**ROGUE BARON LTD**

**ANNUAL REPORT**

FOR THE YEAR ENDED

31 DECEMBER 2020

Company No 11726624

**ROGUE BARON LTD**

ANNUAL REPORT

For the Year ended 31 December 2020

| | |
|---|---|
| Company registration number: | 11726624 |
| Registered office: | 78 Pall Mall<br>St James's<br>London<br>SW1Y 5ES |
| Directors: | Sandy Barblett (Non - executive Chairma)<br>Ryan Dolder (Executive Director)<br>Hamish Harris (Executive Director)<br>Tomoya Daimon (Non - Executive Director)<br>Jon Smith (Non - Executive Director) |
| Company Secretary: | Heytesbury Corporate LLC |
| Bankers: | Tide Bank<br>Prepay Solutions<br>6th Floor<br>3 Sheldon Square<br>London<br>W2 6HY |
| Solicitors: | Hill Dickinson LLP<br>The Broadgate Tower<br>20 Primrose Street<br>London<br>EC2A 2EW |

**ROGUE BARON LTD**

ANNUAL REPORT

For the Year ended 31 December 2020

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Since officially achieving our public listing on March 12, 2021 the Company ("Rogue") has made substantial progress towards the goals it set out for 2021. In spite of significant global challenges continuing from the Covid pandemic, the Company has continued to grow and persevere.

Shortly after listing on the Aquis Exchange one of the Company's key goals was to complete a cross-listing on a U.S.exchange. In June the Rogue successfully completed that listing on the OTCQB, under the ticker symbol SHNJF. This was a big achievement for the Company as it now brings another market of potential investors as well as additional market awareness for our Company and brands.

Due to the many unknowns the pandemic has presented, and continues to present, Rogue made the strategic decision to put a keen focus on managing its costs while continuing to push the expansion and market traction of its flagship brand, Shinju Japanese Whisky.

Since listing, Rogue has placed Shinju into seven new United States markets; Texas, Georgia, Nevada, Illinois, Colorado, Kansas, and Ohio. With the addition of these markets Shinju's availability now covers over 60% of the United States population. Along with that Shinju is now listed in the United States on many of the largest direct-to-consumer online platforms, including ReserveBar and Drizly. ReserveBar alone delivers to 35 U.S. states.

Part of Rogue's strategy in managing costs was to pull back on its Shinju marketing budget and focus more on an organic approach while letting the quality of the Product create the traction. This approach is proving successful as requests from new markets and accounts continue to come in. Liquor.com awarded Shinju as one of the '10 best Japanese Whiskies to drink in 2020' and again awarded it as 'one of the best' in 2021.

In 2019 the Company sold 1000 cases of Shinju. In 2020, despite the Covid shutdowns, the Company doubled the cases sold to 2000. Rogue set a goal of 5000 cases for 2021. The Company is on track to exceed that amount in 2021 even with three-month delays in shipping due to Covid.

This all builds towards 2022 when the Company plans to make a big marketing push to increase the velocity and turnover in its current markets, while also expanding into new markets. Rogue has a goal of exceeding 10,000 cases sold in 2022 and it all starts with an official projected launch of Shinju into the U.K. market in Q4, 2021.

As part of that impending launch Rogue has spent the past four months redesigning and upgrading the current label. Based on the current Japanese Whisky landscape, the Company believes the new label will set it apart from the competition and be one of the best-looking labels on the market.

Included in the U.K. launch is one of the most exciting pieces for the Company, the introduction of Shinju's first aged extension. Rogue will launch its 8-year old 'black pearl' expression when it enters the U.K. This is exciting for the Company as it now puts Shinju on another level. Very few of the newer Japanese whiskies have multiple expressions, especially aged expressions. Aged Japanese whisky has been in very limited capacity, with many brands having to pull their aged expressions due to the lack of supply. Rogue feels it is a perfect time to launch its 8-year as aged expressions are in high demand from customers. The 8-year will open many new accounts for the Company. Part of the sales strategy the Company will employ is requiring accounts that want the 8-year to also carry the original. This will continue to increase the sales of the original Shinju expression as well. The 8-year will carry a premium which will increase the revenues and margins for the Company.

As Shinju continues to grow and open distribution and accounts, Rogue is strategically planning the launch of its second brand as part of its portfolio. The goal is to launch the Brand in 2022. This particular brand will come from what is currently the fastest growing sector in spirits.

Part of Shinju's fast growth comes from Rogue's retail/bar locations. The Company continues to focus on building out its bar locations. These locations have proven valuable for the Company not only from a revenue standpoint, but from a marketing platform for its brands. At these locations we have direct access to the consumer. These locations give the Company the ability to introduce our brands and educate the consumer on something they may have never tried. It gives Rogue the opportunity to convert consumers, who may have never tried Shinju, into Shinju loyalists. This has been proven over and over.

2020, and early 2021, was a difficult time for the bar/restaurant industry. Many bars and restaurants suffered under Covid restrictions. Rogue's Washington DC location, Bin 1301, was no different. The Company knew if it could weather the storm and come out the other side, it had an opportunity to capitalize on the pent-up demand and spending the industry would see from consumers.

