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**PILLARFOUR CAPITAL LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**PILLARFOUR CAPITAL LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	D N Linfield P J Colucci M F Colucci
<b>Registered number</b>	09807386
<b>Registered office</b>	239 Kensington High Street London W8 6SN
<b>Independent auditors</b>	Berg Kaprow Lewis LLP Chartered Accountants & Statutory Auditor 35 Ballards Lane London N3 1XW

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**PILLARFOUR CAPITAL LIMITED**

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**PILLARFOUR CAPITAL LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

**Principal activity**

The principal activity of the Company during the year is a holding company, incurring costs on behalf of its subsidiary LLP and recharging these across.

**Results and dividends**

The loss for the year, after taxation and minority interests, amounted to £3,736 (2019 - profit £5,795).

The directors have not recommended a dividend.

**Directors**

The directors who served during the year were:

D N Linfield  
P J Colucci  
M F Colucci

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**PILLARFOUR CAPITAL LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Future developments**

PillarFour Capital will continue to support the efforts of its subsidiary, PillarFour Securities LLP and does from time to time look at additional business opportunities that it could support through its existing infrastructure that may or may not include regulated business.

**Disclosure of information to auditors**

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

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

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Independent Auditors**

Under section 487(2) of the Companies Act 2006, Berg Kaprow Lewis LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

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**P Colucci**  
Director

Date: 20 April 2021

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**PILLARFOUR CAPITAL LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PILLARFOUR CAPITAL LIMITED**

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**Opinion**

We have audited the financial statements of Pillarfour Capital Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

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**PILLARFOUR CAPITAL LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PILLARFOUR CAPITAL LIMITED (CONTINUED)**

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**Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's Report and from the requirement to prepare a Group Strategic Report.



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**PILLARFOUR CAPITAL LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PILLARFOUR CAPITAL LIMITED (CONTINUED)**

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**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

- Enquiring of management around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risks of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater, regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material

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PILLARFOUR CAPITAL LIMITED

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PILLARFOUR CAPITAL LIMITED (CONTINUED)

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misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

**Use of our report**

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

Michael Wedge FCA (Senior Statutory Auditor)

for and on behalf of  
**Berg Kaprow Lewis LLP**

Chartered Accountants  
Statutory Auditor

London

29 April 2021

## PILLARFOUR CAPITAL LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	489,098	766,489
<b>Gross profit</b>		<b>489,098</b>	<b>766,489</b>
Administrative expenses		(387,346)	(608,729)
<b>Operating profit</b>	5	<b>101,752</b>	<b>157,760</b>
Interest receivable and similar income		-	9
<b>Profit before taxation</b>		<b>101,752</b>	<b>157,769</b>
Tax on profit	8	(488)	(3,300)
<b>Profit for the financial year</b>		<b>101,264</b>	<b>154,469</b>
<b>Total comprehensive income for the year</b>		<b>101,264</b>	<b>154,469</b>
<b>Profit for the year attributable to:</b>			
Non-controlling interests		105,000	148,674
Owners of the parent Company		(3,736)	5,795
		<b>101,264</b>	<b>154,469</b>
<b>Total comprehensive income for the year attributable to:</b>			
Non-controlling interest		105,000	148,674
Owners of the parent Company		(3,736)	5,795
		<b>101,264</b>	<b>154,469</b>

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

The notes on pages 13 to 23 form part of these financial statements.

**PILLARFOUR CAPITAL LIMITED**  
REGISTERED NUMBER: 09807386

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	<u>131</u>	<u>517</u>
		<b>131</b>	<b>517</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	63,199	71,389
Cash at bank and in hand		<u>388,376</u>	<u>563,294</u>
		<b>451,575</b>	<b>634,683</b>
Creditors: amounts falling due within one year	13	<u>(359,955)</u>	<u>(539,713)</u>
<b>Net current assets</b>		<u><b>91,620</b></u>	<u><b>94,970</b></u>
<b>Total assets less current liabilities</b>		<u><b>91,751</b></u>	<u><b>95,487</b></u>
<b>Net assets</b>		<u><b>91,751</b></u>	<u><b>95,487</b></u>
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Profit And Loss Account		<u>91,750</u>	<u>95,486</u>
<b>Equity attributable to owners of the parent Company</b>		<u><b>91,751</b></u>	<u><b>95,487</b></u>
		<u><b>91,751</b></u>	<u><b>95,487</b></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**P Colucci**  
Director

Date: 20 April 2021

The notes on pages 13 to 23 form part of these financial statements.

