recoverable and whether appropriate provisions were made.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

Matters on which we are required to report by exception

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

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Stacy Eden (Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

21 June 2019

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Year ended 31 Dec 2018 £	Year ended 31 Dec 2017 £
Revenue		-	-
Cost of sales		-	-
Gross profit/(loss)		-	-
Other operating income	4	39,750	9,000
Administrative expenses	5	(166,136)	(141,370)
Loss before investment activities		(126,386)	(132,370)
Fair value of receivables through profit and loss		(130,078)	95,954
Profit on disposal of investment	12	-	617,575
Revaluation of loan	12	42,958	-
(Provision against)/provision released loans receivable		(941,891)	214,222
Interest income	8	174,673	72,797
Interest payable at 7.1% on preference shares		(194,057)	(160,052)
(Loss)/profit before amortisation of preference shares		(1,174,781)	708,126
Amortisation of preference shares	15	(472,123)	(450,315)
(Loss)/profit before taxation		(1,646,904)	257,811
Taxation expense	9	-	-
(Loss)/Profit for the period		(1,646,904)	257,811
Other comprehensive income		-	-
Total comprehensive income attributable to equity holders of the company		(1,646,904)	257,811
Earnings per share for profit attributable to the equity shareholders			
Basic earnings per ordinary share (p)	11	(0.232)	0.036
Diluted earnings per ordinary share (p)	11	(0.232)	0.036

The accounting policies and notes set out on pages 18 to 36 form an integral part of these financial statements. There are no recognised gains and losses other than those passing through the income statement.

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Notes	31 Dec 2018 £	31 Dec 2017 £
Assets			
Non-current assets			
Share Investment	12	821,537	-
		<u>821,537</u>	<u>-</u>
Non-current assets			
Trade and other receivables falling due after more than one year	14	152,899	423,599
Current assets			
Short term investments	13	45,988	124,444
Trade and other receivables falling due within one year	14	444,322	868,293
Cash and cash equivalents		<u>1,484,236</u>	<u>577,168</u>
		<u>2,127,445</u>	<u>1,569,905</u>
Total assets		<u>2,948,982</u>	<u>1,993,504</u>
Equity and liabilities			
Equity			
Issued share capital	17	71,008	71,008
Share premium		-	-
Retained earnings		<u>(613,794)</u>	<u>1,033,110</u>
		<u>(542,786)</u>	<u>1,104,118</u>
Non-current liabilities			
Loans and borrowings	15	3,349,248	791,125
Current liabilities			
Trade and other payables	16	142,520	98,261
		<u>3,491,768</u>	<u>889,386</u>
Total liabilities		<u>3,491,768</u>	<u>889,386</u>
Total equity and liabilities		<u>2,948,982</u>	<u>1,993,504</u>

Approved by the Board for issue on 21 June 2019

Richard Walker
Director

The accounting policies and notes set out on pages 18 to 36 form an integral part of these financial statements.

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Number of shares	Nominal value p	Share capital £	Retained earnings £	Total £
Balance at 31 December 2016	710,082,349	0.01	71,008	775,299	846,307
Profit for period	-	-	-	257,811	257,811
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	257,811	257,811
Balance at 31 December 2017	710,082,349	0.01	71,008	1,033,110	1,104,118
Loss for period	-	-	-	(1,646,904)	(1,646,904)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(1,646,904)	(1,646,904)
Balance at 31 December 2018	710,082,349	0.01	71,008	(613,794)	(542,786)

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Year ended 31 Dec 2018 £	Year ended 31 Dec 2017 £
Cash flow from operating activities		
(Loss)/profit before taxation	(1,646,904)	257,811
Adjustments for:		
Profit on sale of investment	-	419,035
Amortisation adjustment on preference shares	472,123	450,315
Investment and loan write (back)/down	-	(412,762)
Interest receivable	(174,673)	(72,796)
Interest payable	194,057	160,052
Foreign exchange	(42,958)	-
Loss/(gain) on financial assets FVTPL	1,071,969	-
Increase/(decrease) in trade and other receivables	32,605	(574,624)
Increase in trade and other payables	10,255	22,376
Net cash (outflow)/inflow from operating activities	(83,526)	249,407
Cash flows from investing activities		
Purchase of non-current assets	(821,537)	(134,206)
(Increase)/decrease in short term investments	-	(124,444)
(Increase) in loans receivable	(113,816)	-
Interest income	-	20,019
Net cash outflow from investing activities	(935,353)	(238,631)
Cash flow from financing activities		
Preference dividends payable	(160,053)	(160,052)
Proceeds from issue of shares	2,086,000	-
Net cash inflow from financing activities	1,925,947	(160,052)
Net increase in cash in the year	907,068	(149,276)
Cash and cash equivalents at the beginning of the year	577,168	726,444
Cash and cash equivalents at the end of the year	1,484,236	577,168

The accounting policies and notes set out on pages 18 to 36 form an integral part of these financial statements.

