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## Document Execution Support Document

DEF: Audacia Audit - Execution of documents

DEF Status: Signed by Director

Engagement: Audacia Capital

Engagement #: 801418

Notes and Considerations: Execution of the following documents in connection with the financial audit



EisnerAmper Audit Limited  
Chartered Accountants and Statutory Audit Firm  
6, The Courtyard Building  
Carmanhall Road  
Sandyford  
Dublin 18

### **Letter of Representation**

#### **Re: Audit of Financial Statements of Audacia Capital (Ireland) Public Limited Company for the year ended 30 June 2019**

Dear Sirs,

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of the Company's financial statements for the year ended 30 June 2019. These enquiries have included inspection of supporting documentation where appropriate. All representations are made to the best of our knowledge and belief.

#### **GENERAL**

1. We have fulfilled our responsibilities as directors, as set out in the terms of your engagement letter dated 18 December 2019 under the Companies Act 2014, for preparing financial statements in accordance with applicable law and the accounting standards, for being satisfied that they give a true and fair view and for making accurate representations to you.
2. All the transactions undertaken by the Company have been properly reflected and recorded in the accounting records.
3. All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the Company, and with all other records and related information requested, including minutes of all management and shareholder meetings.
4. The financial statements are free of material misstatements, including omissions. We confirm to you that we consider the effect of the uncorrected misstatements is immaterial both individually and in total. A summary of the uncorrected misstatements has been attached to this letter.

#### **INTERNAL CONTROL AND FRAUD**

5. We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.
6. We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.
7. We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators or others.



#### **ASSETS AND LIABILITIES**

8. The Company has satisfactory title to all assets and there are no liens or encumbrances on the Company's assets, except for those that are disclosed in the notes to the financial statements.
9. All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.
10. We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
11. Significant assumptions and inputs used by management regarding its impairment assessment of the Company's Investments are reasonable.
12. Other than those disclosed in the financial statements there have been no events of default that occurred during the period.
13. We confirm the Company continues to meet the criteria to be classed as Section 110 Company under Taxes Consolidation Act 1997.

#### **ACCOUNTING ESTIMATES**

14. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

#### **LOANS AND ARRANGEMENTS**

15. The Company has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

#### **LEGAL CLAIMS**

16. We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

#### **LAWS AND REGULATIONS**

17. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
18. We are satisfied that the Company has fulfilled and continues to fulfil the conditions required to be classified as a "qualifying company" as defined in Section 110, TCA 1997.

#### **RELATED PARTIES**

19. Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of company law or accounting standards.

#### **SUBSEQUENT EVENTS**

20. All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.



**GOING CONCERN**

We believe that the company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the company's needs. We have considered a period of twelve months from the date of approval of the financial statements. We have also considered the impact of COVID – 19 on Company's performance. We believe that no further disclosures relating to the company's ability to continue as a going concern need to be made in the financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully,

*A. N. O'Y* .....

**Signed on behalf of the board of directors of Audacia Capital (Ireland) Public Limited Company**

5/8/2020  
Date: .....



## Appendix 1

### SUMMARY OF UNADJUSTED AUDIT DIFFERENCES

<b>Journal Entry 1</b>	<b>DR</b>	<b>CR</b>
Impairment charge on financial assets (SOCl)	€46,000	
Financial Assets (SOFP)		€46,000

*Being unadjusted differences in financial assets impairment calculations for Series 2 & Series 3.*

<b>Journal Entry 2</b>	<b>DR</b>	<b>CR</b>
Financial Liabilities (SOFP)	€46,000	
Residual impact on Notes issued from result of operations (SOCl)		€46,000

*Being unadjusted differences on residual impact on notes issued from result of operations for the period not accounted for in the financial statements for Series 2 & Series 3.*

<b>Journal Entry 3</b>	<b>DR</b>	<b>CR</b>
Administration Expenses (SOCl)	€10,584	
Trade and other payables (SOFP)		€10,584

*Being adjustment due to the differences noted in accrued legal fees balance confirmed by the third party*

Company registration number: 622442

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**AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY**

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DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS  
FROM (THE DATE OF INCORPORATION) 09 MARCH 2018 TO 30 JUNE 2019

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## TABLE OF CONTENTS

	<b>Page</b>
Company Information	2 - 3
Directors' Report	4 - 8
Statement of Directors' Responsibilities	9
Independent Auditors' Report	10 - 14
Statement of Comprehensive Income	15
Statement of Financial Position	16
Statement of Changes in Equity	17
Statement of Cash Flows	18
Notes to the Financial Statements	19 - 36

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## COMPANY INFORMATION

<b>DIRECTORS</b>	Charles Goldsmith John Ferguson Howard Chapman Patrick Gibbons Andy Murphy Matthew Tracey
<b>COMPANY REGISTERED OFFICE</b>	31-32 Leeson Street Lower Dublin 2 Ireland
<b>CORPORATE SERVICE PROVIDER AND COMPANY SECRETARY</b>	Trustmoore Ireland Ltd (appointed 04 December 2019) 92 Coliemore Road Dalkey Co. Dublin Ireland  Apex Fund Services (Ireland) Limited (resigned 04 December 2019) 2nd Floor, Block 5 Irish Life Centre Abbey Street Lower Dublin, D01 P76 Ireland
<b>CASH MANAGER AND AND CALCULATION AGENT</b>	Trustmoore Ireland Ltd (appointed 04 December 2019) 92 Coliemore Road Dalkey Co. Dublin Ireland  Apex Fund Services (Ireland) Limited (resigned 04 December 2019) 2nd Floor, Block 5 Irish Life Centre Abbey Street Lower Dublin, D01 P76 Ireland
<b>INDEPENDENT AUDITORS</b>	EisnerAmper Audit Ireland 6 The Courtyard Building Carmanhall Road Sandyford Dublin 18 Ireland
<b>SOLICITORS</b>	LK Shields Solicitors 40 Upper Mount Street Dublin 2 Ireland
<b>BANKERS</b>	The Northern Trust International Banking Corporation 3 Second Street Suite 1401 Jersey City New Jersey 07311-3988 Unites States of America
<b>PAYING AGENT AND REGISTRAR</b>	Computershare Investor Services (Ireland) Limited Heron House Corrig Road Sandyford Industrial Estate Dublin 18 Ireland



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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## COMPANY INFORMATION (CONTINUED)

**LISTING AGENT**

Davy  
Davy House  
49 Dawson St  
Dublin 2  
Ireland

**TRUSTEE**

DMS Governance Risk and Compliance Services Limited  
3<sup>rd</sup> Floor, 76 Baggot Street  
Dublin 2  
Ireland

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## DIRECTORS' REPORT

The directors present their first report together with the audited financial statements of Audacia Capital (Ireland) Public Limited Company (the "Company") for the financial period from date of incorporation 9 March 2018 to 30 June 2019.

### PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company was incorporated on 09 March 2018 as a public limited company under Irish company law. The registration number of the Company is 622442.

The Company's principal activity is to acquire investments (the "Collateral") financed through the issuance of limited recourse listed debt obligations (the "Notes") to investors (the "Noteholders"). The Collateral of each series of Notes comprises of cash held by the Company in segregated accounts for the series and debt instrument (the "Securitisation Bonds") issued by the Collateral Obligor of that series, as specified in the relevant Pricing Supplement.

The Notes are issued in one or more Series of Collateral-backed dematerialised securities. For each Series, the Notes constitute direct, unsecured and unsubordinated obligations of the Issuer and rank equally amongst other Notes in the Series.

The Notes seek to provide investors with attractive risk adjusted returns over time. The Collateral has characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Notes. Except for the cash reserve, the Company is using the net proceeds from the Notes issuance to subscribe for the Collateral comprised in the relevant series such that the level of collateralization in each series is approximately 100%. For each series, the Collateral is comprised exclusively of cash and debt instruments ("Securitisation Bonds") issued by a collateral obligor such that the Notes shall not be backed by an actively managed pool of assets.

Having regard to the potentially limited liquidity of the Collateral, the Company retains a reserve in cash of at least 8 per cent of the net proceeds from the Notes issuance in order to cover potential redemption requests or other events requiring liquidity among the Notes and the Collateral.

The value or yield of Notes issued in any series is linked to the securitized Collateral comprised in that series. The Notes are limited recourse obligations of the Company which are payable solely out of amounts received by or on behalf of the Company in respect of the Collateral comprised by that series.