**PILLARFOUR CAPITAL LIMITED**  
REGISTERED NUMBER: 09807386

**COMPANY STATEMENT OF FINANCIAL POSITION**  
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	131	517
Investments	11	50,000	50,000
		<u>50,131</u>	<u>50,517</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	63,151	73,274
Cash at bank and in hand		40,208	29,184
		<u>103,359</u>	<u>102,458</u>
Creditors: amounts falling due within one year	13	(62,415)	(58,164)
<b>Net current assets</b>		<u>40,944</u>	<u>44,294</u>
<b>Total assets less current liabilities</b>		<u>91,075</u>	<u>94,811</u>
<b>Net assets</b>		<u><u>91,075</u></u>	<u><u>94,811</u></u>
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Profit and loss account		91,074	94,810
		<u>91,075</u>	<u>94,811</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**P Colucci**  
Director

Date: 20 April 2021

The notes on pages 13 to 23 form part of these financial statements.

## PILLARFOUR CAPITAL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
<b>At 1 January 2019</b>	1	89,691	89,692	89,692
<b>Comprehensive income for the year</b>				
Profit for the year	-	5,795	5,795	5,795
<b>Total comprehensive income for the year</b>	-	5,795	5,795	5,795
<b>At 1 January 2020</b>	1	95,486	95,487	95,487
<b>Comprehensive income for the year</b>				
Loss for the year	-	(3,736)	(3,736)	(3,736)
<b>Total comprehensive income for the year</b>	-	(3,736)	(3,736)	(3,736)
<b>At 31 December 2020</b>	<u>1</u>	<u>91,750</u>	<u>91,751</u>	<u>91,751</u>

The notes on pages 13 to 23 form part of these financial statements.

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**PILLARFOUR CAPITAL LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 January 2019</b>	1	88,657	88,658
<b>Comprehensive income for the year</b>			
Profit for the year	-	6,153	6,153
<b>Total comprehensive income for the year</b>	-	6,153	6,153
<b>At 1 January 2020</b>	1	94,810	94,811
<b>Comprehensive income for the year</b>			
Loss for the year	-	(3,736)	(3,736)
<b>Total comprehensive income for the year</b>	-	(3,736)	(3,736)
<b>At 31 December 2020</b>	1	91,074	91,075

The notes on pages 13 to 23 form part of these financial statements.

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**PILLARFOUR CAPITAL LIMITED**


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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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	2020	2019
	£	£
<b>Cash flows from operating activities</b>		
Profit for the financial year	101,264	154,469
<b>Adjustments for:</b>		
Depreciation of tangible assets	386	586
Interest received	-	(9)
Taxation charge	488	3,300
Decrease in debtors	4,138	62,331
Decrease/(increase) in amounts owed by groups	4,052	(56,086)
(Decrease) in creditors	(141,945)	(133,503)
Increase/(decrease) in amounts owed to groups	-	(2,781)
(Decrease) in amounts owed to participating ints	(35,001)	(993)
Corporation tax (paid)	(3,300)	(14,875)
<b>Net cash generated from operating activities</b>	<b>(69,918)</b>	<b>12,438</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	-	(370)
Interest received	-	9
<b>Net cash from investing activities</b>	<b>-</b>	<b>(361)</b>
<b>Cash flows from financing activities</b>		
Amounts paid to other members of subsidiary LLP	(105,000)	(148,674)
<b>Net cash used in financing activities</b>	<b>(105,000)</b>	<b>(148,674)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(174,918)</b>	<b>(136,596)</b>
Cash and cash equivalents at beginning of year	563,294	699,890



<b>Cash and cash equivalents at the end of year</b>	<u><b>388,376</b></u>	<u>563,294</u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u><b>388,376</b></u>	<u>563,294</u>
	<u><b>388,376</b></u>	<u>563,294</u>

The notes on pages 13 to 23 form part of these financial statements.

