

Company Registration No. 4585206 (England and Wales)

ELARA CAPITAL PLC
DIRECTORS' REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



ELARA CAPITAL PLC

GROUP INFORMATION

Directors	R Bhatt A Pandey A D Persaud M Desai
Secretary	A Verma
Company number	4585206
Registered office	248a Marylebone Road London NW1 6JZ
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Business address	248a Marylebone Road London NW1 6JZ
Bankers	Lloyds TSB Plc High Street Coventry CV1 5RA ICICI Bank UK Plc 21 Knightsbridge London SW1X 7LY
Solicitors	Fladgate Fielder LLP 25 North Row London W1K 6DJ

ELARA CAPITAL PLC

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ELARA CAPITAL PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their strategic report of Elara Group (the 'Group') for the year ended 31 March 2019.

In accordance with Section 414A(1) of the Companies Acts 2006, we have prepared the Strategic Report which includes a review of the Group business and future developments, a description of the principal risk and uncertainties facing the Group and key performance indicators.

Review of the business

The principal activity of the Group is that of advising on investment instruments and arranging deals in investments, including the raising of equity capital through issuance of Global Depository Receipts, mergers and acquisitions, broking, and other merchant banking activities.

The Group has performed well and as per its strategic objectives for the year given the challenging operating environment. The Group has shown a profit before taxation of £3,380,570 for the year ended 31 March 2019 as compared to the profit before tax of £4,753,286 for the year ended 31 March 2018. The directors are optimistic about the future prospects of the Group and expect slow but steady growth in the future.

The shareholders' funds have increased from £30.90 million at the start of the year to £37.44 million at 31 March 2019.

The Group's position at the balance sheet dates is shown on page 9, and that of the Company is shown on page 10.

The consolidated profit and loss account and other comprehensive income of the Group is shown on page 8, which shows the key performance indicators, which are considered to be turnover, gross profit and operating profit.

Business environment

The Group's main focus is on Indian Markets. The Group advises clients on investments in Indian securities. Fluctuations in these markets have an impact on the Group's positions as well as on client positions. The Group is optimistic about the future due to the recent developments in India related to tax reforms and improved business environment. The Group is optimistic about the future and we expect a steady growth of the Group.

Brexit Impact

Elara Capital PLC is the Parent company of Elara Group and is based in United Kingdom. All of the Elara's Group subsidiaries are based outside the European Union. As Elara's Group business is India centric, we assume that there will be negligible impact of Brexit. Further, Elara's Parent company will not be required to obtain any new regulatory permissions or change the business on Brexit. Most of Elara's funds are based out of Mauritius and Bermuda and their objective is to invest into India with minimum exposures to UK and European equities. Hence, we believe that there will be negligible impact of Brexit on Elara's Group Financial Results. With respect to the employees of the UK Parent office, they are either British citizen or holding valid work visa in United Kingdom.

Strategy

The Group will continue to employ capital in liquid debt securities and equities, maintain robust capital adequacy and liquidity with focus on the growth of the Group. The Group will concentrate on providing quality services to its customers and focus on building relations with new customers.

The Group remains invested in high quality liquid debt securities and equity of listed companies.

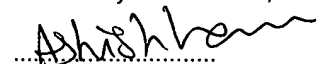
Principal risks and uncertainties

A description of the principal risk and uncertainties faced by the Group are discussed in the relevant section of the Directors' report.

The process of risk management is addressed through a framework of policies, procedures and internal controls. Compliance with regulations, legal and ethical standards is a high priority for the Group and is managed throughout the operational activities of the business and by each respective department.

BY ORDER OF THE BOARD

For and on behalf of
ELARA CAPITAL PLC
248a Marylebone Road, London, NW1 6JZ


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A Verma
Company Secretary
23 July 2019



ELARA CAPITAL PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their annual report and consolidated financial statements of Elara Capital Plc ("the Company" and "the Group") for the year ended 31 March 2019.

Principal activities and review of the business

The principal activity of the Group continues to be that of advising on investment instruments and arranging deals in investments, including the raising of equity capital through issuance of Global Depository Receipts, mergers and acquisitions, broking, and other merchant banking activities. The Company is authorised and regulated by the Financial Conduct Authority in the United Kingdom and its subsidiaries where appropriate are regulated in the jurisdictions in which they operate.

The results for the year and the financial position at the end of the year were considered satisfactory by the directors given the difficult market conditions. The directors are optimistic about the future prospects of the Group and expect slow but steady growth in the future.

The Group's position at the balance sheet dates is shown on page 9, and that of the Company is shown on page 10.

The consolidated profit and loss account and other comprehensive income of the Group is shown on page 8, which shows the key performance indicators, which are considered to be turnover, gross profit and operating profit.

In the view of the directors the following are the key risks faced by the Group:-

Financial risk

Financial risk is an umbrella term for multiple types of risk associated with financing, including financial transactions that include group loans in risk of default.

The Group has in place a risk management process to limit the adverse effects on the financial performance of the Group by monitoring the exposure to each respective risk. The policies are set by the Board of Directors and monitored by the Finance Department. Given the size of the Group, the directors do not deem it necessary to delegate the responsibility of monitoring risk management to a sub-committee of the board.

Market Risk

- The Group's main focus is on Indian Markets. The Group advises clients on investments in Indian securities. Fluctuations in these markets have an impact on the Group's positions as well as on client positions. The directors believe this to be a risk, from both a monetary as well as a reputational perspective.
- The business has a strong dependence upon political stability in India. Any instability could affect the Group's revenues.
- India as an investment destination is administered by local government regulations. Any changes in these regulations could affect the business of the Group.