Repayment of the principal under the Notes would be subject to the Company having received payments from the Collateral comprised in the relevant series. The Notes are not insured or guaranteed by any government or government agency.

The following Series of Notes were issued during the first financial period:

Series	ISIN	Currency	Subscribed amount	First tranche Issue date	Maturity date	Interest rate
Series 01	IE00BG13JM43	GBP	2,295,901	29/06/2018	31/12/2025	6.00%
Series 02	IE00BG13JN59	GBP	7,104,892	31/08/2018	31/05/2023	5.50%
Series 03	IE00BF4NB849	GBP	784,510	10/10/2018	31/05/2023	9.00%
Series 04	IE00BDVPP762	GBP	2,728,598	12/04/2019	31/12/2023	8.25%
Series 05	IE00BGNBWN81	GBP	830,000	27/11/2018	31/12/2021	8.00%
Series 07	IE00BGRX2X09	GBP	5,500,000	17/06/2019	31/12/2025	4.50%

The series of Notes are issued on the Global Exchange Market of Euronext Dublin.

The series of Notes issued by the Company are not rated.

The directors plan to continuously develop the activities and operations of the Company in the coming year.

### RESULTS AND DIVIDENDS

The result for the financial period and the Company's Statement of Financial Position as at 30 June 2019 are disclosed on pages 13 and 14 respectively. The accounting profit for the financial period before tax was nil. The directors do not recommend the payment of a dividend.

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## DIRECTORS' REPORT (CONTINUED)

### RESULTS AND DIVIDENDS (CONTINUED)

The key performance indicators of the Company are as follows:

Key performance indicators	Financial period ended 30 June 2019
	€
(a) Interest receivable and similar income	470,452
(b) Interest payable and similar charges	(405,492)
(c) Other income	261,338

### DIRECTORS AND COMPANY SECRETARY

The directors of the Company are Charles Goldsmith, John Ferguson, Howard Chapman, Patrick Gibbons, Andy Murphy and Matthew Tracey. The company secretary of the Company is Trustmoore Ireland Ltd. The directors of the Company are listed on page 2 and except where indicated, have served for the entire financial period. The directors and company secretary had no material interest in any contract of significance in relation to the business of the Company. The directors of the Company and company secretary who held office on 30 June 2019 did not hold any shares, debentures or loan stock of the Company.

### SUBSEQUENT EVENTS

The following series and tranches of Notes were issued after the end of the reporting financial year:

Series	ISIN	Currency	Issued amount	Issue date	Maturity date	Interest rate
Series 01	IE00BG13JM43	GBP	80,000	20/12/2019	31/05/2025	6.00%
Series 02	IE00BG13JN59	GBP	944,582	30/07/2019	31/05/2023	5.50%
Series 04	IE00BDVPP762	GBP	277,370	30/07/2019	31/12/2023	8.25%
Series 04	IE00BDVPP762	GBP	610,921	22/11/2019	31/12/2023	8.25%
Series 07	IE00BGRX2X09	GBP	5,777,500	30/07/2019	31/12/2025	4.50%
Series 07	IE00BGRX2X09	GBP	2,034,000	01/10/2019	31/12/2025	4.50%
Series 07	IE00BGRX2X09	GBP	1,687,311	30/11/2019	31/12/2025	4.50%
Series 08	IE00BK0VFM99	USD	372,668	30/07/2019	31/12/2023	8.25%
Series 08	IE00BK0VFM99	USD	704,687	01/10/2019	31/12/2023	8.25%
Series 08	IE00BK0VFM99	USD	156,485	22/11/2019	31/12/2023	8.25%
Series 09	IE00BK0VFN07	EUR	19,769	29/08/2019	31/12/2023	7.00%

On 20 August 2019, notice of termination was submitted by the borrower of Brite Advisors (Insurance) Limited 8.8% Secured Fixed Rate Bonds 2018 to the Company. Series 5 was unwound on 18 February 2020.

On 4 December 2019 Apex Fund Services (Ireland) Limited resigned as corporate service provider, company secretary, cash manager and calculation agent. Trustmoore Ireland Ltd was appointed on 04 December 2019 as corporate service provider, company secretary, cash manager and calculation agent.

During the meeting of the board held on 18 March 2020, the Executive Directors elaborated on the seriousness of COVID-19 and the affect it has had on the current financial markets. Executive Directors consider it key to react to information provided by government authorities for jurisdictions wherein the Company operates. The Directors together indicate that clear and constant communication between the Company and third-parties to the Programme is very important.

Directors specify that all third-parties to the Programme are continuing their operations and the various service providers have not indicated any inability to continue as normal. They have been notified by LK Shields Solicitors, Trustmoore Ireland Ltd and DMS Governance Risk and Compliance Services Limited that business continuity plans are in place respectively.

There were no other material events after the end of the reporting financial period until the date of the signing of the financial statements which would require disclosure in the financial statements.

### FINANCIAL RISK MANAGEMENT

The disclosures in relation to the Company's policies for financial risk management, including market risk, interest rate risk, price risk, foreign exchange risk, credit risk and liquidity risk and the nature of the instruments used during the financial period to mitigate exposure to these risks are shown in Note 18.

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## DIRECTORS' REPORT (CONTINUED)

### ANNUAL CORPORATE GOVERNANCE STATEMENT

The Company is subject to and complies with Irish Statute comprising the Companies Act 2014 and the Listing rules of Global Exchange Market of Euronext Dublin. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatements or losses.

The Board has established processes regarding internal control and risk management systems to ensure effective oversight of the financial reporting process. These include appointing Trustmoore Ireland Limited (the "Administrator") to maintain the accounting records of the Company independently. The Administrator is contractually obliged to maintain adequate accounting records pursuant to the corporate services agreement. The Administrator is also contractually obliged to prepare for review and approval by the Board, the annual report including financial statements intended to give a true and fair view.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualification and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and report to the Board.

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring that processes are in place for the timely identification of internal and external matters with potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These controls structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in the financial reporting for every significant account in the financial statement and the related notes in the Company's financial statements.

The Company's policies and the Board's instructions with relevance for financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner. The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended, if any, by the Independent Auditor.

The Board has concluded that there is currently no need for the Company to have a separate audit committee or internal audit function in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process and the monitoring of the statutory audit and the independence of the statutory auditors. The Company has taken the exemption available for Section 110 Companies set out under Statutory instrument No. 220 of 2010 Part 9 S. 91 SS. 9(d) not to have a separate audit committee.

The Board is responsible for managing the business affairs of the Company in accordance with the Company's Constitution, which allow them to enter into contracts and perform all tasks necessary to conduct the business of the Company. The directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the directors.

The shareholder's rights and the operations of shareholders meetings are defined in the Company's constitution and comply with the Companies Act 2014. The Company holds general meetings as and when required. The annual general meeting is specified in the notice sent out for the meeting. Other general meetings may be convened from time to time by the directors in such manner as provided by Irish law.

### POLITICAL DONATIONS

The Electoral Act, 1997 as amended by the Electoral (Amendment) (Political Funding) Act 2012 requires companies to disclose all political donations over €200 in aggregate made during the financial year. The directors, on enquiry, have satisfied themselves that no such donation in excess of this amount has been made by the Company.

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## DIRECTORS' REPORT (CONTINUED)

### DIRECTORS' COMPLIANCE STATEMENT

The directors, in accordance with Section 225(2) (a) of the Companies Act 2014, acknowledge that they are responsible for securing the Company's compliance to with its "relevant obligations". "Relevant obligations", in the context of the Company, are the Company's obligations under:

- (a) the Companies Act 2014, where a breach of the obligations would be a category 1 or category 2 offence;
- (b) the Companies Act 2014, where a breach of the obligations would be a serious Market Abuse of Prospectus offence;
- (c) tax law.

Pursuant to Section 225(2) (b) of the Companies Act 2014, the directors confirm that:

- (i) a compliance policy statement has been drawn up as required by Section 225(3) (a) of the Companies Act 2014 setting out the Company's policies (that, in the directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations;
- (ii) appropriate arrangements and structures have been put in place that, in their opinion, secure material compliance with the Company's relevant obligations, and
- (iii) a review has been conducted, in respect of the financial year to which the Directors' Compliance Report referred relates, of any arrangements or structures referred to above that have been put in place. The review was carried out after the financial year to which this statement relates as the Directors required the appropriate arrangements and structures to be fully established before a review could be undertaken/completed.