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

Notes to the financial statements

1. General information

The principal activity of Angelfish Investments Plc is that of an investment company.

The company is a public limited company incorporated and domiciled in the United Kingdom, having a registered office at Kings Court, Railway Street, Altrincham, Cheshire, WA14 2RD. The registered number of the company is 06400833.

2. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards IFRS as developed and published by the International Accounting Standards Board (IASB) as adopted by the European Union EU, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

Standards, amendments and interpretations to existing standards that have been issued and are effective at the balance sheet date have been applied in the financial statements.

The Company applied IFRS 9 for the first time from 1 January 2018.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Company has applied IFRS 9 with the initial application date of 1 January 2018 and has not adjusted the comparative information for the period beginning 1 January 2017.

The financial information has been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of certain financial assets at fair value through the income statement.

The preparation of financial information in conformity with IFRS requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial information are disclosed in the summary of significant accounting policies below.

The Company's business activities, together with factors likely to affect its future operations, financial position and liquidity position have been considered by the directors of the Company. The Directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to execute its operations over the next 12 months. The Directors, therefore, have made an informed judgement, at the time of approving financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Summary of significant 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 periods presented, unless otherwise stated.

Other receivables

Other receivables are measured at the amount recognised at initial recognition (the amortised cost) minus principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognised in profit and loss. Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Company's financial assets at amortised cost include other receivables.

The amount of any provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised through profit and loss. When a receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the profit and loss.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Investments

The Company's financial asset investments, which under IAS 39, were classified and measured at fair value, continue to be done so under IFRS 9, with changes in fair value recognised in profit and loss as they arise.

Gains and losses on investments disposed of or identified are included in the net profit or loss for the period.

The Company is an investing company. Investments held by the Company are held for resale. Therefore where the Company's equity stake in an investee company is 20% or more equity accounting for associates is not considered to be appropriate.

Foreign currency translation

(a) Functional and presentation currency

The financial information is presented in pounds sterling, which is the company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Summary of significant accounting policies (continued)

Segmental reporting

A business segment is a group of assets or operations engaged in providing services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing services within a particular economic environment that is subject to different risks and returns from other segments in other economic environments.

Expenses

All expenses are accounted for on an accruals basis.

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Preference shares

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

Preference share capital is classified as a financial liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Non-discretionary dividends thereon are recognised as interest expense in the income statement as accrued.

Preference share capital and premium is included at fair value. Costs associated with preference share funds raised are amortised in the Income Statement over the remaining life of the Preference shares.

Capital

The objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure that optimises the cost of capital. In order to maintain or adjust the capital structure the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Capital comprises all components of equity; share capital, share premium, and retained earnings.

Equity Settled share option plan

The Company has applied the requirements of IFRS2 Share-based payments in accordance with current provisions. The company issues equity-settled share based payments to certain employees, which are measured at fair value

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Summary of significant accounting policies (continued)

at the date of grant. The fair value determined at the date of grant is expensed on a straight line basis over the vesting period, based on the company's estimate of shares that will eventually vest. The fair value is determined by use of the share based payments intrinsic value. Management do not believe the fair value can be measured reliably by use of an option pricing model, based on the fact that the company has only relatively recently obtained a listing and no reliable historical data is available.

Future changes in accounting policies - standards issued but not yet effective

New standards and interpretations not yet adopted:

At the date of approval of the financial statements, there are a number of new standards and amendments to standards and interpretations that have been issued but are not yet effective and, in some cases, have not yet been adopted by the EU.

The Directors do not consider that the above standards and interpretations will have a material effect on the presentation of the financial statements in the period of initial application or subsequently.

Key sources of estimation and uncertainty

In the application of the company's accounting policies, which are described in note 3, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Allowance for trade and other receivables

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Fair value of the investments

All equity investments in scope of IFRS 9 are measured at fair value in the statement of financial position, with present value changes in the profit and loss. Fair value is calculated at cost which is deemed appropriate for early stage, pre revenue companies.

Fair value adjustment to preference shares to increase borrowings to redemption value

The 10p preference shares are redeemable on 31 March 2021 at £1 per preference share. The directors have spread the fair value uplift from the initial nominal value of 10p following cancelling of the 90p share premium to £1 over the life of the preference shares.