Operational Risk

Operational risk is the risk of a change in value caused by the fact that actual losses, incurred for inadequate or failed internal processes, people and systems, or from external events (including legal risk), differ from expected losses. The Group believes internal controls and processes are very important to manage the following:-

- Appropriateness of trades transacted on behalf of clients as well as proprietary positions
- Counterparty risk
- Fund transfer authorisation
- Compliance with local law and financial services regulations.

Brexit Impact, reference is made to the discussion in Strategic Report, we believe that there will be negligible impact of Brexit on Elara's Group Financial Results.

Credit risk

Credit risk is the risk associated with a borrower/debtor going into default. The Group performs appropriate due diligence on potential customers before entering into any transactions. The Group ensures credit given is effectively managed as part of a diversified borrowing pool.

ELARA CAPITAL PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Liquidity risk

Liquidity risk is a risk that for a certain period of time a given financial asset, security or commodity cannot be traded quickly enough in the market without impacting the market price.

The Group actively maintains adequate levels of liquid resources to ensure sufficient funds are available to settle liabilities as they fall due.

In accordance with the FCA requirement of BIPRU Chapter 11 'disclosure (pillar 3)', the Group is required to publish further information to allow external parties to assess the capital adequacy of the organization. The Pillar 3 report is available at <http://www.elaracapital.com/pdf/Pillar3Disclosure-ElaraCapitalPLC.pdf>

Interest rate risk

There is minimal exposure to interest rate risk in relation to the assets and liabilities held due to no exposure to external borrowings. The Directors constantly monitor and will act accordingly to mitigate this risk should operations change in size or nature.

Currency risk

The Group is exposed to currency risk across many of its operations including client and proprietary positions. The Group seeks to minimize exposure to currency risk at all times.

The Group has diversified its operations to different locations which has helped Elara to match currencies between expenses and income. The Group also continuously monitors the movements in currency which it is exposed to and looks out for suitable opportunities to convert currency.

Steps taken to mitigate all of these risks

- The directors are consciously working towards diversifying the Group services by adding more geographies, though the directors feel that India itself offers ample growth opportunities.
- The directors are investing resources to build strong systems and processes to monitor trades and fund flows.
- The Group undertakes appropriate due diligence before accepting any new counterparty and monitor these relationships on an ongoing basis.
- With respect to the corporate finance mandate the directors insist wherever possible that fees are paid through an Escrow Mechanism.
- The Group holds professional indemnity insurance with Liberty International Underwriters.

Results and dividends

The results for the year are set out on page 7.

The directors recommended an interim dividend of £200,000 in aggregate on ordinary shares for the year ended 31 March 2019, of which £200,000 was paid during the financial year as an interim dividend. The directors recommended and paid a dividend of £200,000 for the year ended 31 March 2018.

Directors

The following directors have held office during the year and at the date of this report:

R Bhatt

A Pandey

A D Persaud

P Church (resigned on 21 May 2019)

M Desai

Creditor payment policy

The Group's current policy concerning the payment of trade creditors is to:

- agree the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in their contracts; and
- pay in accordance with the Group's contractual and other legal obligations.

Donation

The Group paid a charitable donation of £67,000 (2018:£ 50,500) during the year to charities working to support deaf and blind people, higher education and alleviate poverty in United Kingdom and India.

ELARA CAPITAL PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

Remuneration Policy & Practices

In accordance with the FCA requirement the Group is required to publish its remuneration policy. The remuneration policy is available at <http://www.elaracapital.com/pdf/RemunerationDisclosure-2018.pdf>.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Statement of disclosure to auditor

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

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the consolidated financial statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

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

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

BY ORDER OF THE BOARD

For and on behalf of
ELARA CAPITAL PLC
248a Marylebone Road, London, NW1 6JZ

.....
A Pandey

Director

23 July 2019



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELARA CAPITAL PLC

Opinion

We have audited the consolidated financial statements of Elara Capital Plc ("the Company") and its consolidated subsidiaries (collectively, "the Group") for the year ended 31 March 2019 which comprise the Consolidated profit and loss account and other comprehensive income, Consolidated balance sheet, Company balance sheet, Consolidated Statement of changes in equity, Company Statement of changes in equity, Consolidated cash flow statement, and related notes, including the accounting policies in note 1.

In our opinion the consolidated 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 March 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the consolidated financial statements. All audits assess and challenge the reasonableness of estimates made by the Directors and the appropriateness of the going concern basis of preparation of the consolidated financial statements. All of these depend on assessments of the future economic environment and the Group's and Company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Group's and the Company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group or company and this is particularly the case in relation to Brexit.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or the Group or to cease its operations, and as they have concluded that the Company's and Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is a material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Directors' conclusions, we considered the inherent risks to the Group and the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELARA CAPITAL PLC (CONTINUED)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or Company will continue in operation.

Strategic Report and Directors' Report

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the consolidated financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the consolidated financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the consolidated financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELARA CAPITAL PLC (CONTINUED)

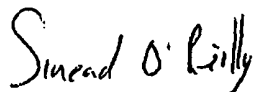
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



**Sinead O'Reilly (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants
15 Canada Square

London
E14 5GL
23 July 2019

ELARA CAPITAL PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	1 April 2018 to 31 Mar 2019 £	1 April 2017 to 31 Mar 2018 £
Turnover	2	15,510,067	9,600,668
Cost of Sales		(4,058,197)	(2,974,209)
Gross profit		11,451,870	6,626,459
Foreign exchange gain/(loss)		392,997	(663,670)
Administrative expenses		(7,725,746)	(5,990,808)
Other operating (expense)/income	4	(1,391,093)	3,490,246
Operating profit		2,728,028	3,462,227
Income from fixed assets investments	7	513,214	339,659
Interest receivable and similar income	8	477,585	981,319
Interest payable and similar charges	9	(338,257)	(29,919)
Profit on ordinary activities before taxation		3,380,570	4,753,286
Tax on profit on ordinary activities	10	52,917	79,817
Profit for the year		3,433,487	4,833,103
Other comprehensive income			
Foreign exchange gain/(loss) on translation of foreign operations		1,769,769	(2,417,199)
Total comprehensive income for the year		5,203,256	2,415,904

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Notes on pages 14 to 33 form part of the audited financial statements.