At Bin 1301when Covid restrictions were finally fully lifted, the Bar produced circa USD 95,000 in unaudited sales over the month. This total was nearly 19% higher than the Bar's previous record high, March of 2021, and roughly 32% higher than any month ever before Covid.

Seeing an opportunity to capitalize, Rogue opened a second DC location, called De Rhum Spot. De Rhum Spot is a rum bar, with a nod to the historical influence rum has had on the Americas, Africa, and specifically Great Britain and the Royal Navy. The Rhum Spot is three floors with an outdoor patio and has one of the largest selection of rums in Washington DC. The location is roughly three times the size of Bin 1301, plus it has a large outdoor patio which is becoming increasingly valuable in a post-covid world.

Rogue will continue to look for location opportunities, places where revenue can be generated while at the same time pushing and marketing our brands. BrewDog has built a $2B brand off the back of its 100+ pubs and restaurants. The Company believes it can learn and capitalize off of BrewDog's model

**Sandy Barblett, Chairman**
17 September 2021

The Directors presents their annual report together with the financial statements of the Company for the year ended 31 December 2020.

For the year ended 31 December 2020 the Company was entitled to exemption under Section 477 of the Companies Act 2006 realting to small companies and has elected not to prepare Group accounts.

The members have not required the Company to obtain an audit in accordance with Section 476 of the Companies Act 2006.

**Principal activity**

The principal activity of the Company during the period was that of a holding company.

Rogue Baron Ltd, is a diversified holding company in the premium spirit, wine and beer sector with a primary focus on distribution, brand development and strategic acquisitions in North America, and the U.K/Western Europe.

The Company commenced operations when it acquired a number of subsidiaries on 1 July 2020 and at present operates within the United Kingdom with its subsidiaries operating in the United States, the largest beverage market in the world.

**Domicile and principal place of business**

Rogue Baron Ltd is domiciled in the UK, which is currently also its principal place of business.

**Financial risk management objectives and policies**

Rogue Baron Ltd operations expose it to a variety of financial risks that include the effects of changes in market risk (including currency risks and interest rate risks), credit risk and liquidity risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs. The Company does not use derivative financial instruments to manage currency risk and interest rate costs and as such, no hedge accounting is applied.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board.

*Price risk*
The Company is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services in purchases in the UK. The Company has no exposure to equity securities price risk as it holds no listed or other equity investments.

*Credit risk*
The Company does not have any revenue and therefore there is no credit risk. The Board will keep this under review.

*Liquidity risk*
The Company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Company has sufficient available funds for operations and planned expansions.

*Interest rate risk*
The Company has interest bearing liabilities. The interest on the Company debt has been negotiated on a case by case basis. The director will revisit the appropriateness of this as the Company’s operations change in size or nature.

*Exchange rate risk*
The Company operates in the UK and carries out transactions in Sterling and US dollars. The Company does not have a policy to hedge but will continue to keep this under review. The Company operates foreign currency bank accounts to help mitigate the foreign currency risk.

*Maturity of borrowings*
Of the borrowings at 31 December 2020 $950,000 is due to be repaid within one year (2019: $Nil) and $294,000 is due after one year (2019: $Nil). The loans were all at fixed interest rates, and therefore carry no interest rate risk.

The Company maintains director's and officers' liability insurance which gives appropriate cover for any legal action brought against its directors.

**Subsequent events**

On 19 January 2021 2,601,887 New Ordinary Shares of 0.1p were issued at 2.87p in conversion of a loan of £50,000 and for cash proceeds of £25,000.

On 19 January 2021 1,400,000 New Ordinary Shares of 0.1p were issued at 5p for cash proceeds of £70,000.

On 19 January 2021 10,00,000 New Ordinary Shares of 0.1p were issued at 3.97p in respect of a loan conversion of £397,000.

On 12 March 2021 10,785,714 New Ordinary Shares of 0.1p were issued at 7p for cash proceeds of £755,000.
On 12 March 2021 1,689,639 New Ordinary Shares of 0.1p were issued at 2.80p in respect of loan conversions of £47,348.

On 12 March 2021 3,939,858 New Ordinary Shares of 0.1p were issued at 3.50p in respect of loan conversions of £137,895.

On 12 March 2021 819,055 New Ordinary Shares of 0.1p were issued at 4.90p in respect of loan conversions of £40.134.

On 12 March 2021 1,165,666 New Ordinary Shares of 0.1p were issued at 2.38p in respect of loan conversions of £27,786.

On 12 March 2021 12,033,293 New Ordinary Shares of 0.1p were issued at 2.02p in respect of loan conversions of £243,072.

On 12 March 2021 492,052 New Ordinary Shares of 0.1p were issued at 2.45p in respect of loan conversions of £12,032.

On 12 March 2021 4,510,270 New Ordinary Shares of 0.1p were issued at 7p in respect of fees of £315,719.

There are now 86,185,934 shares in issue.

As a result of the above share issues all of the convertible loan notes have been converted except one which was partially converted.