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

4. Segmental analysis

Based on risks and returns, the directors consider that the primary reporting format is by business segment. The directors consider that there are two business segments:

- That of an investment trading company seeking to make capital and interest returns on its investments and
- Receiving management fees from its investment companies

Geographical segment

	2018 £	2017 £
Other operating income from management fees:		
UK	39,750	9,000
Total	39,750	9,000

	2018 £	2017 £
Balance sheet – Net book value of segment assets		
UK – investments	821,537	-
Total	821,537	-

5. Expenses

The following material expenses are included in administrative expenses:

	2018 £	2017 £
Director	20,750	12,000
Hotel and travel	9,639	10,208
Professional fees	55,308	47,144
Consultancy fees	60,053	45,410

ANGELFISH INVESTMENTS plc

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FOR THE YEAR ENDED 31 DECEMBER 2018

6. Loss before tax

Loss before tax, all of which arises from the company's principal activities, is stated after charging:

	2018 £	2017 £
Fees payable to the Company's auditor for :		
- Audit of the Company	20,000	11,000
- Other services	-	-
- Foreign exchange gain	(42,958)	-

7. Personnel costs

Excluding directors, there are no employees (2017: 0).

The directors' emoluments are disclosed in note 5. The directors are considered the only key management personnel. The emoluments paid to directors are management fees.

8. Interest Income

	2018 £	2017 £
Loan interest receivable	174,673	72,797
Total	174,673	72,797

ANGELFISH INVESTMENTS plc

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FOR THE YEAR ENDED 31 DECEMBER 2018

9. Taxation expense

The taxation provision for the period is different to the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit before tax	(1,646,904)	257,811
Taxation at the UK corporation tax rate of 19% (2017: 20%)	(312,911)	51,562
Effects of:		
Adjustment on preference shares	89,703	69,052
Preference dividends paid	36,871	32,010
Loss/(profit) during the year carried forward	186,337	(152,624)
Tax expense	-	-

No deferred tax asset has been provided in respect of tax losses as their crystallisation is not certain. At the balance sheet date there are approximately £2,421,597 (2017: £1,193,475) of losses carried forward.

10. Dividends

No ordinary dividends have been proposed by the company for the period ended 31 December 2018 or the prior period.

11. Earnings per share

The calculation of the basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

The calculations of diluted earnings per share are based on the basic earnings per share adjusted to allow for the issue of shares on the assumed conversion of all dilutive options. The exercise prices of all warrants and options issued are in excess of the Company's current share price and therefore have no dilutive effect on the reported earnings per share. The warrants are antidilutive and therefore have not been included in the earnings per share calculation.

Reconciliation of the earnings and weighted average number of shares in the calculations are set out below.

ANGELFISH INVESTMENTS plc

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FOR THE YEAR ENDED 31 DECEMBER 2018

11. Earnings per share (continued)

	2018			2017		
	Earnings £	Weighted average number of shares	Per share amount (pence)	Earnings £	Weighted average number of shares	Per share amount (pence)
Basic and diluted earnings per share	(1,646,903)	710,082,349	(0.232)	257,811	710,082,349	0.036

In the current period 245,841,918 share options and warrants issued to preference shareholders (2017: 160,154,600 share options and warrants) have been included in the above.

12. Investments - unquoted equity investments

	Total £
Cost / Valuation	
At 31 December 2017	119,193
Additions in the period	821,537
Disposals in the period	-
At 31 December 2018	<u>940,730</u>
Impairment	
At 31 December 2017	119,193
(Release)/charge in the period	-
Disposals in the period	-
At 31 December 2018	<u>119,193</u>
Net book amount	
At 31 December 2018	<u>821,537</u>
At 31 December 2017	<u>-</u>

During the period the Company acquired the following shareholdings:

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

12. Investments - unquoted equity investments (continued)

A 35% equity stake in Yboo Limited an unquoted company at a total cost of £662,109 including legal acquisition costs of £11,883.

A 20% equity stake in WalletAds limited, an unquoted company, at a total cost of £159,428 including legal acquisition costs of £9,428.

These investments are held at cost as this is the best estimate of fair value.

In the prior period the Company impaired previously incurred professional fees and costs of £119,193 relating to the detailed discussions with 4Navitas to establish a joint venture. These discussions were terminated in April 2017. £Nil costs were impaired in the current period (2017: £Nil).

13. Short Term Investments

	2018 £	2017 £
Quoted investments held for resale	45,988	124,444

Represented by 200,000 shares of Common Stock in OneLife and warrants to subscribe for 200,000 shares of Common Stock in OneLife Technologies Corp. ("OneLife") and 250,000 ordinary shares in Rapid Nutrition plc ("Rapid").