ELARA CAPITAL PLC

CONSOLIDATED BALANCE SHEET

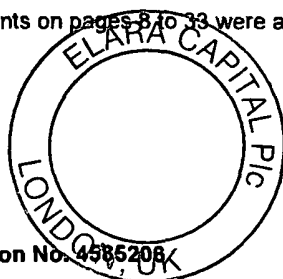
AS AT 31 MARCH 2019

	Notes	Year ended 31 Mar 2019		Year ended 31 Mar 2018	
		£	£	£	£
Fixed assets					
Intangible assets	11		10,640		5,221
Tangible assets	12		269,543		236,402
Investments	13		60		96,189
			<u>280,243</u>		<u>337,812</u>
Current assets and other financial assets					
Investments	14	31,350,856		20,281,821	
Debtors	15	12,536,324		6,561,777	
Loans and Advances	17	440,274		388,053	
Cash at bank and in hand		7,566,959		7,200,131	
		<u>51,894,413</u>		<u>34,431,782</u>	
Creditors: amounts falling due within one year					
	16	(7,596,385)		(3,870,069)	
Net current assets			<u>44,298,028</u>		<u>30,561,713</u>
Total assets less current liabilities			<u>44,578,271</u>		<u>30,899,525</u>
Creditors: amounts falling due after more than one year					
	25	(7,126,557)		-	
Provisions for liabilities	26	(11,102)		-	
Total assets less current liabilities			<u>37,440,612</u>		<u>30,899,525</u>
Capital and reserves					
Called up share capital	20	1,590,331		52,500	
Share premium account		230,000		230,000	
Profit and loss account		35,620,281		30,617,025	
Shareholders' funds		<u>37,440,612</u>		<u>30,899,525</u>	

Notes on pages 14 to 33 form part of the audited financial statements.

The financial statements on pages 8 to 33 were approved by the Board of Directors on 23 July 2019


R Bhatt
Director




A Pandey
Director

Company Registration No. 4585208

ELARA CAPITAL PLC

COMPANY BALANCE SHEET

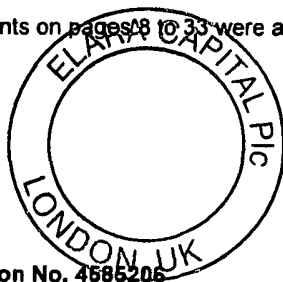
AS AT 31 MARCH 2019

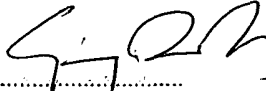
	Notes	Year ended 31 Mar 2019		Year ended 31 Mar 2018	
		£	£	£	£
Fixed assets					
Tangible fixed assets	12		31,876		34,278
Investments	13		1,712,046		2,433,210
			<u>1,743,922</u>		<u>2,467,488</u>
Current assets and other financial assets					
Investments	14	13,059,151		9,089,156	
Debtors	15	2,152,855		2,435,067	
Cash at bank and in hand		497,665		361,343	
		<u>15,709,671</u>		<u>11,885,566</u>	
Creditors: amounts falling due within one year	16	<u>(6,029,001)</u>		<u>(1,986,626)</u>	
Net current assets			<u>9,680,670</u>		<u>9,898,940</u>
Total assets less current liabilities			<u>11,424,592</u>		<u>12,366,428</u>
Creditors: amounts falling due after more than one year			<u>(2,366,592)</u>		<u>(2,927,750)</u>
Provisions for liabilities					
			<u>9,058,000</u>		<u>9,438,678</u>
Capital and reserves					
Called up share capital	20		52,500		52,500
Share premium account			230,000		230,000
Profit and loss account			8,775,500		9,156,178
Shareholders' funds			<u>9,058,000</u>		<u>9,438,678</u>

Notes on pages 14 to 33 form part of the audited financial statements.

The financial statements on pages 8 to 33 were approved by the Board of Directors on 23 July 2019


 R Bhatt
 Director




 A Pandey
 Director

Company Registration No. 4585206

ELARA CAPITAL PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

The Group	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
For the year ended 31 March 2018				
Balance at 1 April 2017	52,500	230,000	28,401,121	28,683,621
Profit for the year	-	-	4,833,103	4,833,103
Foreign exchange (loss) on translation of foreign operations	-	-	(2,417,199)	(2,417,199)
Dividends	-	-	(200,000)	(200,000)
Balance at 31 March 2018	52,500	230,000	30,617,025	30,899,525
For the year ended 31 March 2019				
Profit for the year	-	-	3,433,487	3,433,487
Foreign exchange gain on translation of foreign operations	-	-	1,769,769	1,769,769
Issue of preference share capital	1,537,831	-	-	1,537,831
Dividends	-	-	(200,000)	(200,000)
Balance at 31 March 2019	1,590,331	230,000	35,620,281	37,440,612
The Company				
	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
For the year ended 31 March 2018				
Balance at 1 April 2017	52,500	230,000	9,914,250	10,196,750
Total comprehensive loss for the year	-	-	(558,072)	(558,072)
Dividends	-	-	(200,000)	(200,000)
Balance at 31 March 2018	52,500	230,000	9,156,178	9,438,678
For the year ended 31 March 2019				
Total comprehensive loss for the year	-	-	(180,678)	(180,678)
Dividends	-	-	(200,000)	(200,000)
Balance at 31 March 2019	52,500	230,000	8,775,500	9,058,000

Notes on pages 14 to 33 form part of the audited financial statements.