**Directors**

The current membership of the Board and those directors who served during the year is set out below.
Ryan Dolder (appointed 3 September 2020)
Hamish Harris
Sandy Barblett (appointed 25 June 2020)
Tomoya Daimon (appointed 23 September 2020)
John Smith (appointed 12 June 2021)
Peter Ruse (resigned 25 June 2020)

**Directors' Responsibilities Statement**

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

The Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. The Directors must not approve the financial statements unless they are satisfied they give a true and fair view of the state of affairs and profit or loss of the company and Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs (EU endorsed) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the transactions of the Company, and disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure financial statements comply with applicable regulations. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

BY ORDER OF THE BOARD

Ryan Dolder
Chief Executive Officer
Company Number: 11726624
17 September 2021

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

| | *Notes* | **Year ended 2020 $'000** | Year ended 2019 $'000 |
|---|---|---|---|
| Payments made in shares | *10* | **(62)** | - |
| Other administrative expenses | | **(68)** | - |
| Total administrative expenses | | **(130)** | - |
| Exceptional costs relating to IPO | | **(146)** | - |
| Movement in derivative liability | | **(79)** | - |
| **Loss from operations** | | **(355)** | **-** |
| Finance cost | *2* | **(151)** | - |
| **Loss before and after taxation, and loss attributable to the equity holders of the Company** | | **(506)** | - |
| Exchange differences | | **(116)** | - |
| **Total comprehensive loss for the year, attributable to owners of the company** | | **(622)** | - |
| **Total earnings per ordinary share** | | | |
| Basic and diluted earnings per share (cents) | *5* | **(2.75)** | 0.00 |

All of the activities of the Company are classed as continuing.

The accompanying principal accounting policies and notes on pages 16 to 25 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

At 31 December 2020

| | Note | 31 December 2020 (Unaudited) $'000 | 31 December 2019 (Unaudited) $'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Fixed assets** | | | |
| Investment in subsidiaries | *6* | **4,397** | - |
| **Total fixed assets** | | **4,397** | - |
| **Current assets** | | | |
| Cash and cash equivalents | | **97** | - |
| Trade and other receivables | *7* | **171** | - |
| **Total current assets** | | **268** | - |
| **Total assets** | | **4,665** | - |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade and other payables | *8* | **231** | - |
| Loans payable | *9* | **950** | - |
| Derivative liability | *9* | **184** | - |
| **Total current liabilities** | | **1,365** | - |
| **Liabilities falling due over one year** | | | |
| Loans | | **294** | - |
| Derivative liability | | **63** | - |
| **Total liabilities** | | **1,722** | - |
| **EQUITY** | | | |
| Share capital | *11* | **46** | - |
| Share premium | | **3,519** | - |
| Exchange reserve | | **(116)** | - |
| Retained earnings | | **(506)** | - |
| **Equity attributable to equity holders of the Company** | | **2,943** | - |
| **Total equity and liabilities** | | **4,665** | - |

The financial statements were approved by the Board and authorised for issue on 20 September 2021.

Ryan Dolder
Director
Company number: 11726624
17 September 2021

The accompanying principal accounting policies and notes on pages 16 to 25 form an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

| | Share capital $'000 | Share premium $'000 | Exchange reserve $'000 | Retained earnings $'000 | Total equity $'000 |
|---|---|---|---|---|---|
| **Balance at 1 January 2019** | - | - | - | - | - |
| Share issue | - | - | - | - | - |
| **Transactions with owners** | - | - | - | - | - |
| Loss for the year | - | - | - | - | - |
| **Total comprehensive profit for the year** | - | - | - | - | - |
| **Balance at 31 December 2019** | - | - | - | - | - |
| Share issue | 46 | 3,529 | - | - | 3,575 |
| Share issue costs | - | (10) | - | - | - |
| **Transactions with owners** | 46 | 3,519 | - | - | 3,575 |
| Exchange differences | - | - | (116) | - | (116) |
| Loss for the year | - | - | - | (506) | (506) |
| **Total comprehensive loss for the year** | - | - | (116) | (506) | (622) |
| **Balance at 31 December 2020** | **46** | **3,519** | **(116)** | **(506)** | **2,943** |

The accompanying principal accounting policies and notes on pages 16 to 25 form an integral part of these financial statements.

## CASHFLOW STATEMENT

For the year ended 31 December 2020

| | **Year ended 31 December 2020 $'000** | Year ended 31 December 2019 $'000 |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Continuing operations** | | |
| Loss after taxation | **(506)** | - |
| Finance cost | **151** | - |
| Movement in derivative liabilty | **79** | - |
| (Increase)/decrease in trade and other receivables | **(171)** | - |
| Expenses settled in shares | **62** | - |
| Increase/(decrease) in trade and other payables | **231** | - |
| **Net cash outflow from operating activities from continuing operations** | **(154)** | - |
| **Cash flows from financing activities** | | |
| Loans received | **287** | - |
| Loans repaid | **(17)** | - |
| **Net cash inflow from financing activities** | **270** | - |
| **Net change in cash and cash equivalents** | **116** | - |
| Cash and cash equivalents at beginning of period | **-** | - |
| Exchange differences on cash and cash equivalents | **(19)** | - |
| **Cash and cash equivalents at end of period** | **97** | - |

The significant non-cash transactions are the payments made in shares (see note 10) and the investment in subsidiaries satisfied in shares (see note 6).