OneLife is a public company listed on the OTC:US with a ticker symbol "OLMM". As at 31 December 2018 the share price of OneLife was \$0.05 (2017: \$0.84) per share equivalent to £0.62 (2017: £0.62) per share. The share price of OneLife as at 30 April 2018 was \$0.06 per share (30 April 2017: \$0.12). The shares in OneLife were acquired as part of the disposal of the Company's investment in One Media Enterprises Limited, see Note 14 Trade and Other Receivables for full details of the transaction.

Rapid is a public company listed on the OTCQB of the OTC Markets with the symbol RPNRF and on the Six Swiss Exchange with the symbol RAP. As at 31 December 2018 the share price of Rapid on the Six Exchange was euro 0.17 per share equivalent to £0.153. The share price of Rapid as at 30 April 2018 was euro 0.13 per share.

14. Trade and other receivables

	2018 £	2017 £
Other debtors	53,544	13,893
Prepayments	13,099	175,742
Short term loans receivable	263,816	180,722
Other receivables	266,762	921,535
	<u>597,221</u>	<u>1,291,892</u>

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

14. Trade and other receivables (continued)

Amounts falling due after more than one year included above are:

	2018 £	2017 £
Loans receivable	108,816	-
Other receivables	44,083	423,599
	<u>152,899</u>	<u>423,599</u>

The short term loans receivable are in respect of a loan facility of £150,000 to Rapid Nutrition Plc (“Rapid”). The loan is repayable over nine months commencing 31 January 2019. The loan is interest bearing at 15% per annum.

Other receivables are in respect of amounts due following the disposal of the Company’s investment into One Media Enterprises Limited (“OME”), a company in which Angelfish initially invested in 2013, has been acquired (“the Acquisition”) by OneLife Technologies Corp. (“OneLife”) a public company listed on the OTC:US with a ticker symbol “OLMM”. To facilitate the Acquisition, OME has agreed to repay in full the investment and loans made to date by Angelfish together with payment of management fees charged and an uplift on amounts due (“the Agreement”).

An Amended Agreement was signed on 1 October 2018 and rescheduled the previously agreed amount payable to Angelfish of US\$1,000,000 in cash in instalments (“Cash Payment”). The issue to Angelfish of 200,000 shares of Common Stock in OneLife and warrants to subscribe for 200,000 shares of Common Stock in OneLife, exercisable at US\$1 per share for a period of five years from the date of grant remained as previous.

The Cash Payment of \$1,000,000 is receivable as follows:

- i. by three instalments of \$25,000 (31 Dec 2018: £19,592) each, payable on or before 15 December 2018, 15 January 2019 and 15 February 2019;
- ii. by an instalment of \$250,000 (31 Dec 2018: £195,924) payable on or before 15 March 2019;
- iii. by three instalments of \$25,000 (31 Dec 2018: £19,592) each, payable on or before 15 April 2019, 15 May 2019 and 15 June 2019;
- iv. by an instalment of \$250,000 (31 Dec 2018: £195,592) payable on or before 15 July 2019; and
- v. by instalments of \$25,000 (31 Dec 2018: £19,592) each payable on or before the 15th day of each month thereafter, until the Cash Payment has been paid in full (14 instalments).

*As such \$225,000 is receivable after more than one year.

An amount of £19,592 (\$25,000) and 250,000 additional shares of Common Stock in OneLife has to date been received from One Life Technologies, a company listed on the OTC. The continued repayment of this loan is dependent upon OneLife Technologies working capital funding being sufficient to meet its trading and loan obligations.

ANGELFISH INVESTMENTS plc

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

14. Trade and other receivables (continued)

The directors are not confident that the funds will be fully repaid from OneLife and therefore a provision of £587,744 (\$750,000) has been included against this debt reducing the amount included as recoverable to £195,925 (\$250,000) with £44,083 (\$56,250) of this amount due after more than one year and shown in other receivables.