ELARA CAPITAL PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	1 April 2018 to 31 Mar 2019 £	1 April 2017 to 31 Mar 2018 £
Cash flows from operating activities			
Cash (used in) operations	1	(2,096,945)	(2,416,705)
Interest paid	9	(338,257)	(29,919)
Income taxes paid		(37,526)	(173,409)
Net cash inflow from operating activities		(2,472,728)	(2,620,033)
Cash flows from investing activities			
Purchase of intangible fixed assets	11	(9,880)	-
Purchase of tangible fixed assets	12	(139,645)	(114,901)
Proceeds on disposal of tangible fixed assets		3,497	1,095
Proceeds on disposal of fixed assets investments		169,488	-
Decrease/(increase) in loan and advances		(6,629,065)	2,794,909
Interest received		407,096	981,319
Dividends received	7	387,634	339,659
Net cash (used in)/generated from investing activities		(5,810,875)	4,002,081
Cash flows from financing activities			
Proceeds from issue of shares		1,537,831	-
Issue of convertible loans	25	7,126,557	-
Repayment of borrowings		(107)	(401,579)
Increase in bank overdraft		186,150	730,986
Dividends paid		(200,000)	(200,000)
Net cash generated from financing activities		8,650,431	129,407
Net increase in cash and cash equivalents		366,828	1,511,455
Cash and cash equivalents at beginning of year		7,200,131	5,688,676
Cash and cash equivalents at end of year		7,566,959	7,200,131

Notes on pages 14 to 33 form part of the audited financial statements.

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

1 Cash generated from operations	Notes	1 April 2018 to 31 Mar 2019 £	1 April 2017 to 31 Mar 2018 £
Total comprehensive income for the year after tax		5,203,256	2,415,904
Adjustments for:			
Taxation (credited)	10	(52,917)	(79,817)
Interest payable and similar charges	9	338,257	29,919
Investment income		(865,219)	(1,320,978)
Loss on disposal of tangible fixed assets	3	4,053	2,246
Amortisation and impairment of intangible fixed assets	11	4,461	4,798
Depreciation and impairment of tangible fixed assets	12	98,954	129,581
Profit on sale of investments	7	(125,580)	-
Increase in provisions	26	11,102	-
Movements in working capital:			
(Increase) in shares and securities held for trading		(11,069,035)	(4,048,754)
Decrease/(increase) in debtors		882,257	(624,692)
Increase in creditors		3,473,466	1,075,088
Cash used in operations		<u>(2,096,945)</u>	<u>(2,416,705)</u>

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting Policies

Group information

Elara Capital PLC together with its subsidiaries listed in note 27 forms the Elara Group. The registered office is 248a Marylebone Road, London, NW1 6JZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as issued in August 2014 and the requirements of the Companies Act 2006. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied.

The financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest £.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

1.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2019. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account. The 2019 loss after tax charge of the Company was £180,678 (2018: loss £558,072).

1.3 Measurement convention

The financial statements are prepared on the historical cost basis except for investments held for trading, which are stated at their fair value and classified at fair value through the profit and loss.

1.4 Going concern

The Group's activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on page 1.

In light of the Group's financial resource, the Directors believe that the Group is well positioned to successfully manage its business risks and have a reasonable expectation that the Group has adequate resource to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (continued.)

1.5 Turnover

Fee income represents revenue earned under a wide variety of contracts to provide professional services including the Management fee receivable by the subsidiary of the Group. Revenue is recognised as and when earned, and to the extent that, the firm obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax. Advances received on account of work to be performed are included in deferred income.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently stated net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance
Motor Vehicles	25% reducing balance
Leasehold Improvements	Over the expected period of the life of the lease

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Intangible assets and amortisation

Intangible assets are stated at cost less amortisation. Amortisation is charged to the profit and loss account on a straight line basis over the life of the asset.

1.8 Investments in subsidiary undertakings

Investments by the Company in subsidiary undertaking are included at cost and assessed for impairment if indications exist. Decrease in profitability and decrease in net asset value of the subsidiaries are the common indicators for impairment. In the opinion of the Directors, the aggregate value of the subsidiary undertakings is not less than the aggregate amount at which the assets are included in the Company's balance sheet.

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (continued.)

1.9 Impairment of fixed assets

At each reporting end date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. Reversal of an impairment loss is recognised in profit or loss.

1.10 Cash and cash equivalents

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

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (continued.)

1.11 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 simultaneously.

Basic financial instruments

Trade and other debtors are recognized on the balance sheet when the Group becomes a party to the contractual provisions of the instruments at transaction price less attributable transaction costs.

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the liability is discharged.

Cash at bank comprises cash balances and call deposits.

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value with changes recognised in profit or loss (other operating income/expenses).

Other financial instruments

Derivative financial instruments and holdings in mutual funds/unit trusts are designated as at fair value through profit or loss and are measured at subsequent reporting dates at fair value. Where securities are designated at fair value through profit or loss, gains and losses arising from changes in fair value are included in profit or loss for the accounting period. The Group determines the classification of its financial instruments on initial recognition.

Derivative financial instruments are held for trading and carried at fair value as assets or liabilities. Fair value of financial instruments is based on quoted market prices. Changes in fair values are recognised in the profit or loss account.