The accompanying principal accounting policies and notes on pages 16 to 25 form an integral part of these financial statements.

**BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention a historical cost convention and in accordance with International Financial Reporting Standards as adopted by the EU ("adopted IFRS"). These Financial Statements (the "Financial Statements") have been prepared and approved by the Directors on 17 September 2021 and signed by Ryan Dolder.

The accounting policies have been applied consistently throughout the preparation of these Financial Statements, and the financial report is presented in US Dollars ($) and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated.

The principal accounting policies of the Company are set out below.

**GOING CONCERN**

The Directors have prepared cash flow forecasts for the period ending 30 September 2022 which take account of the current cost and operational structure of the Company.

The cost structure of the Company comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Company to operate within its available funding.

These forecasts demonstrate that the Company has sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

It is the prime responsibility of the Board to ensure the Company remains a going concern. At 31 December 2020 the Company had cash and cash equivalents of £97,000, current financial assets of £268,000 and borrowings of £1,346,000, the majority of which has been converted into shares since the year end. The Company has minimal contractual expenditure commitments and the Board considers the present funds sufficient to maintain the working capital of the Company for a period of at least 12 months from the date of signing the Annual Report and Financial Statements. For these reasons the Directors adopt the going concern basis in the preparation of the Financial Statements.

**TAXATION**

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the Statement of Financial Position date. They are calculated according to the tax rates and tax laws enacted or substantively enacted at the reporting date, based on the taxable result for the period. All changes to current tax assets or liabilities are recognised as a component of income tax in the statement of comprehensive income.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the financial statements with their respective tax bases. In addition, tax losses available to be carried forward as well as other income tax credits to the Company are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided for in full. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the Statement of Financial Position date.

Most changes in deferred tax assets or liabilities are recognised as a component of tax in the statement of comprehensive income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged or credited directly to equity or other comprehensive income are charged or credited directly to equity or other comprehensive income.

**INVESTMENTS IN SUBSIDIARIES**

Investments in which the Company has control over the investee (generally considered to be an investment of 51% or less of the shares of the investee), and the investment has no easily determinable fair value are initially recognised at the cost of the investment. Investments are carried at initial cost less accumulated impairment losses.

**IMPAIRMENT TESTING OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT**

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Intangible assets with an indefinite useful life and those intangible assets not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in profit or loss in the statement of comprehensive income, at the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

An impairment loss on other assets is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation if no impairment loss had been recognised.

**FINANCIAL ASSETS**

**Financial Assets**

The Company's financial assets include cash, other receivables and financial assets. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified
into the following categories:
• amortised cost
• fair value through profit or loss (FVTPL)
• fair value through other comprehensive income (FVOCI).

In the periods presented the corporation does not have any financial assets categorised as FVOCI.

The classification is determined by both:
• the entity's business model for managing the financial asset
• the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

<u>Subsequent measurement of financial assets</u>

*Financial assets at amortised cost*

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

*Financial assets at fair value through profit or loss (FVTPL)*

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements would apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

*Impairment of financial assets*

The Company considers trade and other receivables individually in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

**FAIR VALUE MEASUREMENT**

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consists of cash at bank and in hand.

**CLASSIFICATION AS FINANCIAL LIABILITIES OR EQUITY**

Financial instruments or their component parts are classified according to the substance of the contractual arrangements entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to equity.

A compound instrument is a non-derivative financial instrument which contains both a liability and an equity component. These components are accounted for separately as financial liabilities and equity components, and are presented separately in the statement of financial position.

**EQUITY**

Share capital is determined using the nominal value of shares that have been issued. Share premium represents the excess of the issue price over the par value of shares issued.

Other reserves comprise gains and losses on transactions with non-controlling interests and share based payments.

Translation reserves are amounts in respect of translation of overseas subsidiaries, and unrealised exchange differences.

Non-controlling interest comprises amounts arising on business combinations when the entire interest in the company is not acquired by the Company, plus the share of profits or losses of the subsidiary attributed to the independent shareholders.

Retained losses include all current and prior year results as disclosed in the statement of comprehensive income.

**FINANCIAL LIABILITIES**

The Company's financial liabilities comprise trade and other payables and loans payable.

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Trade and other payables are recognised initially at fair value, net of direct issue costs, and are subsequently recorded at amortised cost using the effective interest method with interest related charges recognised as an expense in the statement of comprehensive income.

Loans payable are recognised initially at fair value, net of direct issue costs and subsequently measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are recognised in the statement of comprehensive income on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. The embedded derivative liability, relating to a convertible loan where the carrying liability converts into a variable number of shares, is held at "fair value through profit or loss".

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the statement of comprehensive income.

**OTHER PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the Statement of Financial Position date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognised, if virtually certain as a separate asset, not exceeding the amount of the related provision.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long-term provisions are discounted to their present values, where the time value of money is material. All provisions are reviewed at each Statement of Financial Position date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised in the statement of financial position. Probable inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

**SHARE-BASED PAYMENTS: FEES AND LOANS SETTLED IN SHARES**

Where shares have been issued as consideration for services provided or loans outstanding they are measured at the fair value of the services provided. The difference between the carrying amount of the financial liability (or part thereof) extinguished and the fair value of the shares is recognised in the statement of comprehensive income. Where the fair value cannot be estimated reliably, share based payment transactions are valued at the fair value of the equity instrument issued.