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**PILLARFOUR CAPITAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. General information**

The principal activity of the Company during the year is a holding company.  
The company is a private company limited by shares and is incorporated in the United Kingdom.  
Its principal place of business is 239 Kensington High Street, London, W8 6SN.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

**2.3 Going concern**

The financial statements have been prepared on the going concern basis, which assumes that the Company and Group will continue to trade for the foreseeable future, being a period of at least twelve months from the date of approval of these financial statements, and will be able to meet its debts as they fall due.

In light of the Global Pandemic, the main trading entity of the Group, the subsidiary LLP, is continuing to service its appointed representatives as well as ensuring that consultancy on current deals continues whilst the team work remotely under UK government guidance. The board acknowledges that this is an ongoing situation and will therefore remain vigilant in monitoring the situation and pipeline of future projects. That said, income generated by the trading entity from Q1 2021 would already provide the Group with sufficient working capital to continue for a period of at least twelve months from the date of approval of these financial statements, before any pipeline deals and projects are factored in.

The Group is also well capitalised as per the FCA capital requirements of the subsidiary LLP.

The directors have reviewed forecasts and budgets in light of the above and are confident of the Company and Group's ability to continue trading as a going concern for the foreseeable future.

**2.4 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue comprises fees from financial advisory services supplied during the period, exclusive of Value Added Tax.

Financial advisory fee income is recognised in the period the service is provided.

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**PILLARFOUR CAPITAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%	Straight line
Computer equipment	-	33%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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PILLARFOUR CAPITAL LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from other third parties and loans to related parties.

(i) Financial assets

Basic financial assets, including trade and other debtors, and amounts due from related companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Income and Retained Earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, accruals and amounts due to related companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability.

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**PILLARFOUR CAPITAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.9 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.10 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.11 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.12 Taxation**

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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**PILLARFOUR CAPITAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.13 Related party transactions**

The Group discloses transactions with related parties which are not wholly owned within the same Group. It does not disclose transactions with members of the same group that are wholly owned.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of the estimation means that actual outcomes could differ from those estimates.

No judgements have been made in the process of applying the above accounting policies. There were no sources of estimation uncertainty.

**4. Turnover**

Turnover, which is stated net of value added tax, is attributable to one continuing activity, the supply of financial advisory services.

Analysis of turnover by country of destination:

	<b>2020</b>	<i>2019</i>
	£	£
United Kingdom	111,117	<i>28,000</i>
Rest of the world	<b>377,981</b>	<i>738,488</i>
	<u><b>489,098</b></u>	<u><i>766,488</i></u>

**5. Operating profit**

The operating profit is stated after charging:

	<b>2020</b>	<i>2019</i>
	£	£
Depreciation of tangible fixed assets	<b>386</b>	<i>588</i>
Exchange differences	<b>28,789</b>	<i>(35,061)</i>
Other operating lease rentals	<u><b>26,948</b></u>	<u><i>30,846</i></u>

## PILLARFOUR CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
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## 6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>14,000</u>	<u>13,000</u>

## 7. Employees

Staff costs were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	3,915	9,626	3,915	9,626
Social security costs	51	1,232	51	1,232
	<u>3,966</u>	<u>10,858</u>	<u>3,966</u>	<u>10,858</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Directors	3	3	3	3
Employees	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

## 8. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	488	3,300
	<u>488</u>	<u>3,300</u>
<b>Total current tax</b>	<u>488</u>	<u>3,300</u>

## PILLARFOUR CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**8. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>101,752</u>	<u>157,769</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	19,333	29,976
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,520	1,462
Non-taxable profit attributable to non-controlling interests	(20,463)	(28,181)
Deferred tax not recognised	98	43
<b>Total tax charge for the year</b>	<u>488</u>	<u>3,300</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**9. Parent company profit for the year**

The loss after tax of the parent Company for the period was £3,736 (2019: Profit of £6,153).