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies (continued.)

1.12 Taxation

Tax on the profit and loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Balance Sheet date, and any adjustment to tax payable in respect in respect of previous years. Current tax assets and liabilities are offset when Companies within the Group intend to settle on a net basis and legal right to offset exist.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expenses are non-taxable or are disallowable for tax, or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in the Group and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.13 Foreign currency translation for subsidiaries

The assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Gains and losses arising on these translations are taken to other comprehensive income.

1.14 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in profit and loss account.

1.15 Pension costs and other post-retirement benefits

The Company operates a defined contribution pension scheme. The assets of the pension scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

1.16 Leases

Operating lease rentals are charged to profit and loss account on a straight line basis over the period of the lease.

Benefit received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

2 Turnover

The total turnover is derived from the active members of the Group as follows:

Segmental reporting by geographical area

For the year from 1 April 2018 to 31 March 2019

	United Kingdom	Singapore	India	Mauritius	United States	Total
	£	£	£	£	£	£
Turnover	1,193,875	192,377	2,892,559	11,208,411	22,845	15,510,067
Other income/(expense)	(893,737)	8,627	360,879	123,096	841	(400,294)
Expenses	(1,496,396)	(436,688)	(5,384,191)	(4,014,094)	(397,834)	(11,729,203)
Profit/(Loss) before tax	<u>(1,196,258)</u>	<u>(235,684)</u>	<u>(2,130,753)</u>	<u>7,317,413</u>	<u>(374,148)</u>	<u>3,380,570</u>
Net Assets	<u>2,285,183</u>	<u>1,519,851</u>	<u>3,870,347</u>	<u>28,919,573</u>	<u>845,658</u>	<u>37,440,612</u>

For the year from 1 April 2017 to 31 March 2018

	United Kingdom	Singapore	India	Mauritius	United States	Total
	£	£	£	£	£	£
Turnover	1,026,614	720,442	3,553,869	4,254,527	45,216	9,600,668
Other income	(302,970)	79,329	122,304	4,912,560	1	4,811,224
Expenses	(2,877,663)	(729,631)	(4,269,005)	(1,362,047)	(420,260)	(9,658,606)
Profit/(Loss) before tax	<u>(2,154,019)</u>	<u>70,140</u>	<u>(592,832)</u>	<u>7,805,040</u>	<u>(375,043)</u>	<u>4,753,286</u>
Net Assets	<u>6,506,171</u>	<u>1,206,256</u>	<u>3,000,426</u>	<u>19,442,567</u>	<u>744,105</u>	<u>30,899,525</u>

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

3	Expenses and auditor's remuneration	1 April 2018 To 31 Mar 2019 £	1 April 2017 To 31 Mar 2018 £
	Fees payable to the Group's auditors for audit of the Company's financial statements	37,000	31,000
	Fees payable to the Group's auditors for CASS audit	11,000	11,000
	Fees payable to the subsidiaries auditor for the audit of their financial statements	54,097	52,767
	Loss on disposal of tangible fixed assets	4,053	2,246
	Depreciation of owned tangible fixed assets	101,150	132,098
	Amortisation and impairment of intangible fixed assets	2,265	2,281
		<u> </u>	<u> </u>
4	Other operating income	1 April 2018 To 31 Mar 2019 £	1 April 2017 To 31 Mar 2018 £
	Operating profit for the year is stated after charging/(crediting):		
	Unrealised (losses) on current asset investments	(1,206,243)	(409,594)
	Net realised (loss)/gains on current asset investments	(183,920)	3,517,521
		<u> </u>	<u> </u>
5	Directors' emoluments	Year ended 31 Mar 2019 £	Year ended 31 Mar 2018 £
	Aggregate emoluments	280,000	280,000
	Aggregate contributions to a money purchase pension scheme	40,500	40,500
	Retirement benefit is accruing to 2 (2018:2) directors under a defined contribution money purchase schemes.		
	Remuneration disclosed above include the following amounts paid to the highest paid director:		
	Emoluments	150,000	150,000
	Contributions to a money purchase pension scheme	22,500	22,500
		<u> </u>	<u> </u>

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

6 Employees

The Group

Number of employees

The number of employees (including directors) at year end was:

	Year ended 31 Mar 2019	Year ended 31 Mar 2018
	Number	Number
Management	14	14
Other Staff	122	100
	<hr/>	<hr/>
	136	114
	<hr/> <hr/>	<hr/> <hr/>

Employment costs

	Year ended 31 Mar 2019	Year ended 31 Mar 2018
	£	£
Wages and salaries	4,890,144	4,838,685
Social security costs	116,191	128,640
	<hr/>	<hr/>
	5,006,335	4,967,325
	<hr/> <hr/>	<hr/> <hr/>

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

7	Income from fixed assets investment	1 April 2018 To 31 Mar 2019	1 April 2017 To 31 Mar 2018
		£	£
	Dividends received	387,634	339,659
	Profit on sale of investments	125,580	-
		<hr/>	<hr/>
		513,214	339,659
		<hr/> <hr/>	<hr/> <hr/>
8	Interest receivable and similar income	1 April 2018 To 31 Mar 2019	1 April 2017 To 31 Mar 2018
		£	£
	Bank interest	273,760	127,399
	Other interest	203,825	853,920
		<hr/>	<hr/>
		477,585	981,319
		<hr/> <hr/>	<hr/> <hr/>
9	Interest payable and similar charges	1 April 2018 To 31 Mar 2019	1 April 2017 To 31 Mar 2018
		£	£
	On bank loans and overdrafts	40,227	29,919
	Interest on convertible loan note	295,068	-
	Other interest	2,962	-
		<hr/>	<hr/>
		338,257	29,919
		<hr/> <hr/>	<hr/> <hr/>