**FOREIGN CURRENCIES**

Foreign currency transactions are translated into the functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the reporting date. Non-monetary items that are measured at historic cost in a foreign currency are translated at the exchange rate at the date of the transaction and are not re-translated. Non-monetary assets that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates at the date when the fair value was determined.

Any exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were initially recorded are recognised in the statement of comprehensive income in the period in which they arise.

The Company's functional currency is GBP and presentational currency is USD. In the financial statements. Assets and liabilities have been translated into USD at the closing rates at the reporting date. Income and expenses have been converted into USD at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this process have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

**ULTIMATE CONTROLLING PARTY**

The Company has no ultimate controlling party.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(i) Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are discussed below:

*Impairment of investments*
The Company tests annually whether the value of investments has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

*Treatment of convertible loans*
Management have assessed the Convertible Loan Notes ("CLN") novated on acquisition of the brands from Human Barand Inc and those issued in the year to have both a debt and an equity element. The CLNs have an aggregate notional of $1,091,000, and a fixed interest between 2% and 12.0% paid in kind ("PIK" or the "Interest") with a final maturity being beween 31 March 2021 and 30 June 2022 (the "Redemption Date"). The CLNs are unsecured and are convertible to the ordinary share of Rogue Baron at the conversion price (the "Conversion Price") upon the listing of the Company or at option of the Noteholders. Pursuant to the CLN documentation the conversion price (the "Conversion Price") is based upon the total number of shares in issue. Management have assessed the Conversion element of the CLN to be $152,000 at the time of initial recognition and the debt element to be $939,000. The fair value of the Conversion element of the liability has been revalued at $247,000 at 31 December 2020. Further details are provided in Note 9.

These estimates and assumptions are subject to risk and uncertainties and therefore changes in circumstances will impact the recoverable amount.

Management has made no other significant judgements nor believe there is any material uncertainty with respect to the Company's reported amounts of assets and liabilities as well as revenue and expenses during the reporting period.

**(ii) Critical judgments in applying the Company's accounting policies**

The board considers that the most critical judgement it has made is assessing the fair value of shares issued as payment for services and in respect of acquisitions made.

*Loan Interest*
Management believe that, at the point the loans were advanced, the interest rate being applied to the loans was at market rate given the circumstances of a Company in its infancy.

**New standards, amendments and interpretations not yet adopted**

There are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

**Sources of Estimation and Key Judgements**

The preparation of the Financial Statements requires the Company to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historic experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

**Segment reporting**

Segmental analysis is not applicable as there is only one operating segment of the continuing business – investment activities

## 1 REVENUE, LOSS BEFORE TAXATION AND SEGMENTAL INFORMATION

**Loss before taxation**

The loss before taxation is attributable to the principal activity of the Company.

There were no fees payable to the Company's auditors in either of the two years.

**Segmental information**

The Company operates a single primary activity to invest in businesses so as to generate a return for the shareholders.

## 2 FINANCE COSTS

| | **Year ended 31 December 2020 $'000** | Year ended 31 December 2019 $'000 |
|---|---|---|
| **Finance costs** | | |
| Finance fees on loans | **151** | - |
| | **151** | - |

## 3 EMPLOYEE REMUNERATION

$37,000 was recognised for Directors' emoluments accrued at the year end, with social security costs of $5,000.

The Directors are the Key Management Personnel of the Company.

The average number of employees during the year was:

| | **2020 No.** | 2019 No. |
|---|---|---|
| Directors | **3** | - |
| Other | **-** | - |
| | **3** | - |

## 4 TAXATION

There is no tax charge for the year (year ended 31 December 2019: $nil). The tax assessed for the year differs from the standard average weight of corporation tax in the UK as follows:

| | **2020** | **2020** | 2019 | 2019 |
|---|---|---|---|---|
| | **$'000** | **%** | $'000 | % |
| Loss before taxation | **(506)** | | - | |
| Loss multiplied by standard rate of corporation tax in the UK | **(96)** | **(19.00)** | - | (19.00) |
| Effect of: | | | | |
| Expenses not deductible for tax purposes | **12** | **(19.00)** | - | (19.00) |
| Unrelieved tax losses | **84** | **(19.00)** | - | (19.00) |
| Total tax charge for year | **-** | | **-** | |

Tax losses of approximately $84,000 (2019:$Nil) are available to offset against future profits. No deferred tax asset has been recognised.

## 5 EARNINGS PER SHARE

| | **2020** | 2019 |
|---|---|---|
| | **$'000** | $'000 |
| Loss attributable to owners of the Company | **(506)** | - |

| | **2020** | 2019 |
|---|---|---|
| | **Number** | Number |
| Weighted average number of shares for calculating basic loss per share | **18,376,116** | 1,000 |

| | **2020** | 2019 |
|---|---|---|
| | **Cents** | Cents |
| Basic and diluted earnings per share | **(2.75)** | 0.00 |

The effect of shares that may be issued in future in respect of convertible loan notes is anti-dilutive, but is potentially dilutive against future profits.