### DISCLOSURE OF INFORMATION TO AUDITORS

So far as each of the directors in the office at the date of the approval of the financial statements are aware:

- There is no relevant audit information which the Company's auditors are unaware; and
- The directors 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.

This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act 2014.

### GOING CONCERN

The Company's financial statements for the financial period ended 30 June 2019 have been prepared on a going concern basis. The directors anticipate that the financial assets will continue to generate enough cash flow on an ongoing basis to meet the Company liabilities as they fall due.

Directors continue to observe the effect of COVID-19 on the current financial markets. Directors consider it key to react to information provided by government authorities for jurisdictions wherein the Company operates. The Directors together indicate that clear and constant communication between the Company and third-parties to the Programme is very important.

Directors specify that all third-parties to the Programme are continuing their operations and the various service providers have not indicated any inability to continue as normal.

### ACCOUNTING RECORDS

The directors are responsible for ensuring that adequate accounting records, as outlined in Sections 281 – 285 of the Companies Act 2014, are kept by the Company. The measures taken by directors to ensure compliance with the Company's obligation to keep adequate accounting records are by ensuring that a competent service provider is responsible for the preparation and maintenance of the accounting records. The accounting records of the company are kept at the registered office, 31-32 Leeson Street Lower, Dublin 2, Ireland.

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## DIRECTORS' REPORT (CONTINUED)

### INDEPENDENT AUDITORS

EisnerAmper Audit Limited, Chartered Accountant and Statutory Audit Firm, have been appointed during the financial period and have expressed willingness to continue in office in accordance with Section 383 (2) of the Companies Act 2014.

The report was approved by the Board on 7 May 2020 and signed on its behalf by:



Charles Goldsmith  
Director

John Ferguson  
Director

Howard Chapman  
Director

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with Irish Law.

Irish law requires the directors to prepare financial statements for each financial period giving a true and fair view of the Company's assets, liabilities and financial position at the end of the financial period and the profit or loss of the Company for the financial period. Under the law the directors have prepared the financial statements in accordance with Irish law and Generally Accepted Accounting Practices in Ireland (accounting standards issued by the Financial Reporting Council, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give true and fair view of the company's assets, liabilities and financial position as at the end of the financial period and the profit or loss of the Company for the financial period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue its business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors 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.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

This report was approved by the Board on 7 May 2020 and signed on its behalf by:



Charles Goldsmith  
Director

John Ferguson  
Director

Howard Chapman  
Director

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**AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY**

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**AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY**

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

		Financial period ended 30 June 2019 €
	<b>Notes</b>	
Interest receivable and similar income	3	470,452
Interest payable and similar charges	4	(405,492)
<b>Net interest income</b>		<b>64,960</b>
Impairment charge on financial assets	9	(65,506)
Residual impact on Notes issued from result of operations	10	344,129
Other income	6	261,338
Administration expenses	5	(604,076)
<b>Profit on ordinary activities before taxation</b>		<b>(64,115)</b>
Corporate tax charge	7	-
<b>Profit for the financial period</b>		<b>845</b>
Other comprehensive income		-
Unrealized foreign exchange loss		(845)
<b>Total comprehensive income for the financial period</b>		<b>-</b>

All amounts relate to continuing operations.

The notes on pages 19 to 36 form an integral part of these financial statements.

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	Financial period ended 30 June 2019 €
<b>ASSETS</b>		
<b>Non-current assets</b>		
Financial assets	9	<u>20,907,052</u> <b>20,907,052</b>
<b>Current Assets</b>		
Trade and other receivables	11	23,935
Cash and cash equivalents	8	1,740,967
Interest receivable on financial assets	13	<u>270,112</u> <b>2,035,014</b>
<b>TOTAL ASSETS</b>		<b><u>22,942,066</u></b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities	10	<u>21,120,266</u> <b>21,120,266</b>
<b>Current liabilities</b>		
Interest payable on financial liabilities	14	212,536
Trade and other payables	12	385,841
Pending subscriptions	15	<u>1,217,173</u> <b>1,815,550</b>
<b>TOTAL LIABILITIES</b>		<b><u>22,935,816</u></b>
<b>EQUITY</b>		
Issued and paid-up share capital	16	6,250
Retained earnings		<u>-</u> <b>6,250</b>
<b>TOTAL EQUITY</b>		<b><u>6,250</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b><u>22,942,066</u></b>

The notes on pages 19 to 36 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 7 May 2020 and signed on its behalf by:

  
Charles Goldsmith  
Director

John Ferguson  
Director

Howard Chapman  
Director

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## AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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### STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	Called up share capital €	Retained earnings €	Total €
<b>As at 9 March 2018</b>	-	-	-
Issued during the financial period	6,250	-	6,250
Total comprehensive income for the financial period	-	-	-
<b>As at 30 June 2019</b>	<b>6,250</b>	<b>-</b>	<b>6,250</b>

The notes on pages 19 to 36 form an integral part of these financial statements.

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## STATEMENT OF CASHFLOW FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

	<b>Financial period ended 30 June 2019 €</b>
<b>Cash flow from operating activities</b>	
Interest received	181,964
Interest paid	(192,956)
Other income	157,984
Administrative expenses	(221,849)
Trade and other receivables	(20,321)
<b>Net cash (used) in operating activities</b>	<b>(95,178)</b>
<b>Cash flows from investing activities</b>	
Purchase of financial assets	(21,169,374)
Disposal of financial assets	-
<b>Net cash (used) in investing activities</b>	<b>(21,169,374)</b>
<b>Cash flows from financing activities</b>	
Redemption of financial liabilities	-
Issuance of financial liabilities	21,807,394
Pending subscriptions	1,261,148
Issuance of Share capital	6,250
<b>Net cash from financing activities</b>	<b>23,074,792</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,810,240</b>
Unrealised foreign exchange loss on cash and cash equivalents	(69,273)
Cash and cash equivalents at the beginning of the financial period	-
<b>Cash and cash equivalents at end of financial period</b>	<b><u>1,740,967</u></b>

The notes on pages 19 to 36 form part of these financial statements.



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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 1. GENERAL INFORMATION

The Company was incorporated on 9 March 2018, under the laws of Ireland with registration number 622442 and a registered address of 31-32 Leeson Street Lower, Dublin 2, Ireland.

The Company is special purpose company with limited liability and qualifies for the regime contained in section 110 of the Irish Taxes Consolidation Act, 1997 (the "TCA"). This provides that a qualifying company will be liable to corporation tax at the rate of 25% under Case III of Schedule D in respect to taxable profits.

### 2. ACCOUNTING POLICIES

#### Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Companies Act 2014. The financial statements have been prepared under the historical cost convention.

The significant accounting policies used in the preparation of the entity financial statements are set out below. These policies have been consistently applied to all financial periods presented, unless otherwise stated.

#### Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The Company makes estimates and assumptions that affect the reported amounts of the financial assets and liabilities. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The critical accounting estimate is the impairment review of the financial assets. Please refer to note 2, "Financial instruments".

#### Foreign currency

British pound sterling denoted by the symbol "£" is the Company's functional currency. Euro denoted by the symbol "€" is the Company's presentational currency. Monetary assets and liabilities denominated in foreign currency included in the Company's financial statements are measured in functional currency. Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the retranslation at the financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Comprehensive Income.

#### Interest income and expense

Interest income and expense are recognized on an accrual basis by reference to the principal outstanding and at the effective interest rate applicable.

#### Taxation

Current tax represents the sum of the tax payable for the current reporting period. The tax currently payable is based on taxable profit for the financial period calculated in accordance with Irish tax laws. The Company's liability for current tax is calculated using tax rates and laws that have been enacted or subsequently enacted at the reporting period end date.

#### Financial instruments

The financial instruments held by the Company include the following:

- o Cash and cash equivalents
- o Pending subscriptions
- o Securitized bonds
- o Notes issued

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 2. ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (continued)

The Company has applied the provisions of both Section 11 and Section 12 of FRS 102 in full to account for all its financial instruments.

#### Categorisation

Cash and cash equivalents are measured at amortised cost. The Company measures Securitised bonds at amortised cost. Notes issued and pending subscriptions are non-derivative financial instruments measured at amortised cost.