On 24 July 2017 the Company made an advance of an unsecured loan facility to X Markets Group Limited, (a company incorporated in England and Wales with company registration number 10013139 ("XMG")). The loan to XMG is in the amount of £100,000. The Investment value includes associated costs of £7,470. The loan is supported, up to a maximum liability of £100,000, by a personal guarantee from the sole director of XMG. The loan is repayable no later than two years after drawdown. If the loan is now in its second 12 month period from drawdown, XMG is therefore due to repay the loan in full plus an additional amount equal to 200% of the loan. A provisions for non payment of the loan has been provided for £100,000. XMG also owes management fees of £54,693 and has been provided for in full in these accounts. In addition, the loan agreement entitles the Company to receive, on the earlier of the second anniversary of the date of the agreement or the date of repayment of the loan, such number of ordinary shares that shall equate to five per cent. of the then issued share capital of XMG, taking into account shares then in issue and shares then agreed, proposed or intended to be issued, including conversion or subscription rights granted but not yet exercised. A fair value calculation has been applied to the 5% holding in XMG, using a 20% discount rate to expected future cash flows and a 70% discount for a minority shareholding, and further discounted by 50% for prudence. The fair value is calculated as £65,372 and has been recognised in the Company's Income Statement as a fair value adjustment and increase to other receivables.

On 2 November 2018 Angelfish agreed to make a £1,500,000 loan facility available to Yboo Limited a company in which Angelfish holds a 35% shareholding. The loan facility is for a period of two years from the date the loan facility was made available. Interest is charged at 10% per annum and is payable on redemption of the loan. The loan principal outstanding at the year end was £108,816 and is shown in short term loans receivable more than one year. A Loan of £5,000 (2017: £nil) to Mr M Hadleigh, a director of WalletAds Limited, is included in short term loans receivable.

VAT recoverable of £5,465 is included in other receivables.

15. Loans and Borrowings

	2018	2017
	£	£
4,604,255 (2017: 2,254,255) preference shares at 10p	460,425	225,425
Share premium on preference shares	4,143,830	2,028,830
Total preference shares	4,604,255	2,254,255
Less issue costs	(840,399)	(576,399)
Total preference share liability	3,763,856	1,677,856
Amortisation of preference shares	1,114,857	642,734
Cancellation of share premium on preference shares	(1,529,465)	(1,529,465)
Redeemable preference shares	3,349,248	791,125

ANGELFISH INVESTMENTS plc

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FOR THE YEAR ENDED 31 DECEMBER 2018

15. Loans and Borrowings (continued)

During the period 2,350,000 new preference shares of 10p each were issued (2017: nil). The consideration for each preference share is £1 each (10p nominal and 90p share premium). Funds received were raised in order to augment the Company's working capital and provide funding to continue the Company's investment strategy. No new preference shares were issued in 2017. The preference shares do not carry the right to vote.

The preference shares issued are cumulative redeemable preference shares that pay a preferential dividend of 7.1% per annum, payable quarterly on the issue price of £1. The preference shares will be redeemed on 31 March 2021 at their issue price of £1 each. The Company has cumulative negative distributable reserves so no dividend will be payable on the preference shares until, if or when in the future, distributable reserves are sufficiently positive.

No warrants were issued to subscribers to the new preference shares issued during the year. Previously warrants were issued to the subscribers of preference shares that entitle the investor to subscribe for ordinary shares an amount equal to up to 25% of the amount subscribed for their preference shares. The exercise price for each warrant for an ordinary share is the offer price on the date the subscription monies were received. The warrants are exercisable until 31 March 2021. The preference shares have no voting rights, unless the preferential dividend is in arrears for at least six months, and in certain other limited circumstances, but have preference for payment of dividends and repayment of capital.

On 26 September 2016 at a general meeting of ordinary shareholders and the class meeting of preference shareholders of the Company a resolution was passed to approve that the balance standing to the credit of the share premium account of the Company as at 30 June 2016 be cancelled in order to provide cover for distributions to be made in future (including in particular, dividends on the Preference Shares), and to create part of the distributable reserves that will be required for the eventual redemption of the Preference Shares. This was confirmed at the final court hearing which took place on 26 October 2016. The Capital Reduction created additional reserves of approximately £1,529,000, which would be distributable.

16. Trade and other payables

	2018	2017
	£	£
Trade payables	46,866	43,170
Accrued expenses and other payables	95,654	55,091
	<u>142,520</u>	<u>98,261</u>

17. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
710,082,349 ordinary shares of 0.01p each	<u>71,008</u>	<u>71,008</u>

ANGELFISH INVESTMENTS plc

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FOR THE YEAR ENDED 31 DECEMBER 2018

18. Related party transactions

During the period the company purchased services from FS Business Limited, a company in which A Flitcroft is a Director, to the sum of £25,500 (2017: £15,000).

During the year Mr Walker, a director of the Company, invoiced consultancy fees of £61,803 (2017: £45,678).

Mr Walker was appointed director of Yboo Limited, an investee of the Company, on 18 June 2018

Mr Walker was appointed director of WalletAds Limited, an investee of the Company, on 8 August 2018

Mr Flitcroft resigned as a director of the Company on 17 October 2018, Mr Flitcroft is a non-executive director of SVS Securities plc. Certain clients of SVS Securities plc have invested in the Company's preference shares. SVS Securities plc provides nominee services to those preference shareholders.

