Company number: 62008

APQ Global Limited

Annual Report and Consolidated Financial Statements

For the year ended 31 December 2019

APQ Global Limited

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APQ Global Limited

FINANCIAL HIGHLIGHTS
For the year ended 31 December 2019

Book Value at 31 December 2019 was $72.9m, a decrease from $76.4m since the start of the year. The term "book value" herein includes the assets of APQ Global Limited and its subsidiaries net of any liabilities, presented in US dollars.

Book Value per share in the year decreased from 97.84 cents to 93.19 cents.

Earnings gain per share for the year was $0.02951 (2018 – earnings loss per share $0.25889).

Dividends paid, a KPI of the business which are further discussed on page 13, in GBP totalled 6 pence/7.6 cents (2018 – 6 pence/8.2 cents) per share and were declared and paid during the year as follows:

- 1.50 pence (1.93 cent) per share Ex Dividend 31 January 2019 Paid 1 March 2019*
- 1.50 pence (1.94 cent) per share Ex Dividend 2 May 2019 Paid 31 May 2019
- 1.50 pence (1.87 cent) per share Ex Dividend 25 July 2019 Paid 23 August 2019
- 1.50 pence (1.94 cent) per share Ex Dividend 31 October 2019 Paid 29 November 2019

*Dividend relates to the quarter ended 31 December 2018

After the year end, a further dividend of 1.5 pence (1.97 cents) per share was declared on 23 January 2020 in relation to the quarter ended 31 December 2019.

In the year covered by these financial statements, the share price of the Company has consistently traded at a premium over the actual Book Value of the Company.

Since 31 December 2019, the following securities have been admitted to the Official list of the International Stock Exchange:

Entity	**Type of instrument**	**No. of instruments**	**Date admitted**
APQ Global Limited	Warrants	1,000,000	30th January 2020
APQ Capital Services Ltd	Convertible preference shares	268,000	30th January 2020
APQ Global Limited	Ordinary shares	26,578	5th February 2020
APQ Global Limited	Ordinary shares	26,578	8th June 2020

There have been further AIM market trades since 31 December 2019, details of these can be found on the London Stock Exchange website by following the link below. Monthly book values and quarterly reports are also made available as they fall due.

http://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/company-summary/GG00BZ6VP173GGGBXASQ1.html

DIRECTORY

Company number: 62008

Registered Office and Business Address:
PO Box 142
The Beehive
Rohais, St Peter Port
Guernsey
GY1 3HT

Directors:
Bart Turtelboom
Wayne Bulpitt CBE
Wesley Davis
Philip Soulsby

Company Secretary and Corporate Services Provider
Parish Group Limited
PO Box 142
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Rohais, St Peter Port
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GY1 3HT

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Nplus1 Singer Advisory LLP
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United Kingdom
EC2N 2AX

Registrar and Transfer Agent
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Solicitors
As to English law:
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Advocates
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Independent auditors
BDO LLP
55 Baker Street
London
United Kingdom
W1U 7EU

For the latest information, please visit:
www.apqglobal.com

CHAIRMAN'S STATEMENT
For the year ended 31 December 2019

The aim of the Board is to steadily grow the Company's earnings seeking to deliver attractive returns and capital growth through a combination of building growing businesses globally as well as earning revenue from income generating operating activities[1] Specifically, our goals are to deliver a dividend yield of 6% per annum (based on capital subscribed)[2] and in addition to generate returns to grow the Company by a further 5-10% per annum[3]. The Company focuses its investment activities globally (in Asia, Latin America, Eastern Europe, the Middle East and Africa, particularly).

Book Value per share in the year decreased from 97.84 cents to 93.19 cents, net of 7.6 cents distributed in Dividends. This decrease is primarily due to the issue of dividends offset by increased operating profits. This represents a fall of 4.7%. After adjusting for the 7.6 cents of Dividends paid during the year, the Total Return for the year was 3.5%[4]

Strategic Investment Portfolio

The Company has maintained its investment in **City of London Investment Group** ('CLIG') representing 11.7% of its overall book value. The Company believes that the prudent management and an attractive dividend yield bode well for the CLIG stock price. The Company took profits on its stake in **Anglo Pacific Group** during the first quarter of the year. The investment generated a total return to the Company of 44.4%, in USD, across the holding period.