#### Recognition and initial measurement

The Company recognises a financial asset or financial liability only when the entity becomes party to the contractual provisions of the instrument. The Company initially recognises all financial assets and liabilities at transaction price, adjusted for transaction costs. Financial assets and financial liabilities are subsequently measured at amortised cost using the effective interest rate method less any impairment losses.

#### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, and does not retain control of the financial asset. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

#### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Impairment of financial assets – Securitised bonds

The Company reviews whether there is objective evidence that a securitized bond is impaired. Objective evidence that a financial asset is impaired does include data that comes to the attention of the Company about certain loss events including:

- o significant financial difficulty of the borrower;
- o a breach of contract, such as default or delinquency in interest or principal payments;
- o the Company granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
- o is becoming probable that the borrower will enter bankrupt or other financial reorganisation;
- o the disappearance of an active market for that financial assets because of financial difficulties;
- o observable data indicating that there is measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group.

The Company measures impairment loss as the difference between the financial asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

#### Securitised bonds

Securitised bonds constitute secured fixed rate bonds subscribed by the Company. The Company initially recognises securitized bonds at transaction price, adjusted for transaction costs. Securitised bonds are subsequently measured at amortised cost using the effective interest rate method less any impairment losses.

#### Notes issued

Notes issued by the company are limited recourse listed debt obligations. The Company initially recognises notes issued at transaction price, adjusted for transaction costs. Notes issued are subsequently measured at amortised cost using the effective interest rate method less any impairment losses.

#### Trade and other receivables and payables

The trade and other receivables and payables are initially measured at transaction price. They are subsequently measured at amortised cost.

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 2. ACCOUNTING POLICIES (CONTINUED)

#### Financial instruments (continued)

##### *Pending subscriptions*

Pending subscriptions include amounts received for Notes issuance that have not been contracted for on the reporting date. They are initially measured at transaction price plus any directly attributable incremental costs and subsequently measured at amortised cost.

#### Cash and cash equivalents

Cash and cash equivalents comprise bank balances and bank overdrafts, including short-term highly liquid investments with original maturities of three months or less. Cash equivalents are held at cost plus accrued interest.

#### Operating expenses

Operating expenses are recognized in the Statement of Comprehensive Income on an accrual basis.

#### Share capital

Ordinary shares are classified as equity as per the Company's Constitution.

#### Other income

Other income is recognized in the Statement of Comprehensive Income on an accrual basis. Other income includes operating fees earned from the borrowers of the Securitised bonds.

#### Limited recourse

The Notes are limited recourse obligations of the Company which are payable solely out of amounts received by or on behalf of the Issuer in respect of the Collateral comprised by that Series. The claims of the Noteholders of a relevant Series against the Company in respect of the Notes shall be limited to the value from time to time of the assets or the proceeds of sale of assets of the Company. Noteholders of any series shall not have claims to the sums which are attributable to another series in satisfaction of the obligations of the Company. Following the distribution of such Collateral or proceeds in accordance with the Priorities of Payments, the Noteholders may not take any further step against the Company, or any of its assets to recover any sums due but unpaid to it on its own right, and all claims and all rights to claim of the Noteholders against the Company in respect of each such sum unpaid shall be extinguished. Company level losses will be pro-rated between the individual series of Notes based on the notional of each series of Notes issued relative to the aggregate Notes issued by the Company. The returns made to the Noteholders over the life of the Company would include the effect of capital gain/losses as well as interest. At each reporting date, when the results of operations are computed, this gain or loss is recognised in the Statement of Comprehensive income and added to or set off against the principal amounts due to noteholders as a value adjustment.

### 3. INTEREST RECEIVABLE AND SIMILAR INCOME

	<b>Financial period ended 30 June 2019</b>
	<b>€</b>
Interest income on financial assets	451,742
Capitalised interest on financial assets	18,376
Interest on cash and cash equivalents	334
	<b>470,452</b>

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	<b>Financial period ended 30 June 2019</b>
	<b>€</b>
Interest expense on financial liabilities	(405,492)
	<b>(405,492)</b>

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 5. ADMINISTRATION EXPENSES

	<b>Financial period ended 30 June 2019 €</b>
Arranger fee	(181,529)
Legal fees	(163,630)
Listing fees	(65,767)
Other expenses	(53,214)
Cash manager and calculation agent fees	(36,256)
Trustee fees	(20,182)
Corporate service provider fees	(17,892)
Bank charges	(16,475)
Tax services	(13,378)
Audit fee	(12,000)
Registrar fees	(9,999)
Director's fees	(7,514)
SPV Set-up costs	(5,046)
FATCA services	(1,194)
	<b>(604,076)</b>

The Company has no employees. Accounting, cash manager, calculation agent, directorship services and corporate secretarial services have been outsourced to Trustmoore Ireland Ltd. No fees were paid to the directors during the financial period, except for Patrick Gibbons.

The arranger is entitled to receive a monthly arranger fee equal to higher of GBP 10,500 and GBP 2,625 per active series, except for series 1, regardless if the investors have subscribed to the notional issued by the Company. The arranger fee for the financial period ended on 30 June 2019 amounts to EUR 181,529. The arranger fee payable to the arranger as at 30 June 2019 was EUR 181,529.

The auditors' remuneration in respect of the financial year exclusive of VAT consists of the following:

	<b>Financial period ended 30 June 2019 €</b>
Audit of the Financial Statements	(12,000)
Tax Compliance services	(12,257)
	<b>(24,257)</b>

There are no other assurance or non-audit services provided by the independent auditors.

### 6. OTHER INCOME

	<b>Financial period ended 30 June 2019 €</b>
Other operating income	157,983
Capitalised operating income	103,355
	<b>261,338</b>

Other income includes operating fees earned from the borrowers of the Securitized bonds.

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 7. TAXATION

	<b>Financial period ended 30 June 2019</b>
	<b>€</b>
Corporation tax charge	<u>-</u>

The reconciliation between the current tax charge for the financial period and the current charge that would result from applying the standard rate of Irish corporation tax to profits on ordinary activities is explained below:

	<b>Financial period ended 30 June 2019</b>
	<b>€</b>
Profit on ordinary activities before tax	<u>845</u>
Profit on ordinary activities multiplied by the standard rate of Irish corporation tax for the financial period at 12.5%	-
Effects of:	
Higher rate tax applicable under Section 110 TCA, 1997	-
Current tax charge for the financial period	<u>-</u>

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

### 8. CASH AND CASH EQUIVALENTS

	<b>As at 30 June 2019</b>
	<b>€</b>
Cash and cash equivalents	<u>1,740,967</u>

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

### 9. FINANCIAL ASSETS

	<b>As at 30 June 2019</b>
	<b>€</b>
Financial assets	<u>20,907,052</u>
<b>Balance at the beginning of the financial period</b>	-
Subscriptions to financial assets	21,169,373
Operating fees capitalised	103,355
Interest capitalised	18,376
Impairment charge	(65,506)
Net unrealised foreign exchange loss	(318,546)
<b>Balance at the end of the financial period</b>	<u>20,907,052</u>

# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 9. FINANCIAL ASSETS (CONTINUED)

Series	As at 9 March 2018 €	Subscription to financial assets €	Operating fees capitalised €	Interest capitalised €	Impairment charge €	Foreign exchange €	As at 30 June 2019 €
Series 1	-	2,642,491	-	15,513	(65,506)	(40,612)	2,551,886
Series 2	-	8,295,889	62,430	-	-	(185,547)	8,172,772
Series 3	-	836,378	28,025	-	-	(14,291)	850,112
Series 4	-	2,880,396	-	-	-	(42,852)	2,837,544
Series 5	-	858,928	12,900	2,863	-	(19,348)	855,343
Series 7	-	5,655,291	-	-	-	(15,896)	5,639,395
	-	21,169,373	103,355	18,376	(65,506)	(318,546)	20,907,052

The portfolio of financial assets consists of securitized bonds denominated in GBP.

#### Series 1 - Audacia Capital Limited 7% Secured Fixed Rate Bonds 2018

Audacia Capital Limited 7% Secured Fixed Rate Bonds 2018 are denominated in GBP and mature on 31 December 2025. The bonds are acquired using the subscription proceeds of Series 01 Notes. The bonds are represented by up to GBP 25,000,000 worth of securitization bonds in registered, book-entry form.

The purpose of the bonds is primarily to provide working capital to Audacia Capital Limited, an entity incorporated in Gibraltar, which in turn is to be used in relation (but not only) to any investment (by way of debt or equity) into infant technology, media and sports businesses.