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 PILLARFOUR CAPITAL LIMITED
 

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 NOTES TO THE FINANCIAL STATEMENTS  
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## 10. Tangible fixed assets

## Group and Company

	Fixtures and fittings	Computer equipment	Total
	£	£	£
<b>Cost or valuation</b>			
At 1 January 2020	300	1,953	2,253
At 31 December 2020	<u>300</u>	<u>1,953</u>	<u>2,253</u>
<b>Depreciation</b>			
At 1 January 2020	225	1,511	1,736
Charge for the year on owned assets	60	326	386
At 31 December 2020	<u>285</u>	<u>1,837</u>	<u>2,122</u>
<b>Net book value</b>			
At 31 December 2020	<u>15</u>	<u>116</u>	<u>131</u>
<i>At 31 December 2019</i>	<u>75</u>	<u>442</u>	<u>517</u>

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**PILLARFOUR CAPITAL LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**11. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies</b>
	£
<b>Cost or valuation</b>	
At 1 January 2020	50,000
At 31 December 2020	<u>50,000</u>
 <b>Net book value</b>	
At 31 December 2020	<u>50,000</u>
<i>At 31 December 2019</i>	<u>50,000</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Principal activity</b>	<b>Holding</b>
Pillarfour Securities LLP	Financial advisory services	96%

**12. Debtors**

	<b>Group 2020</b>	<i>Group 2019</i>	<b>Company 2020</b>	<i>Company 2019</i>
	£	£	£	£
Amounts owed by group undertakings	52,036	56,088	51,988	57,973
Other debtors	8,355	10,017	8,355	10,017
Prepayments and accrued income	2,808	5,284	2,808	5,284

63,199

71,389

63,151

73,274

Amounts due by group undertakings are unsecured, interest free and repayable on demand.

## PILLARFOUR CAPITAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 13. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	254,866	405,036	11,525	250
Amounts owed to group undertakings	42,747	42,747	42,747	42,747
Amounts owed to other participating interests	32,762	67,763	-	-
Corporation tax	488	3,300	488	3,300
Other taxation and social security	14,437	2,500	-	-
Other creditors	655	5,367	655	5,367
Accruals and deferred income	14,000	13,000	7,000	6,500
	<u>359,955</u>	<u>539,713</u>	<u>62,415</u>	<u>58,164</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

## 14. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
1 (2019 - 1) Ordinary share share of £1.00	<u>1</u>	<u>1</u>

There is a single class of shares. There are no restrictions on distribution of dividends and repayment of capital.

## 15. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	<u>16,848</u>	<u>7,596</u>	<u>16,848</u>	<u>7,596</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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**16. Non-controlling interests**

There are minority interests which represent amounts due to other members of the subsidiary LLP. All such amounts, including any capital contributions they have made, are classified as debt and accordingly have been included within other creditors on the Consolidated Statement of Financial Position.

**17. Related party transactions**

Included in consultancy fees is £24,996 (2019: £26,500) paid to a company under the control of a member of the subsidiary LLP of the Group.

Included in consultancy fees is £219,330 (2019: £405,289) paid to a company under the control of a director of the Group and designated member of the subsidiary LLP.

At the year end, a balance of £594 (2019: £5,024) was due to a director of the Group.

At the year end, a balance of £42,747 (2019: £39,228) was due to the ultimate parent undertaking.

At the year end, a balance of £32,763 (2019: £67,763) was due from the Group to other members of the subsidiary LLP. £105,000 (2019: £148,674) of total comprehensive income for the period is attributable to non-controlling interests of the subsidiary LLP.

**18. Controlling party**

The ultimate parent undertaking is Pillarfour Capital Inc, a Canadian company. Pillarfour Capital Inc. has no ultimate controlling party.