Direct Investment Portfolio

In the first quarter of 2019, the Company completed the 100% acquisition of Frontier Consultancy Ltd. and rebranded it as New Markets Media & Intelligence (NMMI). The investment was made via a newly created holding company, APQ Knowledge Ltd. Guernsey, which is 100% owned by APQ Global Ltd. The investment constitutes approximately 0.50% of APQ's Book Value and incorporated earn out acquisition terms with significant scope for business expansion. The business has multiple tiers of service offerings at escalating pricing and term contracts to a varied client base. The business includes an existing conference and event planning business with large scope for expansion both by specific subject matter and geographic region.

The business operations and development are led by the former Emerging Markets Editor-at-Large for Bloomberg, Gavin Serkin, who has deep relationships with journalists across the most sophisticated financial media. This enables NMMI to run a lean business with global reach and distribution that creates the narrative to secure maximum media coverage and engineer brand building for their clients.

NMMI's network includes a full complement of writers, broadcasters, marketers, event organisers and investment professionals, covering every skill set in marketing, PR and investor relations. The rich editorial content New Markets Media & Intelligence generates and empowers unique digital marketing capabilities that accurately deliver thought leadership.

Additionally, in the first quarter of 2019, APQ Corporate Services Ltd. (a wholly owned entity of APQ Global Limited) completed the 100% acquisition of Palladium Trust Services Ltd, U.K. Palladium Trust Services provides advice and execution services relating to the establishment and administration of corporate, trust, and fund vehicles. It leverages its London base through a global network of boutique corporate fiduciaries to provide operational capabilities in over 25 jurisdictions.

Palladium specialises in structuring solutions for trusts and funds and setting up limited partnerships and companies. Palladium has delivered a variety of customised structures to suit client needs that have included Sharia compliant funds, real estate / intellectual property companies, family limited partnerships with devolved financial and insulated controlling interests, bespoke structuring solutions for Latin American families, and special purpose investment vehicles structuring to cater to specific client needs.

[1] Where we refer to revenue from income generating operating activities this relates to the revenue of our investee companies.
[2] The Capital Subscribed on One Ordinary Share of the Company being £1.00 and thus equivalent to £0.06 in dividends per share.
[3] The dividend paid to ordinary shareholders and capital growth rate of the Company are Key Performance Indicators (KPI's), discussed further on Page 13
[4] The Total Return of the Company is a KPI and an Alternative Performance Measure in accordance with International Financial Reporting Standards, The Total Return for a given month is calculated as (Book Value Per Share (BVPS) at end of month + Dividends received during month) divided by BVPS at end of previous month. The Total Return on the YTD is then the compounded MTD Total Return for each month in the year. The Company KPI's are discussed further on Page 13.

CHAIRMAN'S STATEMENT (continued)
For the year ended 31 December 2019

In May 2019, APQ Global commenced investing by trading in telecommunications minutes, generating revenue of $1,026,160, with a net loss of $227,604 The intention of undertaking this activity was to ultimately provide investors with capital return or investment income in combination with its other telecommunication investments, BARTR Holdings Limited and its subsidiary undertakings. Trading was performed by a third-party service provider, and the contracts were initially held by APQ Global, to reduce counterparty risk. Management's intention was to novate these contracts into APQ Connect at a subsequent point in time. Post year end this activity has reduced and will cease entirely in 2020. This activity was a one-off activity and was immaterial in the context of the firm's operations.

Gearing

In 2018, the Company raised £10,207,300 ($14,492,418) before expenses from the issue of 1,982 units of £5,000 ($7,099) nominal Convertible Unsecured Loan Stock (CULS), taking its total issuance to 6,000 units. There was no further issuance of CULS during 2019, and the Company's leverage is now 47%[5]. The CULS were issued with a coupon of 3.5% per annum, a conversion premium of 10% and a maturity of 7 years. The Board has confidence in the long-term prospects for the emerging markets sector and believes that the additional gearing should enable the Company to generate increased total returns over the longer term. The Directors believe that this provides long-term structural gearing at a fixed cost that is competitive with other forms of gearing that were available, and which has the potential to be converted into the permanent capital base of the Company. However, the additional gearing could potentially expose the Company to more sizeable downswings when the market is falling.

Dividends

Despite challenging conditions in Emerging Markets in the year, I am pleased to report that the Company met its target of paying four quarterly dividends of 1.5p, making a total of 6p (7.6 cents) for the year. The portfolio contains a diverse range of asset classes, many of which deliver attractive income levels. The income performance is regularly reviewed by the board to ensure it continues to meet our investment and return targets. Upon review, the Board has decided, on 6 April 2020 to temporarily suspend the dividend paid to Ordinary Shareholders until further notice. The decision was made after significant turmoil in global markets following the COVID-19 pandemic. Whilst navigating an uncertain economic impact brought about by the pandemic, the Company will preserve cash to ensure it continues to be fully solvent and to facilitate a smooth recovery. Further details of the impact of COVID-19 on the Company can be found on page 18.