During the financial period the Company subscribed to the following tranches of bonds:

Issue Date	Amount (GBP)
13 June 2018	1,777,452
09 July 2018	138,000
01 August 2018	100,000
15 August 2018	45,000
26 August 2018	29,500
23 October 2018	60,000
02 November 2018	30,000
20 November 2018	25,000
15 January 2019	13,671
12 February 2019	128,000
	<b>2,346,623</b>

On 15 January 2019, unpaid interest amounting to GBP 13,671 was capitalized in the way of entering in to new bond subscription.

The bonds provide the bondholders with fixed interest rate of 7.00% per annum payable on each payment date. Until the bonds are redeemed the payment dates are on 31 March, 30 June, 30 September and 31 December of each year for the life of the bonds and on the final redemption date. The repayment of principal and interest due on the bonds is secured by a pledge over all of the issued shares in Audacia Capital Limited and by way of a floating charge over the entire assets and undertakings of Audacia Capital Limited and may be further secured by one or more security documents.

The company has recognised an impairment charge of EUR 65,506 (GBP 58,729), as the present value of the discounted future cash flows is lower than the carrying amount of the loan.

#### Series 2 - Rialto Financial Limited 6% Secured Fixed Rate Bonds 2018

Rialto Financial Limited 6% Secured Fixed Rate Bonds 2018 are denominated in GBP and mature on 31 May 2023. The bonds are acquired using the subscription proceeds of Series 02 Notes. The bonds are represented by up to GBP 25,000,000 worth of securitization bonds in registered, book-entry form.

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 9. FINANCIAL ASSETS (CONTINUED)

#### *Series 2 - Rialto Financial Limited 6% Secured Fixed Rate Bonds 2018 (continued)*

The purpose of the bonds is primarily to provide working capital to Rialto Financial Limited, an entity incorporated in England and Wales, which in turn is to be used in relation (but not only) to its bridging lending business, building and supporting portfolio of short to medium term loan agreements, either secured on the assets of the borrower or borrowers, or the loan agreements will be unsecured, in each case depending on the nature of the underlying transactions

During the financial period the Company subscribed to the following tranches of bonds:

<u>Issue Date</u>	<u>Amount (GBP)</u>
31 August 2018	38,100
10 October 2018	166,000
12 October 2018	327,000
31 October 2018	216,000
11 December 2018	55,800
31 December 2018	28,600
07 January 2019	11,400
10 January 2019	750,000
14 January 2019	800,000
18 January 2019	768,000
25 January 2019	680,000
28 March 2019	412,600
31 March 2019	3,800
03 April 2019	1,377,000
13 May 2019	930,000
24 June 2019	763,000
	<b>7,327,300</b>

On 31 December 2018, unpaid operating fees amounting to GBP 28,600 were capitalized in the way of entering in to new bond subscription.

On 7 January 2019, unpaid operating fees amounting to GBP 11,400 were capitalized in the way of entering in to new bond subscription.

On 28 March 2019, unpaid operating fees amounting to GBP 11,400 were capitalized in the way of entering in to new bond subscription.

On 26 June 2019, unpaid operating fees amounting to GBP 3,800 were capitalized in the way of entering in to new bond subscription.

The bonds provide the bondholders with fixed interest rate of 6.00% per annum payable on each payment date. Until the bonds are redeemed the payment dates are on 31 March, 30 June, 30 September and 31 December of each year for the life of the bonds and on the final redemption date. The repayment of principal and interest due on the bonds is secured by a pledge over all of the issued shares in Rialto Financial Limited and by way of a floating charge over the entire assets and undertakings of Rialto Financial Limited and may be further secured by one or more security documents.

#### *Series 3 - Capital Innovative Finance Limited 10% Secured Fixed Rate Bonds 2018*

Capital Innovative Finance Limited 10% Secured Fixed Rate Bonds 2018 are denominated in GBP and mature on 31 May 2023. The bonds are acquired using the subscription proceeds of Series 03 Notes. The bonds are represented by up to GBP 25,000,000 worth of securitization bonds in registered, book-entry form.

The purpose of the bonds is primarily to provide working capital to Capital Innovative Finance Limited, an entity incorporated in England and Wales, which in turn is to be used in relation (but not only) to its bridging lending business, building and supporting portfolio of short to medium term loan agreements, either secured on the assets of the borrower or borrowers, or the loan agreements will be unsecured, in each case depending on the nature of the underlying transactions.

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 9. FINANCIAL ASSETS (CONTINUED)

#### *Series 3 - Capital Innovative Finance Limited 10% Secured Fixed Rate Bonds 2018(continued)*

During the financial period the Company subscribed to the following tranches of bonds:

<u>Issue Date</u>	<u>Amount (GBP)</u>
07 September 2018	97,700
14 November 2018	7,600
20 November 2018	90,300
05 December 2018	95,680
18 January 2019	9,200
12 February 2019	454,088
31 March 2019	7,600
	<b>762,168</b>

On 14 November 2018, unpaid operating fees amounting to GBP 7,600 were capitalized in the way of entering in to new bond subscription.

On 18 January 2019, unpaid operating fees amounting to GBP 9,200 were capitalized in the way of entering in to new bond subscription.

On 31 March 2019, unpaid operating fees amounting to GBP 7,600 were capitalized in the way of entering in to new bond subscription.

The bonds provide the bondholders with fixed interest rate of 10.00% per annum payable on each payment date. Until the bonds are redeemed the payment dates are on 31 March, 30 June, 30 September and 31 December of each year for the life of the bonds and on the final redemption date. The repayment of principal and interest due on the bonds is secured by a pledge over all of the issued shares in Capital Innovative Finance Limited and by way of a floating charge over the entire assets and undertakings of Capital Innovative Finance Limited and may be further secured by one or more security documents.

#### *Series 4 - Nao People Limited 9.2% Secured Fixed Rate Bonds 2018*

Nao People Limited 9.2% Secured Fixed Rate Bonds 2018 are denominated in GBP and mature on 31 December 2023. The bonds are acquired using the subscription proceeds of Series 04 Notes. The bonds are represented by up to GBP 25,000,000 worth of securitization bonds in registered, book-entry form.

The purpose of the bonds is primarily to provide working capital to WSC (International) Limited, an entity incorporated in Gibraltar, which in turn is to be used exclusively for the implementation of WSC (International) Limited business strategy. The subscription proceeds of the bonds will broadly be attributable to a transaction for real estate property, owned or leased by subsidiary special purpose vehicles, for which indirect security may be available to bondholders. However, no direct security will be given to the Noteholders in relation to the bonds generally, or any particular subscription of them.

During the financial period the Company subscribed to the following tranches of bonds:

<u>Issue Date</u>	<u>Amount (GBP)</u>
22 May 2019	2,114,000
18 June 2019	430,000
	<b>2,544,000</b>

The bonds provide the bondholders with fixed interest rate of 9.20% per annum payable on each payment date. Until the bonds are redeemed the payment dates are on 31 March, 30 June, 30 September and 31 December of each year for the life of the bonds and on the final redemption date. The repayment of principal and interest due on the bonds is secured by a pledge over all of the issued shares in Nao People Limited and by way of a floating charge over the entire assets and undertakings of Nao People Limited and may be further secured by one or more security documents.



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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 9. FINANCIAL ASSETS (CONTINUED)

#### *Series 5 - Brite Advisors (Insurance) Limited 8.8% Secured Fixed Rate Bonds 2018*

Brite Advisors (Insurance) Limited 8.8% Secured Fixed Rate Bonds 2018 are denominated in GBP and mature on 31 December 2021. The bonds are acquired using the subscription proceeds of Series 05 Notes. The bonds are represented by up to GBP 25,000,000 worth of securitization bonds in registered, book-entry form.

The purpose of the bonds is primarily to provide working capital to Brite Advisors (Insurance) Limited, an entity incorporated in Hong Kong and part of Brite Advisory Group Limited (a company established in Hong Kong), which in turn is to be used exclusively for the implementation of Brite Advisors (Insurance) Limited business strategy. The strategy of Brite Advisors (Insurance) Limited is to finance and to procure assets under management for Brite Advisory Group Limited and its subsidiaries from time-to-time, by way of acquisition or by way of organic growth, and to continue to invest in technology, marketing, sales, and distribution capabilities of the wider group. The investment will primarily provide funding for strategic acquisitions and working capital.