## 6 INVESTMENTS

| | Investment in group undertakings $'000 |
|---|---|
| **Cost** | |
| At 31 December 2018 | - |
| Additions | - |
| At 31 December 2019 | - |
| Additions | 4,397 |
| At 31 December 2020 | **4,397** |
| | |
| **Amounts written off:** | |
| At 31 December 2018 and 31 December 2019 and 31 December 2020 | - |
| | |
| **Net book value at 31 December 2020** | **4,397** |
| **Net book value at 31 December 2019** | - |
| **Net book value at 31 December 2018** | **-** |

On July 2020 the Company acquired the following subsidiaries. The consideration was satifisfied by the issue of 36,247,500 New Ordinary Shares in Rogue Baron fair valued at $3,512,000 plus $885,000 of Convertible Loan Notes which were novated from the previous owners to Rogue Baron Ltd.

| **Subsidiary** | **Proportion of ordinary share capital held** | **Nature of business** | **Country of incorporation** |
|---|---|---|---|
| STI Signature Spirits Group | 100% | Wholesale alcohol distribution for USA | USA |
| Legacy Retail Group LLC | 100% | Holding company | USA |
| Bin 1301 Wine Bar | 52% | Retail alcohol and food | USA |
| Mazeray Corporation | 100% | Wholesale alcohol distribution for USA | USA |
| Shinju Whiskey LLC | 100% | Dormant | USA |
| Shinju Spirits Inc | 100% | Wholesale alcohol distribution for USA | USA |

Investments are reviewed annually for impairment. The Directors considered that no impairment was necessaey at 31 December 2020.

## 7 OTHER RECEIVABLES

| | **31 December 2020** | 31 December 2019 |
|---|---|---|
| | **$'000** | $'000 |
| Other debtors | **62** | - |
| Amounts owed by subsidiaries | **109** | - |
| | **171** | - |

The fair value of these short-term financial assets is not individually determined as the carrying amount is a reasonable approximation of fair value. All trade and other receivables have been reviewed for indicators of impairment. None of these were considered to be past due or impaired.

## 8 TRADE AND OTHER PAYABLES

| | **31 December 2020** | 31 December 2019 |
|---|---|---|
| | **$'000** | $'000 |
| Trade creditors | **34** | - |
| Other creditors | **130** | - |
| Accruals | **67** | - |
| Loans | **1,244** | - |
| | **1,475** | - |

The fair value of trade and other payables has not been disclosed as, due to their short duration, management consider the carrying amounts recognised in the Statement of Financial Position to be a reasonable approximation of their fair value.

## 9 LOANS PAYABLE

The loans payable and movements are as follows:

| | **31 December 2020** | 31 December 2019 |
|---|---|---|
| **Convertible loans** | **$'000** | $'000 |
| Balance at 1 January | **-** | - |
| Acquired on acquistion | **885** | - |
| Loans received | **206** | - |
| Interest charged | **151** | - |
| Repaid in cash | **-** | - |
| Derivative liability recognised | **(152)** | - |
| Foreign exchange | **87** | - |
| **Balance at 31 December** | **1,177** | - |
| | | |
| **Non-convertible loans** | | |
| Balance at 1 January | **-** | - |
| Loans received | **81** | - |
| Interest charged | **-** | - |
| Repaid in cash | **(17)** | - |
| Foreign exchange | **3** | - |
| **Balance at 31 December** | **67** | **-** |

The option to convert has been assessed as the value of the service received.

On acquisition of the subsidiaries $885,000 of Convertible Loan Notes were novated to Rogue Baron Ltd, under the following terms:

*Loan A*
From 28 September 2020:

- the facility amount is £11,950.41 which includes all outstanding interest to 30 September 2020;
- interest accrues at 2% per annum;
- the repayment date of the loan is 31 January 2022; and
- the conversion price shall be a price per share determined by dividing £2,000,000 by the total number of Ordinary Shares in issue immediately prior to conversion.

*Loan B*
From 28 September 2020:

- the facility amount is £23,905.75 which includes all outstanding interest to 30 September 2020;
- interest now accrues at 2% per annum;
- the repayment date of the loan shall be 31 January 2022; and
- the conversion price shall be a price per share determined by dividing £2,000,000 by the total number of Ordinary Shares in issue immediately prior to conversion.

*Loan C*
From 1 July 2020:

- the total facility amount is £569,940.
- the repayment date of the loan is 31 March 2021; and
- the conversion price shall be a price per share determined by dividing £1,616,304 by the total number of Ordinary Shares in issue immediately prior to conversion.

*Loan D*
From 28 September 2020:

- the facility amount is £23,155.85, which includes all outstanding interest to 30 September 2020;
- interest accrues at 2% per annum;
- the repayment date of the loan is 31 January 2022; and
- the conversion price shall be a price per share determined by dividing £2,000,000 by the total number of Ordinary Shares in issue immediately prior to conversion.