19. Share options and warrants

The company has a share option scheme under which options to subscribe for the company's shares are granted to the directors and other persons. The options are exercisable at 0.35p per share for up to 10 years from the date of grant and the options vest and are exercisable in equal tranches from 1 February 2015, 1 February 2016 and 1 February 2017. Of the share options issued 39,750,000 are outstanding at the year end (2017: 39,750,000). At the year end 39,750,000 share options are exercisable (2017: 39,750,000).

Warrants have been issued to the Preference Shareholders. No warrants were issued to the subscribers for 2,350,000 preference shares issued on 18 October 2018. The warrants that have been previously issued entitle the Investor in Preference Shares to subscribe for Ordinary Shares an amount equal to up to 25% of the amount subscribed by the Investor for their Preference Shares. The exercise price for each Warrant is the offer market price for an Ordinary Share (as derived from the NEX Exchange Growth Market) on the date when subscription monies from the issue of the relevant Preference Shares are received by the Company. In each case, the Warrants will be exercisable until 31 March 2021. During the year a total of nil (2017: nil) warrants were issued which are exercisable until 31 March 2021 at the following price per share:

		<i>no of</i>
	exercise price of 0.40 p	-
	exercise price of 0.35 p	-
	exercise price of 0.25 p	-
Warrants issued during the period to 31 December 2018		<u>-</u>
	exercise price of 0.40 p	16,074,875
	exercise price of 0.35 p	24,221,643
	exercise price of 0.25 p	<u>165,795,400</u>
Total warrants in issue as at 31 December 2017 and 31 December 2018		<u>206,091,918</u>

The weighted average remaining contractual life of outstanding warrants which expire on 31 March 2021 is 2.25 years (2017: 3.25 years) and the weighted average remaining contractual life of outstanding share options which expire on 31 January 2024 is 5.09 years (2017: 6.09 years).

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20. Financial risk management

The Company finances its operations through a mixture of equity, preference shares and retained earnings. Finance requirements are reviewed by the Board when funds are required for investments and loan funding.

The Company's policy is to maintain a strong financial position to sustain future development of the business. There were no changes to the Company's capital management approach during the period.

The Company's treasury functions are responsible for managing fund requirements and investments which include banking, cash flow management, interest and foreign exchange exposure to ensure adequate liquidity at all times to meet cash requirements.

The Company's principal financial instruments are cash, deposits, loans and investments and these instruments are only for the purpose of meeting its requirement for operations.

The Company's main financial risks are foreign currency risk, liquidity risk, interest rate risk and credit risks. Set out below are policies that are used to manage such risks:

Foreign currency risk

The Company reports in pound sterling although some of its loans and investments have been provided in US dollars. The Company also retains an investment whose fair value has been calculated in Euros. The Company do not at present hedge against US dollar to Sterling or Euro to Sterling exchange rate fluctuations, however, the Board continually assess whether this is an appropriate policy and review on a regular basis. The table below demonstrates the sensitivity to a reasonably possible change in Euro and US dollar exchange rates with all other variables held constant of the Company's profit or loss before tax.

Monetary assets denominated in foreign currency	US dollar 2018 £	Euro 2018 £	US dollar 2017 £	Euro 2017 £
Short term loan receivable	195,925	-	740,741	180,722
Short term investments	7,837	38,151	124,444	-
	203,762	38,151	865,185	180,722

	Increase/ (decrease) In exchange rate %	2018 Effect on profit or loss before tax £	2017 Effect on profit or loss before tax £
Increase in US dollar to Sterling exchange rate	5%	(9,703)	(41,199)
Increase in Euro to Sterling exchange rate	5%	(1,817)	(1,273)
Decrease in US dollar to Sterling exchange rate	(5%)	10,724	45,536
Decrease in Euro to Sterling exchange rate	(5%)	2,008	1,407

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20. Financial risk management (continued)

Interest rate risk

During the period the Company's surplus funds were placed in deposits at floating rates. The Company's debt is provided through fixed dividend preference shares.

Credit risk

Deposits, as a general rule, are placed with banks and financial institutions that have ratings of not less than AA or equivalent, which are verified before placing the deposits. The Board will continue to assess the strategies for managing credit risk and is satisfied with the existing policies.