During the financial period the Company subscribed to the following tranches of bonds:

<u>Issue Date</u>	<u>Amount (GBP)</u>
15 November 2018	459,400
17 January 2019	305,000
31 March 2019	2,457
	<b>766,857</b>

On 15 November 2018, unpaid operating fees amounting to GBP 11,400 were capitalized in the way of entering in to new bond subscription.

On 31 March 2019, unpaid interest amounting to GBP 2,457 was capitalized in the way of entering in to new bond subscription.

The bonds provide the bondholders with fixed interest rate of 8.80% per annum payable on each payment date. Until the bonds are redeemed the payment dates are on 31 March, 30 June, 30 September and 31 December of each year for the life of the bonds and on the final redemption date. The repayment of principal and interest due on the bonds is secured by a pledge over all of the issued shares in Brite Advisors (Insurance) Limited and by way of a floating charge over the entire assets and undertakings of Brite Advisors (Insurance) Limited and may be further secured by one or more security documents.

#### *Series 7 - ACF Acquisitions 11 Limited 5% Secured Fixed Rate Bonds 2018*

ACF Acquisitions 11 Limited 5% Secured Fixed Rate Bonds 2018 are denominated in GBP and mature on 31 December 2025. The bonds are acquired using the subscription proceeds of Series 07 Notes. The bonds are represented by up to GBP 25,000,000 worth of securitization bonds in registered, book-entry form.

The purpose of the bonds is primarily to provide working capital to ACF Acquisitions 11 Limited, an entity incorporated in England and Wales, which in turn is to be used to acquire rights under leases for equipment.

During the financial year the Company issued the below tranches of the bonds:

<u>Issue Date</u>	<u>Amount (GBP)</u>
14 June 2019	5,056,000
	<b>5,056,000</b>

The bonds provide the bondholders with fixed interest rate of 5.00% per annum payable on each payment date. Until the bonds are redeemed the payment dates are on 31 March, 30 June, 30 September and 31 December of each year for the life of the bonds and on the Final Redemption Date. The repayment of principal and interest due on the bonds is secured by a pledge over all of the issued shares in ACF Acquisitions 11 Limited and by way of a floating charge over the entire assets and undertakings of ACF Acquisitions 11 Limited and may be further secured by one or more Security Documents.

# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 10. FINANCIAL LIABILITIES

	<b>As at 30 June 2019</b>
	<b>€</b>
Financial liabilities	<b>(21,120,266)</b>
<b>Balance at the beginning of the financial period</b>	<b>-</b>
Subscriptions of financial liabilities	(21,807,394)
Residual impact on Notes issued from result of operations	344,129
Net unrealised foreign exchange gain	342,999
<b>Balance at the end of the financial period</b>	<b>(21,120,266)</b>

	<b>As at 9 March 2018</b>	<b>Subscription to financial liabilities</b>	<b>Residual impact on Notes issued from result of operations</b>	<b>Foreign exchange</b>	<b>As at 30 June 2019</b>
<b>Series</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Series 1	-	2,565,075	-	(4,257)	2,560,818
Series 2	-	8,102,775	-	(178,071)	7,924,704
Series 3	-	892,532	-	(17,500)	875,032
Series 4	-	3,151,647	-	(108,204)	3,043,443
Series 5	-	929,999	-	(4,228)	925,771
Series 7	-	6,165,366	-	(30,739)	6,134,627
Residual impact on Notes issued from result of operations	-	-	(344,129)	-	(344,129)
	-	21,807,394	(344,129)	(342,999)	21,120,266

#### Series 01

Series 01 Notes are denominated in GBP and mature on 31 December 2025. The maximum aggregate nominal amount of the series is GBP 25,000,000. During the financial the Company issued the below tranches of the series:

<b>Issue Date</b>	<b>Amount (GBP)</b>
29 June 2018	150,000
16 August 2018	162,850
31 August 2018	1,809,651
19 October 2018	113,500
27 November 2018	37,300
5 April 2019	22,600
	<b>2,295,901</b>

As at 30 June 2019 the Noteholders have subscribed to GBP 2,295,901 of the issued amount. The subscription proceeds of Series 01 Notes were used to acquire Audacia Capital Limited 7% Secured Fixed Rate Bonds 2018.

Series 01 Notes provide the Noteholders with fixed interest rate of 6.00% per annum payable on each payment date on an available funds basis. The payment dates are within 15 business days of each of 31 March, 30 June, 30 September and 31 December in each year until maturity date, and then on the maturity date or the date of prior redemption of Series 01 Notes. If the available funds are not sufficient for the interest payment, the interest will continue to accrue, and the payment will be deferred until the following payment date.

Series 01 Notes are listed on Global Exchange Market at Euronext Dublin.

#### Series 02

Series 02 Notes are denominated in GBP and mature on 31 May 2023. The maximum aggregate nominal amount of the series is GBP 25,000,000.

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 10. FINANCIAL LIABILITIES (CONTINUED)

#### *Series 02 (continued)*

During the financial the Company issued the below tranches of the series:

<b>Issue Date</b>	<b>Amount (GBP)</b>
31 August 2018	54,000
19 October 2018	545,000
27 November 2018	250,000
11 January 2019	2,597,731
22 February 2019	714,469
07 May 2019	2,943,692
	<b>7,104,892</b>

As at 30 June 2019 the Noteholders have subscribed to GBP 7,104,892 of the issued amount. The subscription proceeds of Series 02 Notes were used to acquire Rialto Financial Limited 6% Secured Fixed Rate Bonds 2018.

Series 02 Notes provide the Noteholders with fixed interest rate of 5.50% per annum payable on each payment date on an available funds basis. The payment dates are within 15 business days of each of 31 March, 30 June, 30 September and 31 December in each year until maturity date, and then on the

maturity date or the date of prior redemption of Series 02 Notes. If the available funds are not sufficient for the interest payment, the interest will continue to accrue, and the payment will be deferred until the following payment date.

Series 02 Notes are listed on Global Exchange Market at Euronext Dublin.

#### *Series 03*

Series 03 Notes are denominated in GBP and mature on 31 May 2023. The maximum aggregate nominal amount of the series is GBP 25,000,000. During the financial the Company issued the below tranches of the series:

<b>Issue Date</b>	<b>Amount (GBP)</b>
10 October 2018	110,000
30 November 2018	106,422
11 January 2019	114,000
22 February 2019	454,088
	<b>784,510</b>

As at 30 June 2019 the Noteholders have subscribed to GBP 784,510 of the issued amount. The subscription proceeds of Series 03 Notes were used to acquire Capital Innovative Finance Limited 10% Secured Fixed Rate Bonds 2018.

Series 03 Notes provide the Noteholders with fixed interest rate of 9.00% per annum payable on each payment date on an available funds basis. The payment dates are within 15 business days of each of 31 March, 30 June, 30 September and 31 December in each year until maturity date, and then on the maturity date or the date of prior redemption of Series 03 Notes. If the available funds are not sufficient for the interest payment, the interest will continue to accrue, and the payment will be deferred until the following payment date.

Series 03 Notes are listed on Global Exchange Market at Euronext Dublin.

#### *Series 04*

Series 04 Notes are denominated in GBP and mature on 31 December 2023. The maximum aggregate nominal amount of the series is GBP 25,000,000. During the financial the Company issued the below tranches of the series:

<b>Issue Date</b>	<b>Amount (GBP)</b>
12 April 2019	2,100,000
08 May 2019	205,050
18 May 2019	150,000
03 June 2019	273,548
	<b>2,728,598</b>

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 10. FINANCIAL LIABILITIES (CONTINUED)

#### Series 04 (continued)

As at 30 June 2019 the Noteholders have subscribed to GBP 2,728,598 of the issued amount. The subscription proceeds of Series 04 Notes were used to acquire Nao People Limited 9.2% Secured Fixed Rate Bonds 2018.

Series 04 Notes provide the Noteholders with fixed interest rate of 8.25% per annum payable on each payment date on an available funds basis. The payment dates are within 15 business days of each of 31 March, 30 June, 30 September and 31 December in each year until maturity date, and then on the maturity date or the date of prior redemption of Series 04 Notes. If the available funds are not sufficient for the interest payment, the interest will continue to accrue, and the payment will be deferred until the following payment date.

Series 04 Notes are listed on Global Exchange Market at Euronext Dublin.

