

Registered number: 10184215

CREDITINCOME INVESTMENTS NO 2 LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



CREDITINCOME INVESTMENTS NO 2 LIMITED

COMPANY INFORMATION

DIRECTOR	Sir John Ritblat J W J Ritblat M G Cohen
COMPANY SECRETARY	M G Cohen
REGISTERED NUMBER	10184215
REGISTERED OFFICE	c/o Landau Baker Limited Mountcliff House 154 Brent Street London NW4 2DR
INDEPENDENT AUDITOR	RSM UK Audit LLP Chartered Accountants & Statutory Auditor 25 Farringdon Street London EC4A 4AB
ACCOUNTANTS	Landau Baker Limited Mountcliff House 154 Brent Street London NW4 2DR

CREDITINCOME INVESTMENTS NO 2 LIMITED

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CREDITINCOME INVESTMENTS NO 2 LIMITED

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

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

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the Company is that of investment in securities.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,934 (2019 - £2,792).

The directors recommended a dividend for the year of £Nil (2019 - £Nil).

GOING CONCERN

The directors have carried out a review of the impact of the COVID-19 pandemic on the operations of the company and have concluded that the preparation of these financial statements on the going concern basis is justified.

The directors continue to adopt the going concern basis in preparing the financial statements which assume that the company will continue in operation for the 12 months following the Balance Sheet date.

DIRECTORS

The directors who served during the year were:

Sir John Ritblat
J W J Ritblat
M G Cohen

CREDITINCOME INVESTMENTS NO 2 LIMITED

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

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

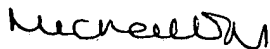
AUDITOR

The auditor, RSM UK Audit LLP, will be deemed to have been reappointed as auditor 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.

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 17 March 2021 and signed on its behalf.



M G Cohen
Director

CREDITINCOME INVESTMENTS NO 2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREDITINCOME INVESTMENTS NO 2 LIMITED

Opinion

We have audited the financial statements of Creditincome Investments No 2 Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, 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 FRS 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 company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

CREDITINCOME INVESTMENTS NO 2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREDITINCOME INVESTMENTS NO 2 LIMITED

Opinions 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 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

CREDITINCOME INVESTMENTS NO 2 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CREDITINCOME INVESTMENTS NO 2 LIMITED

RSM UK Audit LLP

Howard Freedman (Senior statutory auditor)

for and on behalf of

RSM UK Audit LLP

Statutory Auditor
Chartered Accountants

25 Farringdon Street
London
EC4A 4AB

Date:

29 March 2021

CREDITINCOME INVESTMENTS NO 2 LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Administrative expenses		(312)	(600)
Operating loss		<u>(312)</u>	<u>(600)</u>
Interest receivable and similar income		2,700	4,047
Profit before tax		<u>2,388</u>	<u>3,447</u>
Tax on profit	6	(454)	(655)
Profit for the financial year		<u>1,934</u>	<u>2,792</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>1,934</u>	<u>2,792</u>

The notes on pages 9 to 14 form part of these financial statements.

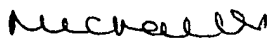
.CREDITINCOME INVESTMENTS NO 2 LIMITED
REGISTERED NUMBER: 10184215

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Current assets			
Debtors: amounts falling due within one year	7	5,592	-
Cash at bank and in hand	8	-	5,504,147
		<u>5,592</u>	<u>5,504,147</u>
Creditors: amounts falling due within one year	9	(766)	(5,501,255)
Net current assets		<u>4,826</u>	<u>2,892</u>
Total assets less current liabilities		<u>4,826</u>	<u>2,892</u>
Net assets		<u>4,826</u>	<u>2,892</u>
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account		4,726	2,792
		<u>4,826</u>	<u>2,892</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 March 2021.



M G Cohen
 Director

The notes on pages 9 to 14 form part of these financial statements.