Investments and loans are made to companies which the directors consider to be commensurate with the potential gains receivable. At the period end, the Company had a bad debt risk with one or more of its investments. This has been explained further in note 14. The maximum financial risk exposure relating to the financial assets is the carrying value of such financial assets as on the period end date. At the balance sheet date the carrying value of these financial assets was £263,816 (2017: £180,722).

For the purposes of the expected credit loss calculation, the Company analyses its loans and other receivables into the following categories:

Category	Definition of category	Basis for recognition of expected credit loss provision		
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.		
Underperforming	Loans for which there is a significant increase in credit risk; as significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due (see above in more detail)	Lifetime expected losses		
Non-performing	Interest and/or principal repayments are 60 days past due	Lifetime expected losses		
Write-off	Interest and/or principal repayments are 120 days past due and there is no reasonable expectation of recovery.	Asset is written off		
		2018 FVTPL £	2018 Amortised cost – lifetime ECL £	2018 Total £
Performing		215,372	119,281	334,653
Underperforming		-	-	-
Non-performing		-	883,699	883,699
Gross carrying amount		215,372	1,002,980	1,218,352
Loss allowance		-	(687,774)	(687,774)
Carrying amount		215,372	266,762	530,578

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20. Financial risk management (continued)

The loss allowance for loans and other receivables as at 31 December 2018 reconciles to the opening loss allowance for that provision as follows:

	Performing	Non-performing	Total
ECL rate	0%	75%	
Closing loss allowance as at 31 December 2017 (calculated under IAS 39)	-	-	-
Opening loss allowance as at 1 January 2018 (calculated under IFRS 9)	-	-	-
Individual financial assets transferred to non-performing (credit-impaired financial assets)	-	687,774	687,774
Closing loss allowance as at 31 December 2018 (calculated under IFRS 9)	-	687,774	687,774

Capital management

The objective of the Company's capital management is to ensure that there is sufficient liquidity within the Company to carry out the committed and forecast investment and expenditure. The Company monitors the long-term cash flow requirements of the business in order to assess the requirement for changes to the capital structure to meet that objective and to maintain flexibility. The Company's capital consists of ordinary and preference share capital only. The Board manages the structure of its capital and makes necessary adjustments to accommodate the changes in the economic conditions. To maintain or adjust the capital structure, the Board may issue new shares for cash. No significant changes were made in the objectives, policies or processes during the period ended 31 December 2018.

Liquidity risk

The Company ensures it has sufficient liquidity to meet its expenditure and investment requirements. The Company has no outstanding short term loan obligations at the period end.

Maturity of non-current financial liabilities

The maturity of non-current financial liabilities, which consist of redemption costs of the Company's 2021 Cumulative 7.1% dividend bearing redeemable preference shares as at 31 December 2018 and 31 December 2017 are as follows:

	2018 £	2017 £
In more than 2 years but not less than 5 years	4,604,255	2,254,255
In more than 5 years	-	-

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20. Financial risk management (continued)

Book values and fair values of the Company's financial assets and liabilities are as follows:

Financial assets

	Book value 2018 £	Fair value 2018 Level 1 £	Fair value 2018 Level 3 £	Book value 2017 £	Fair value 2017 Level 1 £	Fair value 2017 Level 3 £
<u>Carried at Fair Value</u>						
through Profit and Loss:						
Short term investments	45,988	45,988	-	124,444	124,444	-
Share investment	821,537	-	821,537	-	-	-
Financial assets – loans and receivables	215,372	-	215,372	357,409	-	357,409
<u>Carried at Amortised Cost:</u>						
Financial assets - loans and receivables	315,206	-	315,206	920,590	-	920,590
Cash and short-term deposits	1,484,236	1,484,236	-	577,168	577,168	-
Trade and other receivables	66,643	-	66,643	13,893	-	13,893
	<u>2,948,982</u>	<u>1,530,224</u>	<u>1,418,758</u>	<u>1,993,504</u>	<u>701,612</u>	<u>1,291,892</u>

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial Liabilities

Financial liabilities measured at amortised cost	Book Value 2018 £	Fair value 2018 £	Book Value 2017 £	Fair value 2017 £
Loan and borrowings	3,349,248	3,349,248	791,125	791,125
Trade and other payables	142,520	142,520	98,261	98,261
	<u>3,491,768</u>	<u>3,491,768</u>	<u>889,386</u>	<u>889,386</u>

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20. Financial risk management (continued)

All of the above financial assets and liabilities are current at the period end dates, other than the Share investments and Loan and borrowings which are non-current.