Total Return

Book Value per share in the year decreased from 97.84 cents to 93.19 cents, a fall of 4.7%. After adjusting for the Dividends above, the Total Return for the year was 3.5%.

Board Change

On 1 January 2019, following full board approval, Wesley Davis replaced Richard Bray as Finance Director to the Company. Mr Davis brings over 25 years of experience in emerging & frontier markets, both in investment banking and operating company roles. He has also previously served in a consulting capacity on the International Advisory Council of the Company, with a focus on private equity and illiquid credit origination. No external company was used to make the hire. There were no other changes to the board during 2019.

[5] Leverage ratio = Total CULS Debt in USD / Book Value (Total Equity) USD as at 31st December 2019

CHAIRMAN'S STATEMENT (continued)
For the year ended 31 December 2019

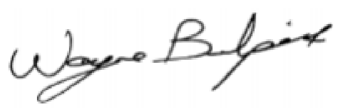
Conclusion

The Investment performance and outlook for Emerging Markets are discussed in more detail in the CEO's statement on page 7.

Whilst we have been reviewing the activities for the twelve months to 31 December 2019, I cannot close without acknowledging the tumultuous events of early 2020 and the impact of the COVID-19 pandemic on our activities. Further details are discussed in the Post Balance Sheet Event section on pages 11 and 12.

Just prior to "lockdown" we completed the acquisitions of Parish Group, a corporate services provider in Guernsey, and Delphos International, an international financial advisory business based in Washington, USA. These acquisitions further diversified our portfolio ahead of the significant market volatility and impact on our liquid investments that followed. Further details of which are covered in our Interim Statements, published concurrently.

Additionally, in June 2020, the Company appointed Parish Group, a wholly owned subsidiary of the Company, to replace its Company Secretary and Corporate Services provider Active Services (Guernsey) Limited. The decision was taken to increase efficiency and cut costs.



Wayne Bulpitt

Chairman, APQ Global Limited

CEO'S STATEMENT
For the year ended 31 December 2019

When the novelist L.P. Hartley wrote of the past as a "foreign country," he was casting back over half a century to a childhood era of innocence. Today, we might think the same looking back a mere half-year to the halcyon days of 2019.

The Fed had just reverted from its hawkish path to resume a steady lull of ever-easier money. As the dollar sold off, equities and emerging markets rallied, lubricated by central bank liquidity from the ECB to BoJ. The crescendo of trade tensions – Brexit, Nafta, US-China – was dismissed as political noise, a theory borne out by eventual acceptance by Xi of American farm exports. By 2019's close we were toasting near record highs across developed and emerging equity markets at those wonderfully sociable festive gatherings of yesteryear. Oh, for the days when lockdowns applied only to rioting prisoners, "track and trace" to parcels, and furloughs to servicemen and missionaries. Life was glorious – wasn't it?

In a word: No.

Even before COVID-19 destroyed the global economy, the International Monetary Fund was flashing warning of the slowest pace of growth for the developing world since the global financial crisis – albeit at salivating levels in a current context of +3.7% for 2019. While China accounted for much of the slowdown, the rest of the BRICs were sickly too. Brazil was limping at around 1% growth for a third year, hobbled by decades of bloated government spending.[6] An isolated Russia was similarly lack luster at 1.2%.[7] India's heavy-handed demonetization and imposition of a new universal Goods and Services Tax on SMEs crimped growth to a six-year low as unemployment hit a 45-year high.[8] Other emerging markets teetered too: Mexico had just ushered in its first left-wing president in over three decades, Turkey was in recession, and South Korea was in its slowest growth phase since central bank records began.[9]

Amidst this, we successfully reached our income target, returning a 6% dividend yield to our investors (based on the issuance price). Additionally, we completed the acquisition of two promising businesses, Palladium Trust Services and New Markets Media, to add to our direct trading portfolio. I am confident that these investments will aid us in continuing to meet our income objectives, as well as our capital returns targets in the years to come.