#### Series 05

Series 05 Notes are denominated in GBP and mature on 31 December 2021. The maximum aggregate nominal amount of the series is GBP 25,000,000. During the financial the Company issued the below tranches of the series:

<b>Issue Date</b>	<b>Amount (GBP)</b>
27 November 2018	500,000
11 January 2019	330,000
	<b>830,000</b>

As at 30 June 2019 the Noteholders have subscribed to GBP 830,000 of the issued amount. The subscription proceeds of Series 05 Notes were used to acquire Brite Advisors (Insurance) Limited 8.8% Secured Fixed Rate Bonds 2018.

Series 05 Notes provide the Noteholders with fixed interest rate of 8.00% per annum payable on each payment date on an available funds basis. The payment dates are within 15 business days of each of 31 March, 30 June, 30 September and 31 December in each year until maturity date, and then on the maturity date or the date of prior redemption of Series 05 Notes. If the available funds are not sufficient for the interest payment, the interest will continue to accrue, and the payment will be deferred until the following payment date.

Series 05 Notes are listed on Global Exchange Market at Euronext Dublin.

#### Series 07

Series 07 Notes are denominated in GBP and mature on 31 December 2025. The maximum aggregate nominal amount of the series is GBP 25,000,000. During the financial the Company issued the below tranches of the series:

<b>Issue Date</b>	<b>Amount (GBP)</b>
17 June 2019	5,500,000
	<b>5,500,000</b>

As at 30 June 2019 the Noteholders have subscribed to GBP 5,500,000 of the issued amount. The subscription proceeds of Series 07 Notes were used to acquire ACF Acquisitions 11 Limited 5% Secured Fixed Rate Bonds 2018.

Series 07 Notes provide the Noteholders with fixed interest rate of 4.50% per annum payable on each payment date on an available funds basis. The payment dates are within 15 business days of each of 31 March, 30 June, 30 September and 31 December in each year maturity date, and then on the maturity date or the date of prior redemption of Series 07 Notes. If the available funds are not sufficient for the interest payment, the interest will continue to accrue, and the payment will be deferred until the following payment date.

Series 07 Notes are listed on Global Exchange Market at Euronext Dublin.

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 11. TRADE AND OTHER RECEIVABLES

	As at 30 June 2019
	€
Receivables from Standard Bank	14,071
Other receivables	6,250
Prepayments	3,614
	<u>23,935</u>

### 12. TRADE AND OTHER PAYABLES

	As at 30 June 2019
	€
Administration expenses payable	(385,841)
	<u>(385,841)</u>

All expenses are due within one year.

### 13. INTEREST RECEIVABLE ON FINANCIAL ASSETS

	As at 30 June 2019
	€
Interest receivable on financial assets	<u>270,112</u>

### 14. INTEREST PAYABLE ON FINANCIAL LIABILITIES

	As at 30 June 2019
	€
Interest payable on financial liabilities	(212,536)
	<u>(212,536)</u>

### 15. PENDING SUBSCRIPTIONS

	As at 30 June 2019
	€
Pending subscriptions	(1,173,198)
Net unrealised foreign exchange loss	(43,975)
	<u>(1,217,173)</u>

### 16. SHARE CAPITAL

	As at 30 June 2019
	€
<b>Authorised share capital</b>	
25,000 ordinary shares of €1 each	<u>25,000</u>
<b>Issued share capital</b>	
6,250 ordinary shares of €1 each	<u>6,250</u>
<b>Issued and paid-up share capital</b>	
6,250 ordinary shares of €1 each	<u>6,250</u>

The Company issued its shares to one shareholder. 6,250 shares are held by DMS Governance Risk and Compliance Services Limited, which is company incorporated in Ireland, who holds the shares on trust.

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 16. SHARE CAPITAL (CONTINUED)

Under the term of a declaration of trust made by the trustee, the trustee holds the benefit of the shares on trust for charitable purposes. The trustee has no beneficial interest in, and derives no benefit other than its fees as trustee, from its holdings of the shares.

### 17. DIRECTORS AND EMPLOYEES

The Company had no employees during the financial period. Patrick Gibbons, director of the Company, received EUR 7,514 by way of remuneration and EUR 252 as a reimbursement of travelling expenses occurred on the behalf of the Company. The Company did not pay director fees to Charles Goldsmith, John Ferguson, Howard Chapman, Andy Murphy and Matthew Tracey in the financial period ended 30 June 2019.

### 18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

#### Financial risk management

The Company's financial instruments include cash at bank, financial assets, financial liabilities and other receivables that arise directly from operations.

The Company is exposed to a variety of financial risks: capital risk, market risk (include foreign exchange risk, interest rate risk and price risk), credit risk, liquidity risk and operational risk exposure. The Company has attempted to match the properties of its financial liabilities to its financial assets to avoid significant elements of risk generated by mismatch of realised income and repayments from the investments against its obligations towards the Noteholders. The directors seek to assess, monitor and manage the potential adverse effects of these risks on the Company's financial performance by appropriate methods as discussed below.

#### Operational risk exposure

Operational risk is the risk of direct or indirect loss arising from the Company's processes, personnel and infrastructure, and from external factors other than credit risk, market risk and liquidity risk. This includes risks arising from non-compliance with legal and regulatory requirements as well as generally accepted standards of corporate behaviour.

The Company's aim is to manage operational risk so as to limit financial losses and damage to its reputation while achieving its investment objectives.

#### Capital risk management

The Company manages its capital to ensure that it is able to continue as a going concern while maximizing the return to Certificate holders. The capital managed by the Company comprises of ordinary shares and the financial liabilities outstanding as at financial period-end. The Company is not subject to externally imposed capital requirements.

#### Market risk

Market risk is the potential change in the value caused by the movements in foreign exchange, in the interest rates or market prices of the financial instruments. The Noteholders are exposed to the market risk of the underlying securitized bond of each series of Notes issued by the Company.

#### (i) Foreign exchange risk

The table below shows the Company's exposure to foreign currency risk as at 30 June 2019.

	EUR	GBP	USD	Total
Assets	€	€	€	€
Financial assets	-	20,907,052	-	20,907,052
Trade and other receivables	7,290	16,645	-	23,935
Cash and cash equivalents	750	1,634,769	105,448	1,740,967
Interest receivable on financial assets	-	270,112	-	270,112
	<b>8,040</b>	<b>22,828,578</b>	<b>105,448</b>	<b>22,942,066</b>

# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### Market risk (continued)

##### (i) Foreign exchange risk (continued)

	EUR €	GBP €	USD €	Total €
<b>Liabilities</b>				
Financial liabilities	-	21,120,266	-	21,120,266
Interest payable on financial liabilities	-	212,536	-	212,536
Trade and other payables	53,628	332,069	144	385,841
Pending subscriptions	-	1,111,725	105,448	1,217,173
	<b>53,628</b>	<b>22,776,596</b>	<b>105,592</b>	<b>22,935,816</b>

##### (ii) Interest rate risk

The risk defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, the interest rate profile of the Company's financial assets and liabilities were as follows:

	Fixed rate €	Up to 1 month €	Non- interest bearing €	Total €
<b>Assets</b>				
Financial assets	20,907,052	-	-	20,907,052
Trade and other receivables	-	-	23,935	23,935
Cash and cash equivalents	-	1,740,967	-	1,740,967
Interest receivable on financial assets	-	-	270,112	270,112
	<b>20,907,052</b>	<b>1,740,967</b>	<b>294,047</b>	<b>22,942,066</b>

	Fixed rate €	Up to 1 month €	Non- interest bearing €	Total €
<b>Liabilities</b>				
Financial liabilities	21,120,266	-	-	21,120,266
Interest payable on financial liabilities	-	-	212,536	212,536
Trade and other payables	-	-	385,841	385,841
Pending subscriptions	-	-	1,217,173	1,217,173
	<b>21,120,266</b>	<b>-</b>	<b>1,815,550</b>	<b>22,935,816</b>

##### (iii) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or all factors affecting all similar financial instruments traded in the market. The Company is not exposed to price risk due to the assets being held at cost and the limited recourse nature of the Noteholder's investment.

#### Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. Credit risk represents the most significant category of risk.

The carrying amount of the financial instruments best represents the maximum credit risk exposure at the Statement of Financial Position date.

# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

#### Credit risk (continued)

The table below represents the maximum exposure to credit risk:

	<b>30 June 2019</b>
<b>Assets</b>	<b>€</b>
Financial assets	20,907,052
Trade and other receivables	23,935
Cash and cash equivalents	1,740,967
Interest receivable on financial assets	270,112
	<u><b>22,942,066</b></u>

(i) Credit risk of the financial assets is determined by the ability of the borrower to repay the notional of each series of securitised bonds at maturity date. The securitised bonds of each series are considered fully recoverable based on the regular evaluation of the credit profile of each borrower by the directors.

(ii) Trade and other receivables credit profile determined primarily by the credit rating of ICBC Standard Bank Plc, as follows:

<b>Trade and other receivables</b>	<b>Financial period ended 30 June 2019</b>	<b>Credit rating</b>	<b>Rating agency</b>
	<b>€</b>	<b>€</b>	<b>€</b>
ICBC Standard Bank Plc	14,071	Baa3	Moody's
	<u>14,071</u>		

(iii) The credit rating profile of the banks holding the cash and cash equivalents balance is as follows:

<b>Cash and cash equivalents</b>	<b>Financial period ended 30 June 2019</b>	<b>Credit rating</b>	<b>Rating agency</b>
	<b>€</b>	<b>€</b>	<b>€</b>
The Northern Trust International Banking Corporation	1,740,967	AA-	Standard & Poor's
	<u>1,740,967</u>		

(iv) Credit risk for interest receivable on financial assets receivable is minimal as the balance is settled in the months following the financial period-end.

#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.

Prudent liquidity risk management requires maintaining sufficient cash and investments, which the Company does. The maturity profile of the financial liabilities as at 30 June 2019 is as follows:

	<b>Gross contractual cashflow</b>	<b>Up to 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>5 years</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
<b>Liabilities</b>					
Financial liabilities	21,464,395	-	-	21,464,395	-
Interest payable on financial liabilities	6,127,677	1,269,465	1,269,465	2,942,420	646,327
Trade and other payables	386,099	386,099	-	-	-
Pending subscriptions	1,217,173	1,217,173	-	-	-
	<u>29,195,344</u>	<u>2,872,737</u>	<u>1,269,465</u>	<u>24,406,815</u>	<u>646,327</u>

The amounts shown are the contractual undiscounted cashflows whereas the Company manages the inherent liquidity risk based on expected undiscounted cash inflows.



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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 19. RELATED PARTY TRANSACTIONS

Lillywhite International Limited provides arranger services to the Company at arm's length commercial rates. John Ferguson and Charles Goldsmith, directors of the Company, are also directors of Lillywhite International Limited during the financial period and in that capacity had a material interest in transactions conducted by the Company. The arranger fee for the financial period ended on 30 June 2019 amounts to EUR 181,529. The arranger fee payable to the arranger as at 30 June 2019 was EUR 181,529.

The Administrator provides calculation agent and corporate services to the Company at arm's length commercial rates. Andy Murphy, director of the Company, is also director of the Administrator and in that capacity had a material interest in transactions conducted by the Company. There were contracts of any significance in relation to the business of the Company in which the directors had any interest, as defined in the Companies Act 2014, at any time during the financial period. The Administrator was appointed on 4 December 2019. The Administrator fees for the financial period ended on 30 June 2019 amount to EUR Nil. The Administrator fees payable to the Administrator as at 30 June 2019 were Nil.

Patrick Gibbons, director of the Company, received EUR 7,514 by way of remuneration and EUR 252 as a reimbursement of travelling expenses occurred on the behalf of the Company. The director fee payable to Patrick Gibbons as at 30 June 2019 was EUR 3,900. The director fee prepaid to Patrick Gibbons as at 30 June 2019 was EUR 3,614. The Company did not pay director fees to Charles Goldsmith, John Ferguson, Howard Chapman, Andy Murphy and Matthew Tracey in the financial period ended 30 June 2019.

Audacia Capital Limited is the borrower of Series 01 Audacia Capital Limited 7% Secured Fixed Rate Bonds 2018. The Company lends to Audacia Capital Limited the subscription proceeds of Series 01 Notes in exchange of securitized bond at arm's length commercial rates. Lillywhite Holding LLC (beneficially owned by John Ferguson) and Sunrise Holdings LLC (beneficially owned by Charles Goldsmith) are shareholders and directors of Audacia Capital Limited. John Ferguson and Charles Goldsmith are also directors of the Company during the financial period and in that capacity had a material interest in transactions conducted by the Company. The principal borrowed to Audacia Capital Limited for the financial period ended on 30 June 2019 amounts to EUR 2,617,392 (GBP 2,346,623), which is outstanding as at 30 June 2019. The interest income for the financial period ended on 30 June 2019 amounts to EUR 179,191 (GBP 159,665). The interest income receivable from Audacia Capital Limited as at 30 June 2019 was EUR 88,896 (GBP 79,700).

Audacia Capital Limited settled expenses on behalf the Company amounting to GBP 119,531 and EUR 4,000 in the financial period ended 30 June 2019. The reimbursement of expenses payable to Audacia Capital Limited as at 30 June 2019 were GBP 119,531 and EUR 4,000.

Audacia Capital Limited provided to the Company at inception standard form documentation in the form of securitization bonds constituent document, share pledge agreement, listing particulars and debenture agreement. The Company waived operating fees related to Audacia Capital Limited for undetermined period, as an appreciation to the added value provided by Audacia Capital Limited at inception.

Lillywhite International Limited does not charge arranger fees to the series of Audacia Capital Limited. Arranger services were not provided to Series 1, the Company was structured initially to facilitate the re-financing of Series 1.

### 20. SIGNIFICANT SUBSEQUENT EVENTS

The following series and tranches of Notes were issued after the end of the reporting financial year:

Series	ISIN	Currency	Issued amount	Issue date	Maturity date	Interest rate
Series 01	IE00BG13JM43	GBP	80,000	20/12/2019	31/05/2025	6.00%
Series 02	IE00BG13JN59	GBP	944,582	30/07/2019	31/05/2023	5.50%
Series 04	IE00BDVPP762	GBP	277,370	30/07/2019	31/12/2023	8.25%
Series 04	IE00BDVPP762	GBP	610,921	22/11/2019	31/12/2023	8.25%
Series 07	IE00BGRX2X09	GBP	5,777,500	30/07/2019	31/12/2025	4.50%
Series 07	IE00BGRX2X09	GBP	2,034,000	01/10/2019	31/12/2025	4.50%
Series 07	IE00BGRX2X09	GBP	1,687,311	30/11/2019	31/12/2025	4.50%
Series 08	IE00BK0VFM99	USD	372,668	30/07/2019	31/12/2023	8.25%
Series 08	IE00BK0VFM99	USD	704,687	01/10/2019	31/12/2023	8.25%
Series 08	IE00BK0VFM99	USD	156,485	22/11/2019	31/12/2023	8.25%
Series 09	IE00BK0VFN07	EUR	19,769	29/08/2019	31/12/2023	7.00%

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# AUDACIA CAPITAL (IRELAND) PUBLIC LIMITED COMPANY

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## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019

### 20. SIGNIFICANT SUBSEQUENT EVENTS (CONTINUED)

On 20 August 2019, notice of termination was submitted by the borrower of Brite Advisors (Insurance) Limited 8.8% Secured Fixed Rate Bonds 2018 to the Company. Series 5 was unwound on 18 February 2020.

On 4 December 2019 Apex Fund Services (Ireland) Limited resigned as corporate service provider, company secretary, cash manager and calculation agent. Trustmoore Ireland Ltd was appointed on 04 December 2019 as corporate service provider, company secretary, cash manager and calculation agent.

During the meeting of the board held on 18 March 2020, the Executive Directors elaborated on the seriousness of COVID-19 and the affect it has had on the current financial markets. Executive Directors consider it key to react to information provided by government authorities for jurisdictions wherein the Company operates. The Directors together indicate that clear and constant communication between the Company and third-parties to the Programme is very important.

As per date of the meeting the Directors note that the COVID-19 may not have a negative impact on the Programme. The pipeline of the Company for new business is still healthy and the Directors also see opportunities in the market in the near future.

Directors specify that all third-parties to the Programme are continuing their operations and the various service providers have not indicated any inability to continue as normal. They have been notified by LK Shields Solicitors, Trustmoore Ireland Ltd and DMS Governance Risk and Compliance Services Limited that business continuity plans are in place respectively.

There were no other material events after the end of the reporting financial period until the date of the signing of the financial statements which would require disclosure in the financial statements.

### 21. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and issued by the Board of Directors on 7 May 2020.