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

10 Taxation	1 April 2018 To 31 Mar 2019 £	1 April 2017 To 31 Mar 2018 £
Current tax		
UK corporation tax on profits for the current period	255,694	133,632
Adjustments in respect of prior periods	(158,291)	-
Foreign current tax on profits for the current period	6,343	20,334
	<hr/>	<hr/>
Deferred tax		
Origination and reversal of timing differences	(156,663)	(233,783)
	<hr/>	<hr/>
Total tax (credited)	<u>(52,917)</u>	<u>(79,817)</u>

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	1 April 2018 To 31 Mar 2019	1 April 2017 To 31 Mar 2018
Profit before taxation	3,380,570	4,753,286
	<hr/>	<hr/>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (1 April 2017 to 31 March 2018: 19.00%)	642,308	903,124
Tax effect of expenses that are not deductible in determining taxable profit	146,141	117,064
Permanent capital allowances in excess of depreciation	(3,079)	(1,930)
Depreciation on assets not qualifying for tax allowances	2,019	1,754
Other permanent differences	4,706	3,091
Dividend income	(331,544)	(342,889)
Foreign tax adjustments	(513,468)	(760,031)
	<hr/>	<hr/>
Current tax (credited) for the year	<u>(52,917)</u>	<u>(79,817)</u>

Reductions to the UK Corporation tax rates were substantively enacted as part of the Finance (No 2) Bill 2015. These reduce the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

11 Intangible assets

	Intangible assets
	2019
	£
Cost	
At 1 April 2018	21,342
Additions	9,880
Disposals	-
At 31 March 2019	<u>31,222</u>
Amortisation	
At 1 April 2018	16,121
Charge for the year	4,461
Disposals	-
At 31 March 2019	<u>20,582</u>
Net book value	
At 31 March 2019	<u>10,640</u>
At 31 March 2018	<u><u>5,221</u></u>

All intangible assets are held by subsidiaries of the Group, and relate to licenses. Intangible assets are amortized on a straight line basis over a period of three years and recognized under admin expenses in the profit or loss account.

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

12 Tangible assets

The Group

	Land and buildings Leasehold	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 April 2018	296,127	681,683	58,239	1,036,049
Additions	-	123,242	16,403	139,645
Disposals	-	(2,661)	(16,511)	(19,172)
At 31 March 2019	296,127	802,264	58,131	1,156,522
Depreciation				
At 1 April 2018	244,453	510,569	44,625	799,647
Charge for the year	20,546	72,501	5,907	98,954
On disposals	-	(1,498)	(10,124)	(11,622)
At 31 March 2019	264,999	581,572	40,408	886,979
Net book value				
At 31 March 2019	31,128	220,692	17,723	269,543
At 31 March 2018	51,674	171,114	13,614	236,402

The Company

	Leasehold improve- ments	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 April 2018	26,328	59,176	39,239	124,743
Additions	-	15,139	143	15,282
Disposals	-	(1,498)	-	(1,498)
At 31 March 2019	26,328	72,817	39,382	138,527
Depreciation				
At 1 April 2018	19,746	36,572	34,147	90,465
Charge for the year	6,582	9,316	1,309	17,207
On disposals	-	(1,021)	-	(1,021)
At 31 March 2019	26,328	44,867	35,456	106,651
Net book value				
At 31 March 2019	-	27,950	3,926	31,876
At 31 March 2018	6,582	22,604	5,092	34,278

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

13 Fixed asset investments

The Group

	Unlisted	Total
	£	£
Cost and net book value		
At 1 April 2018	96,189	96,189
Disposal	(96,129)	-
At 31 March 2019	<u>60</u>	<u>96,189</u>

The Company

	Unlisted	Shares in subsidiary undertakings	Total
	£	£	£
Cost			
At 1 April 2018	19,000	5,740,844	5,759,844
Disposal	(19,000)	-	(19,000)
At 31 March 2019	<u>-</u>	<u>5,740,844</u>	<u>5,740,844</u>
Provisions for diminution in value			
At 1 April 2018	-	3,326,634	3,326,634
Charge for the year	-	702,164	702,164
At 31 March 2019	<u>-</u>	<u>4,028,798</u>	<u>4,028,798</u>
Net book value			
At 31 March 2019	<u>-</u>	<u>1,712,046</u>	<u>1,712,046</u>
At 31 March 2018	<u>19,000</u>	<u>2,414,210</u>	<u>2,433,210</u>

Please refer to note 27 for the complete list of subsidiaries.

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

14 Current asset investments and other financial assets

	01-Apr-18 to 31-Mar-19 £	01-Apr-17 to 31-Mar-18 £
The Group		
Current asset investment		
Financial assets designated as fair value through profit or loss	31,350,856	20,281,821
	<u>31,350,856</u>	<u>20,281,821</u>
Trade Debtors	1,818,290	1,469,927
Cash at bank and in hand	7,566,959	7,200,131
	<u>7,566,959</u>	<u>7,200,131</u>
Other financial liabilities		
Trade creditors	5,090,931	996,542
	<u>5,090,931</u>	<u>996,542</u>
	01-Apr-18 to 31-Mar-19 £	01-Apr-17 to 31-Mar-18 £
The Company		
Current asset investment		
Financial assets designated as fair value through profit or loss	13,059,151	9,089,156
	<u>13,059,151</u>	<u>9,089,156</u>
Trade Debtors	32,225	91,331
Cash at bank and in hand	497,665	361,869
	<u>497,665</u>	<u>361,869</u>
Other financial liabilities		
Trade creditors	4,965,363	823,507
	<u>4,965,363</u>	<u>823,507</u>

Investments in debt, equity securities and units of collective investments scheme

The fair value of financial assets at fair value through profit or loss, is determined by reference to their quoted price at the balance sheet date. The fair value of investment in collective investment scheme is determined by the net asset statement issued by the independent administrator.