The year ahead will be difficult. Having to repair the Company after a damaging COVID-19 period was not something I predicted we would have to do whilst setting targets at the beginning of a New Year. Although, I believe it can be done. Further details on the impact of COVID-19 and the Board measures to mitigate it can be found on page 12 in the Post Balance Sheet Event section.

Bart Turtelboom

CEO, APQ Global Limited

[6] https://www.bloomberg.com/news/articles/2019-11-14/time-is-running-out-on-brazil-s-new-pro-market-proposals
[7] https://www.worldbank.org/en/country/russia/publication/rer
[8] https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-growth-slows-to-5-in-april-june-2019/articleshow/70910682.cms?from=mdr
[9] https://www.ft.com/content/17bc3560-1289-11ea-a225-db2f231cfeae

2019 IN REVIEW

Accounting for GBP/USD exchange rate movements and the dividend paid, the Company returned 3.8% to its shareholders year-to-date.

In the last quarter of the year, the Company slightly increased its exposure to risk assets across the board, particularly equities and EM currencies. While maintaining a very healthy cash position (95.0% of Book Value).

During the year, the Company's credit exposure generated -7.7%, whilst equity investments returned 9.2% and local currency bond exposure returned -2.2%. Emerging Markets ("EM") Currency exposure made 4.3%.

Asset Class	Year-to-Date
Credit	-7.7%
Equity	9.2%
FX	4.3%
Rates	-2.2%
TOTAL *	3.5%

*Note: the contribution for each asset class also includes the relative contribution of other adjustments impacting total return for the year. The overall return to shareholder for the year reflects the movements in book value plus dividends paid.

The bulk of the Company's overall exposure was in EM Currencies (72.1% of book value), followed by EM Equity exposure (32.6% of book value). EM Local Currency Bond exposure accounted for 14.0% of book value, whilst EM Hard Currency Credit and Government Bond exposure accounted for 2.7%. The Company maintained a large cash holding of 96.0% of Book Value.

Portfolio Breakdown	
Asset Class	**% of Book Value**
EM Credit and Government Bonds	2.7%
EM Local Currency Bonds	14.0%
EM Currency Exposure	72.1%
EM Equities	32.6%
Cash	96.0%
TOTAL	217.4%*

*Note: Greater than 100% of Book Value is indicative of Leverage used in the portfolio

Liquid Markets Portfolio

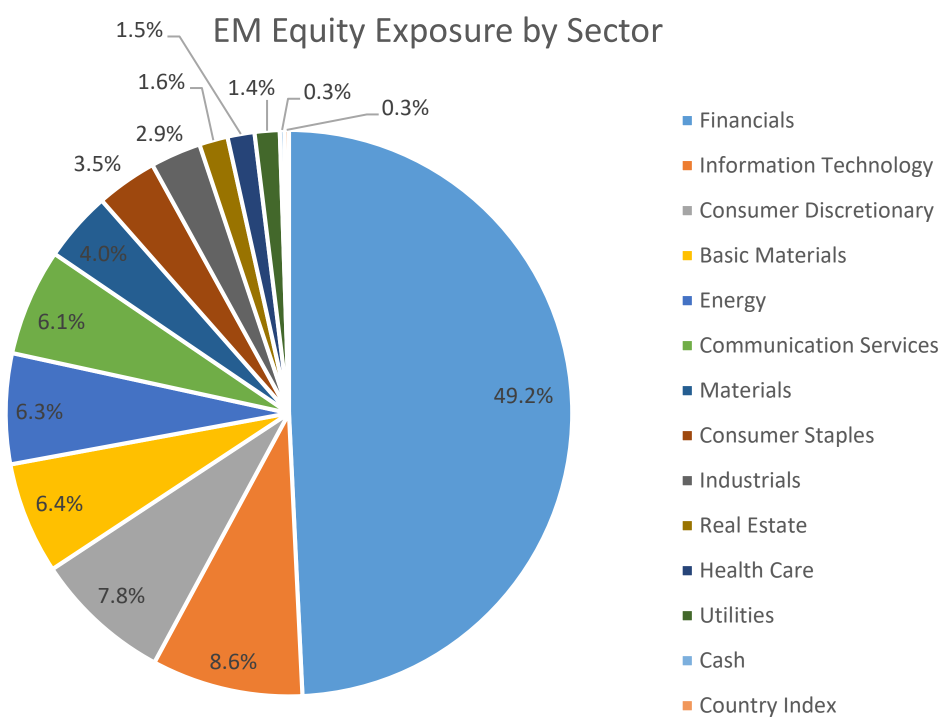
During the year, the Company held its strategic position in City of London Investment Group and took profit on its Anglo Pacific position, making a total return of 44.4% across the holding period. The Company added substantial exposure to the MSCI Emerging Markets equity index towards the end of the year, capturing some of the momentum. The Company also held some small direct exposure to some Emerging Market single stocks across Russia, Chile and South Africa (ranging from 0.6%-0.8%).