CREDITINCOME INVESTMENTS NO 2 LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2019	100	2,792	2,892
Comprehensive income for the year			
Profit for the year	-	1,934	1,934
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,934	1,934
Total transactions with owners	-	-	-
At 31 March 2020	100	4,726	4,826

The notes on pages 9 to 14 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	100	-	100
Comprehensive income for the year			
Profit for the year	-	2,792	2,792
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,792	2,792
Total transactions with owners	-	-	-
At 31 March 2019	100	2,792	2,892

The notes on pages 9 to 14 form part of these financial statements.

CREDITINCOME INVESTMENTS NO 2 LIMITED

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

1. General information

Creditincome Investments No 2 Limited is a private Company, limited by shares, incorporated in England under the Companies Act on 17 May 2016.

The address of the Company's registered office and principal place of business is provided on the company information page.

The Company's principal activities and nature of the Company's operations are disclosed within the Directors' Report on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention, modified to include investments at fair value. They comply with the financial reporting standards of the Financial Reporting Council including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS102). The financial statements of Creditincome Investments Limited for the year ended 31 March 2019 were also prepared under this regime.

The financial statements are presented in sterling which is also the functional currency of the company.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reducing disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs paragraph 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;

The information is included in the consolidated financial statements of Creditincome Limited as at 31 March 2019 and these financial statements may be obtained from the registered office.

2.3 Going concern

The directors have carried out a review of the impact of the COVID 19 pandemic on the operations of the company and have concluded that the preparation of these financial statement on the going concern basis is justified.

The directors continue to adopt the going concern basis in preparing the financial statements which assume that the company will continue in operation for the 12 months following the Balance Sheet signing date.

CREDITINCOME INVESTMENTS NO 2 LIMITED

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

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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.

2.5 Valuation of investments

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting end date. Gains and losses on remeasurement are recognised in the income statement for the year. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each reporting end date. Gains and losses on remeasurement are recognised in profit or loss for the year.

2.6 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.

2.7 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured at fair value with changes recognised in the income statement.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Interest income

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

CREDITINCOME INVESTMENTS NO 2 LIMITED

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

2. Accounting policies (continued)

2.10 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 balance sheet date in the countries where the Company operates and generates income.

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

In the application of the Company's accounting policies, which are described in note 2, management are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

During the period no estimates of judgements have been applied to the accounts of Creditincome Investments Limited. All transactions are supported by third party documentation.

4. Auditor's remuneration

Auditor's remuneration is borne by the Company's parent, Creditincome Limited.

5. Employees

No directors are remunerated through the company.

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

	2020	2019
	No.	No.
Directors	<u>3</u>	<u>3</u>

CREDITINCOME INVESTMENTS NO 2 LIMITED

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

6. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	454	655
	<u>454</u>	<u>655</u>
Total current tax	<u>454</u>	<u>655</u>
Deferred tax		
Total deferred tax	-	-
	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>454</u>	<u>655</u>

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £	2019 £
Profit on ordinary activities before tax	2,388	3,447
	<u>2,388</u>	<u>3,447</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	454	655
	<u>454</u>	<u>655</u>
Total tax charge for the year	<u>454</u>	<u>655</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

CREDITINCOME INVESTMENTS NO 2 LIMITED

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

7. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	5,492	-
Other debtors	100	-
	5,592	-

8. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	-	5,504,147
	-	5,504,147

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	-	5,500,600
Corporation tax	454	655
Accruals and deferred income	312	-
	766	5,501,255

10. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value	5,592	5,504,147
Financial liabilities		
Other financial liabilities measured at fair value	(766)	(655)

CREDITINCOME INVESTMENTS NO 2 LIMITED

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

11. Retained earnings

Retained earnings represents cumulative profits and losses, net of distributions to owners.

12. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1.00 each	100	100
	<u>100</u>	<u>100</u>

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

13. Ultimate controlling party

The directors consider that the ultimate parent undertaking is Creditincome Limited. Creditincome Limited is the immediate parent, and is the smallest and the largest company for which consolidated accounts including Creditincome Investments No 2 Limited are prepared. The consolidated accounts of Creditincome Limited are available from its registered office, c/o Landau Baker Limited, Mountcliff House, 154 Brent Street, London, NW4 2DR.