*Loan E*
From 28 September 2020:

- the facility amount is £27,597.26, which includes all outstanding interest to 30 September 2020;
- interest now accrues at 2% per annum;
- the repayment date is 31 January 2022; and
- the conversion price shall be a price per share determined by dividing £1,700,000 by the total number of Ordinary Shares in issue immediately prior to conversion.

*Loan F*
From 1 October 2020:

- the facility amount is £55,634.25, which includes all outstanding interest to 30 September 2020;
- interest now accrues at 2% per annum;
- the repayment date is 31 January 2022; and
- the conversion price shall be a price per share determined by dividing £1,700,000 by the total number of Ordinary Shares in issue immediately prior to conversion.

During the year the Company issued three further convertible loan notes amounting to £177,000, carrying an interest rate of 9% and convertible at a discount of 50% to the 3 day average volume weighted average price prior to the Conversion date. Of these loans £77,000 is repayable on 30 December 2021 and £40,000 on 30 June 2022 and £60,000 on 30 May 2022.

The fair value of the conversion element embedded in the CLNs was valued at inception using an adjusted Black-Scholes calculation. The major inputs used were as follows:
Share price at inception – 7.8p (as per the price of the most recent shares issued)
Share price at 31 December 2020 – 7.8p (as per the price of the most recent shares issued)
Volatility = 30% (Peer comparison)
Risk free interest rate – (GBP 6 month swap rate)
Probability of listing – before expiry 40% - 50% (Management assessment)
Discount for lack of marketability 40%

This resulted in the Conversion element of the CLN to be fair valued at $152,000 at the time of initial recognition and the debt element to be $939,000. The fair value of the Conversion element which is also a liability, has been revalued at $247,000 at 31 December 2020. The resultant interest recognised in the year was $151,000. Foreign exchange movements of $87,000) were recognised, and the debt value of the loans at 31 December 2020 was $1,177,000.

The other short term loan is in respect of expenses paid for by Gunsynd plc and carries no interest.

The loans are unsecured and are demoninated in US dollars and GB Pounds. The fair value of these loans is not individually determined as the carrying amount is a reasonable approximation of fair value.

## 10 SHARE-BASED PAYMENTS

The Company incurred a share-based payment charge for fees paid in shares of $62,000 (31 December 2019: $Nil) in respect of consultants payments made in shares.

The value of the shares issued were measured as the fair value of the services received.

## 11 SHARE CAPITAL

| | **31 December 2020** | 31 December 2019 |
|---|---|---|
| | **$'000** | $'000 |
| **Allotted, issued and fully paid** | | |
| 36,748,500 (2019: 1,000,000) ordinary shares of 0.1p | **46** | - |

The movements in share capital and share premium are analysed as follows:

| | **Ordinary shares** | **Share capital** | **Share premium** |
|---|---|---|---|
| | **No.** | **$000** | **$000** |
| **Allotted and issued** | | | |
| At 31 December 2018 | 1,000 | - | - |
| Shares issued | - | - | - |
| **At 31 December 2019** | **1,000** | **-** | **-** |
| Shares issued for cash | 0 | **-** | **-** |
| Shares issued for acquisitions | 36,247,500 | **45** | **3,468** |
| Fee shares | 500,000 | **1** | **61** |
| | - | **-** | **(10)** |
| **At 31 December 2020** | **36,748,500** | **46** | **3,519** |

The ordinary shares carry one vote each and on winding up of the Company the balance of assets available for distribution will, subject to any relevant restrictions, be divided amongst the shareholders.

## 12 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACIVITIES

| | **Short-term borrowings** | **Long-term borrowings** | **Total** |
|---|---|---|---|
| | **$'000** | **$'000** | **$'000** |
| **1 January 2020** | **-** | **-** | **-** |
| **Cash-flows:** | | | |
| - Acquired on acquisition | 708 | 177 | 885 |
| - Proceeds | 154 | 133 | 287 |
| - Interest paid | - | - | - |
| - Repayments | (17) | 0 | (17) |
| **Non-cash:** | | | |
| - Accrued interest | 142 | 9 | 151 |
| - Derivative recognised on initial recognition | (109) | (43) | (152) |
| - Foreign exchange movement | 72 | 18 | 90 |
| **31 December 2020** | **950** | **294** | **1,244** |

| | Short-term borrowings $'000 | Long-term borrowings $'000 | Total $'000 |
|---|---|---|---|
| **1 January 2019** | **-** | **-** | **-** |
| **Cash-flows:** | | | |
| - Proceeds | - | - | - |
| - Interest paid | - | - | - |
| - Repayments | - | - | - |
| **Non-cash:** | | | |
| - Accrued interest | - | - | - |
| - Converted into shares | - | - | - |
| - Transfer | - | - | - |
| - Foreign exchange movement | - | - | - |
| **31 December 2019** | **-** | **-** | **-** |

## 13 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2020 or at 31 December 2019.

## 14 CAPITAL COMMITMENTS AND UNDRAWN BORROWINGS

There were no capital commitments or undrawn borrowings at 31 December 2020 or at 31 December 2019.

## 15 FINANCIAL INSTRUMENTS

The Company is exposed to a variety of financial risks which result from both its operating and investing activities. The Board is responsible for co-ordinating the Company's risk management and focuses on actively securing the Company's short to medium term cash flows.