Contractual maturities of financial liabilities	Less than 6 months £	6 – 12 Months £	Between 1 and 2 years £	Between 2 and 5 years £	Total Contractual cash flows £	Carrying amount £
At 31 December 2018						
Trade payables	46,866	-	-	-	46,866	46,866
Preference share interest payments	155,742	163,450	326,900	163,450	809,542	-
Preference share redemption	-	-	-	4,604,255	4,604,255	3,349,248
	202,608	163,450	326,900	4,767,705	5,460,633	3,396,114

Contractual maturities of financial liabilities	Less than 6 months £	6 – 12 Months £	Between 1 and 2 years £	Between 2 and 5 years £	Total Contractual cash flows £	Carrying amount £
At 31 December 2017						
Trade payables	43,170	-	-	-	43,170	43,170
Preference share interest payments	80,026	80,026	160,052	240,078	560,182	-
Preference share redemption	-	-	-	2,254,255	2,254,255	791,125
	123,196	80,026	160,052	2,494,333	2,857,607	834,295

21. Proposed corporate transaction and post balance sheet events

On 10 April 2019 the Company has agreed to subscribe £150,000 for 1,840,000 Ordinary A shares in Just Bee Drinks Limited (“Just Bee”), a company registered in England and Wales with registered number 09030555. This investment, which forms part of a total equity fund raise of £292,000, will represent an equity stake of 9.14% in Just Bee following completion of this funding round.

In addition Angelfish will provide a working capital loan to Just Bee.

The principal terms of the loan agreement are as follows:

- The facility will be up to £100,000 at a coupon rate of 10%.
- The loan may be drawn on demand.
- The loan is supported by a first ranking fixed and floating debenture over the assets of Just Bee.
- The loan is repayable no later than three years after drawdown.

Just Bee is a 100% natural juicy water drink, sweetened with a drop of honey. It is sugar tax compliant with no added sweeteners and sits within the fastest growing soft drinks market segment.

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21. Proposed corporate transaction and post balance sheet events (continued)

On 12 April the Company entered into an agreement to provide a secured revolving loan facility to Wallet Ads Limited, the principal terms of which are as follows:

- The facility is in the amount of GBP100,000 and can be drawn down in tranches on request subject to a minimum tranche size of GBP10,000.
- The loan is supported by a full fixed and floating debenture over the assets and undertaking of Wallet Ads.
- The loan is repayable no later than 31 January 2021.
- Interest accrues at the rate of 10% p.a. calculated on amounts drawn down on a daily basis and payable monthly in arrears.
- No interest is payable until Wallet Ads reaches monthly cash flow break even, with amounts accrued but unpaid to that point payable on or before repayment of the loan

On 22 May 2019 Angelfish agreed to subscribe for up to £150,000 0% fixed rate secured convertible loan notes (“Notes”) issued by ASSIF Limited (“ASSIF”), a company that is developing a digital product related to employee mental health.

The principal terms of the notes are as follows:

- An aggregate investment in the amount of up to £150,000 which will be drawn down in two equal instalments. The first instalment will be drawn down immediately and the second will be available for drawdown when the design work is complete and has been validated by ASSIF’s behavioural psychologists and when ASSIF’s website has reached beta testing stage.
- The Notes are supported by a first ranking legal charge over the assets of ASSIF.
- Redeemable exclusively at the option of Angelfish after one year.
- Alternatively, the Notes are convertible into the ordinary equity share capital of ASSIF on the earlier of 12 months from the date of the convertible loan note instrument, or the date by which ASSIF achieves all of the following milestones:
 - i. £250,000 of grants and/or research loans or other funding available in the healthcare sector that have no dilutive impact on ASSIF’s equity share capital;*
 - ii. a minimum viable product built and user tested;*
 - iii. either £50,000 of monthly recurring revenue or a minimum of 5 annual contract independent customers signed (i.e. not from the same group of companies) with collectively a minimum of 10,000 employees; and*
 - iv. ASSIF’s valuation exceeding £7million or on ASSIF raising at least £500,000 from an issue of shares in ASSIF to any persons.*
- The conversion will be for a maximum of 35% of the ordinary equity share capital of ASSIF, which will be reduced by 5% of the ordinary equity share capital in respect of each milestone achieved prior to conversion.
- In the event that a further fundraising is undertaken by ASSIF and a pre-money valuation of £7m is not achieved in connection with such fundraising then ASSIF has the right to buy back such number of Angelfish’s shares as represents 5% of the ordinary equity share capital of ASSIF for a minimum consideration of £150,000.

ASSIF is a mental health and wellness platform. It will primarily be a community for peer to peer support for people worried about mental health. Within the platform will be tools to help individuals with their mental health, including gamification and breathing videos. ASSIF is using cutting edge technology to deliver said tools and will have a consumer application and a business to business platform.