Trade Debtors are recognised at the net realisable after the provision if any required for the bad debts.

Derivative financial instruments

The fair value of derivative contracts is based on their listed market price.

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

15 Debtors	Year ended	Year ended
	31 Mar 2019	31 Mar 2018
	£	£
The Group		
Trade debtors	1,818,290	1,469,927
Other debtors	9,643,842	4,193,858
Prepayments and accrued income	143,967	125,017
Deferred tax asset (see note 18)	930,225	772,975
	<u>12,536,324</u>	<u>6,561,777</u>
	<u><u>12,536,324</u></u>	<u><u>6,561,777</u></u>
	Year ended	Year ended
	31 Mar 2019	31 Mar 2018
	£	£
The Company		
Trade debtors	32,225	91,331
Other debtors	1,607,719	1,880,005
Prepayments and accrued income	53,821	55,411
Deferred Tax Asset (see note 18)	459,090	408,320
	<u>2,152,855</u>	<u>2,435,067</u>
	<u><u>2,152,855</u></u>	<u><u>2,435,067</u></u>
16 Creditors: amounts falling due within one year	Year ended	Year ended
	31 Mar 2019	31 Mar 2018
	£	£
The Group		
Trade creditors	5,090,931	996,542
Bank loans and overdrafts	917,136	730,986
Corporation tax	351,291	284,484
Other taxes and social security costs	398,963	736,609
Accruals and deferred income	838,064	1,121,448
	<u>7,596,385</u>	<u>3,870,069</u>
	<u><u>7,596,385</u></u>	<u><u>3,870,069</u></u>
	Year ended	Year ended
	31 Mar 2019	31 Mar 2018
	£	£
The Company		
Trade creditors	4,965,363	823,507
Bank loans and overdrafts	917,136	730,986
Other taxes and social security costs	33,794	295,639
Accruals and deferred income	112,708	136,494
	<u>6,029,001</u>	<u>1,986,626</u>
	<u><u>6,029,001</u></u>	<u><u>1,986,626</u></u>

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

17 Loans and Advances	Year ended 31 Mar 2019	Year ended 31 Mar 2018
The Group		
Short term advances	440,274	388,053

18 Deferred taxation

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

The deferred tax asset (included in debtors, note 15) is made up as follows:

The Group	Year ended 31 Mar 2019	Year ended 31 Mar 2018
	£	£
Balance at 1 April 2018	(772,975)	(523,811)
Profit and loss account	(157,250)	(249,164)
Balance at 31 March 2019	(930,225)	(772,975)
The Company	Year ended 31 Mar 2019	Year ended 31 Mar 2018
	£	£
Balance at 1 April 2018	(408,320)	8,804
Profit and loss account	(50,770)	(417,124)
Balance at 31 March 2019	(459,090)	(408,320)

The deferred tax asset set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

19 Employee benefits

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £54,322 (1 April 2017 to 31 March 2018 - £51,549).

20 Share capital	Year ended 31 Mar 2019	Year ended 31 Mar 2018
	£	£
Ordinary share capital		
Issued and fully paid		
5,250,000 Ordinary Shares of 1p each	52,500	52,500
1,443,750 Compulsory Convertible non-cumulative preference shares of INR100 each	1,537,831	-
	1,590,331	52,500

Elara Finance (India) Private Limited issued 1,443,750 Compulsory Convertible non-cumulative preference shares of INR100 each during the year to Elara India Opportunities Fund Ltd.

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

21 Control

The ultimate controlling party is Mr.R Bhatt, a director who holds 57.62% (31st March 2018: 57.62%) of the issued and fully paid shares.

22 Capital Management Policy

Each entity within the Group has a requirement to maintain a certain level of capital adequacy. It achieves this objective by regularly monitoring the Company's management information and as per the methods prescribed by the Company's regulator in the respective jurisdiction where the entity is based and when necessary, corrective action is taken as appropriate. The Group has reviewed its Internal Capital Adequacy Assessment Process (ICAAP) document for the year ended 31 March 2019 to ensure adherence to the all regulatory requirements. This document is available for viewing at Company's registered office 248a, Marylebone Road, London, NW1 6JZ, UK.

23 Financial commitments

The annual commitment on the operating lease is £127,563 for the London office and £33,413 (AED 163,200) for the Dubai office. Under the terms of the lease the Company has a commitment to restore the premises to their original condition prior to leaving.

The annual commitment on the operating lease for the subsidiary companies is £332,726 (2018: £314,724), and these are charged to the profit and loss account on a straight line basis over the period of the lease.

The Group had commitments in respect of office premises under non-cancellable commitments for land and buildings operating leases set out below:

The Group	Year ended 31 Mar 2019 £	Year ended 31 Mar 2018 £
Within one year	608,720	189,797
Two to five years	1,424,816	69,894
After five years	-	2,599

Rent expense for the year ended March 31, 2019 was £582,420 (2018: £510,045).

The Company	Year ended 31 Mar 2019 £	Year ended 31 Mar 2018 £
Within one year	189,222	65,407
Two to five years	392,711	-
After five years	-	-

Rent expense for the year ended March 31, 2019 was £194,139 (2018: £177,319) including the rent paid for Dubai office.