The Company does not actively engage in the trading of financial assets and has no financial derivatives. The most significant risks to which the Company is exposed are described below:

### a Credit risk

The Company's credit risk is primarily attributable to its other receivables and amounts owed by subsidiaries. At 31 December 2020, the Company had $171,000 of receivables which have been reviewed for potential impairment (2019: $Nil).

Generally, the Company's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the Statement of Financial Position date, as summarised below:

| | **31 December 2020** | | | 31 December 2019 | | |
|---|---|---|---|---|---|---|
| | **Receivables held at amortised cost** | **Non financial assets** | **Statement of Financial Position total** | Receivables held at amortised cost | Non financial assets | Statement of Financial Position total |
| | **$'000** | **$'000** | **$'000** | $'000 | $'000 | $'000 |
| Other receivables | **62** | **-** | **62** | - | - | - |
| Amounts owed by subsidiaries | **109** | **-** | **109** | - | - | - |
| Cash and cash equivalents | **97** | **-** | **97** | - | - | - |
| **Total** | **268** | **-** | **268** | - | - | - |

The credit risk on liquid funds is limited due to the level of cash held and because the Company only places deposits with leading financial institutions.

**b Liquidity risk**

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Directors prepare rolling cash flow forecasts and seek to raise additional equity funding whenever a shortfall in funding is forecast. Details of the going concern basis of preparing the financial statements are included in the principal accounting policies.

**c Market risk**

Interest rate risk

The Company bears negligible interest rate risk at 31 December 2020 and 31 December 2019.

**d Foreign currency risk**

The Company operates in the UK and carries out transactions in GBP and US dollars. The Company does not have a policy to hedge but will continue to keep this under review. The Company operates foreign currency bank accounts to help mitigate the foreign currency risk.

**e Financial liabilities**

The Company's financial liabilities are classified as follows:

| | **31 December 2020** | | | 31 December 2019 | | |
|---|---|---|---|---|---|---|
| | **Other financial liabilities at amortised cost** | **Financial liabilities held at fair value through profit & loss** | **Total** | Other financial liabilities at amortised cost | Financial liabilities held at fair value through profit & loss | Total |
| | **$'000** | **$'000** | **$'000** | $'000 | $'000 | $'000 |
| Trade payables | **34** | **-** | **34** | - | - | - |
| Other payables | **130** | **-** | **130** | - | - | - |
| Accruals | **67** | **-** | **67** | - | - | - |
| Loans | **1,244** | **-** | **1,244** | - | - | - |
| **Total** | **1,475** | **-** | **1,475** | - | - | - |

**Maturity of financial instruments**

All financial liabilities in the table above at 31 December 2020 and 31 December 2019 mature in less than two years.

**Borrowing facilities for the year ended 31 December 2020**
The Company has no undrawn committed borrowing facilities at 31 December 2020 or 31 December 2019.

**f Capital risk management**
The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it continues to provide returns and benefits for the shareholders;
- to support the Company's stability and growth; and
- to provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

## 21 RELATED PARTY TRANSACTIONS

*Gunsynd Plc*
Hamish Harris, a director of Rogue Baron is also a director of Gunsynd Plc. At 31 December 2020 Rogue Baron owed Gunsynd Plc $825,000 (31 December 2019: $Nil) of convertible loans and $67,000 (31 December 2019: $Nil) of non-convertible loans.

Hamish Harris was due directors fees of $24,000 (£18,000) for the year and Sandy Barblett was due $13,000 (£10,000) in directors fees. These amounts were accrued at the year end.

Ryan Dolder was paid fees of $62,000 in respect of services provided in shares prior to being appointed as a director of Rogue Baron.

## 24 EVENTS AFTER THE REPORTING DATE

On 19 January 2021 2,601,887 New Ordinary Shares of 0.1p were issued at 2.87p in conversion of a loan of £50,000 and for cash proceeds of £25,000, 1,400,000 New Ordinary Shares of 0.1p were issued at 5p for cash proceeds of £70,000 and 10,00,000 New Ordinary Shares of 0.1p were issued at 3.97p in respect of a loan conversion of £397,000.

On 12 March 2021, 10,785,714 New Ordinary Shares of 0.1p were issued at 7p for cash proceeds of £755,000, 1,689,639 New Ordinary Shares of 0.1p were issued at 2.80p in respect of loan conversions of £47,348, 3,939,858 New Ordinary Shares of 0.1p were issued at 3.50p in respect of loan conversions of £137,895, 819,055 New Ordinary Shares of 0.1p were issued at 4.90p in respect of loan conversions of £40.134, 1,165,666 New Ordinary Shares of 0.1p were issued at 2.38p in respect of loan conversions of £27,786, 12,033,293 New Ordinary Shares of 0.1p were issued at 2.02p in respect of loan conversions of £243,072, 492,052 New Ordinary Shares of 0.1p were issued at 2.45p in respect of loan conversions of £12,032 and 4,510,270 New Ordinary Shares of 0.1p were issued at 7p in respect of fees of £315,719.

There are now 86,185,934 shares in issue.

As a result of the above share issues all of the CLN notes have been converted except one which was partially converted.