Elara Capital Plc has provided a guarantee of INR 30,000,000 (approximately £331,453) to ICICI Bank Ltd, India via an arrangement letter dated 19th March 2018 in favour of Elara Securities (India) Pvt Ltd for a future and option margin limit. This facility provides Elara Securities (India) Pvt Ltd to execute high value trades.

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

24 Related party transactions

During the year the following related parties provided consultancy services to Elara Capital Plc:

Name	Designa	Company	2019	2018
L Desai	Director	Elara Capital Plc	£10,000	£10,000

During the year the Company paid fees as follows:-

Company	Nature	2019	2018
Elara Securities Inc	Referral Fee	-	£2,602(US\$3,494)
Elara Securities Inc	Expense Share	-	£14,152 (US\$18,984)
Elara Capital (Mauritius) Ltd	Interest	£65,640 (US\$79,048 and £6,374)	£56,764 (US\$74,651 and £1,479)

The Company received fee as follows:-

Company	Nature	2019	2018
Elara Capital (Mauritius) Ltd	Brokerage	-	£641(US\$847)

An amount of GBP 2,366,699 (USD 2,879,090 and GBP157,853) is payable to Elara Capital (Mauritius) Ltd on account of loan including interest by Elara Capital Plc.

An amount of GBP 1,160,939 is receivable including interest from Elara Properties Development Limited on account of advance.

25 Creditors: amounts falling due after more than one year	Year ended 31 Mar 2019	Year ended 31 Mar 2018
The Group		
Compulsory convertible debentures	7,126,557	-

Elara Finance (India) Private Limited issued 655,800 11% compulsory convertible debentures with face value of INR1000 each during the year to Elara India Opportunities Fund Ltd.

	Year ended 31 Mar 2019	Year ended 31 Mar 2018
The Company		
Loan from Elara Capital (Mauritius) Limited	2,366,892	2,927,750

26 Provisions for liabilities	Year ended 31 Mar 2019	Year ended 31 Mar 2018
The Group		
Compulsory convertible debentures	11,102	-

Elara Finance (India) Private Limited provided an amount of INR1,004,917 as provision for Standard Assets as per the Companies Act in India applicable to Non-Banking Financial Company.

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

27 Related undertakings

Details of the Company's subsidiaries as at 31 March 2019 are as follows:

Name of undertaking	Registered Address	Nature of business	Class of shareholding	% Held	
				Direct	Indirect
Elara Capital (India) Private Ltd	Indiabulls Finance Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road West, Mumbai-400 013, India	Investment Banking	Ordinary	100	
Elara Securities (India) Private Ltd	Indiabulls Finance Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road West, Mumbai-400 013, India	Broking	Ordinary		100
Elara Finance (India) Private Limited	Indiabulls Finance Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road West, Mumbai-400 013, India	Non-Banking Financial Services	Ordinary		100
Elara Story teller Advisory Private Limited	Indiabulls Finance Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road West, Mumbai-400 013, India	Investment Manager	Ordinary		100
Elara Wealth Investment Advisors (India) Private Limited	Indiabulls Finance Centre, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road West, Mumbai-400 013, India	Investment Advisory	Ordinary		100
Elara Capital (Mauritius) Limited	365, Royal Road, Rose Hill, Mauritius, 71366	Investment Advisory	Ordinary	100	
Elara Asset Management Limited	4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius.	Investment Advisory	Ordinary	100	
Elara Capital Singapore Pte Limited	30, Raffles Place, # 20-03 Chevron House, Singapore-048622	Broking	Ordinary	100	
Elara Capital (Asia) Pte. Ltd	30, Raffles Place, # 20-03 Chevron House, Singapore-048622	Investment Banking	Ordinary	100	
Elara Capital Inc	950 Third Avenue, Suite 1903, New York, NY 10022, USA	Investment Advisory	Ordinary	100	
Elara Securities Inc	950 Third Avenue, Suite 1903, New York, NY 10022, USA	Broker/ Dealer	Ordinary		100

ELARA CAPITAL PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

27 Related undertakings

Details of the Company's interest in other related undertakings as at 31 March 2019 are as follows:

Name of undertaking	Registered Address	Class of Holding	% Held
Oyster Bay Fund Limited	20 Reid Street, 3rd Floor, Williams House, Hamilton HM11, Bermuda Island of Bermuda	Management-Indirect	100
Amalthea Global Fund Limited	20 Reid Street, 3rd Floor, Williams House, Hamilton HM11, Bermuda Island of Bermuda	Management-Indirect	100
Elara Fixed Income Fund	20 Reid Street, 3rd Floor, Williams House, Hamilton HM11, Bermuda Island of Bermuda	Management-Indirect	100
Elara Global Funds- Elara Emerging Markets Fund	4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius.	Management-Indirect	100
Elara India Opportunities Fund Limited	4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius.	Management-Indirect	100
Vespera Fund Limited	4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius.	Management-Indirect	100
Elara Diversified Income Fund	4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius.	Management-Indirect	100
Elara Global Funds - Elara India Gateway Fund (Collective Inv Undertaking)	2, boulevard de la Foire, L-1528 Luxembourg	Management-Indirect	100
Pangaea Fund Limited	Cricket Square, Hutchins Drive, PO BOX 2681, Grand Cayman, KY1-1111, Cayman Islands	Management-Indirect	100
Astraea Fund	365, Royal Road, Rose Hill, Mauritius, 71366	Management-Indirect	100

28 Subsequent Events

The Group and the Company have evaluated subsequent events through July 23, 2019 the date of financial statement are available to be issued. There are no subsequent events to report which has an impact on the Going Concern assessment of the Group and the Company.