2019 IN REVIEW (continued)

EM Equity Exposure	
Security Name	**% of Book Value**
MSCI Emerging Markets Index	17.9%
City of London Investment Group PLC	11.7%
MMC Norilsk Nickel PJSC	0.8%
Gazprom PJSC	0.7%
Antofagasta PLC	0.7%
Anglo American PLC	0.6%
iShares China Large-Cap ETF	0.1%

During the year, the Company was focused on the following global economic factors when making its allocation decisions. Chinese growth appears to be bottoming, the trade war between the US and China appears to be de-escalating for now and G7 growth rates are stabilising. Geo-political risks remain significant with strife in Libya, ongoing tensions between Iran and the US and political uncertainty in Russia all increasing the possibility of negatively affecting market sentiment.

From a sector perspective, the Company's EM exposure was largely in Financials (49.2%). The next largest sector exposures were in the technology and Consumer Discretionary sectors, 8.6% and 7.8% respectively

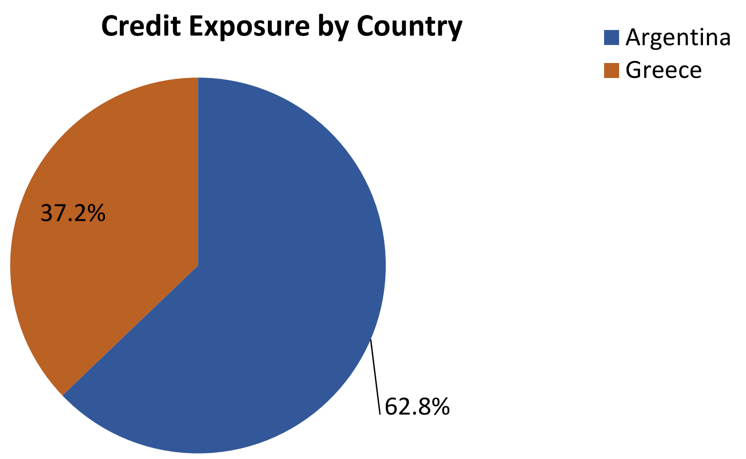


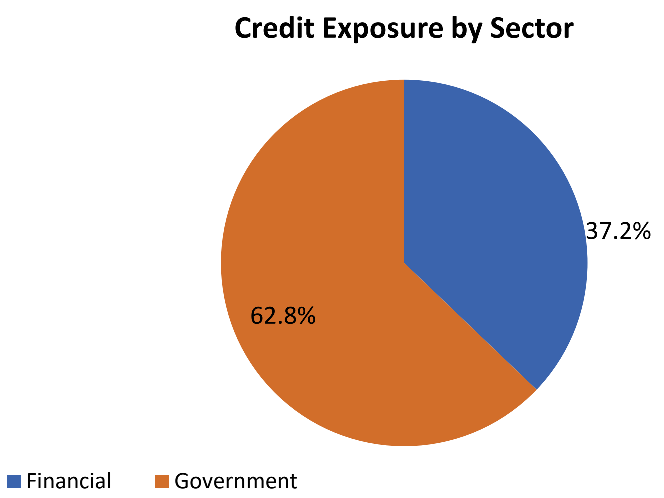
2019 IN REVIEW (continued)

The Company's emerging markets credit book, very small by historical standards, has its largest position in the Republic of Argentina, accounting for 1.7% of book value.

Credit Exposure (% of Book Value)	
Security Name	**Exposure (% of Book Value)**
ARGTES 16 10/17/23	1.7%
TPEIR 9 3/4 06/26/29	0.8%
ETEGA 8 1/4 07/18/29	0.2%

Geographically, the credit portfolio continues to reflect its much-reduced size with positions in Argentina (62.8%) and Greece (37.2%). From a sector perspective, the credit exposure is concentrated in government and financial entities.





During the last quarter in the year, the Company significantly increased its EM currency exposure. The largest long positions were held in the Colombian Peso (16.4% of Book value), Indian Rupee (12.0%) and the Brazilian Real (4.1%). The largest short positions were held in South African Rand (-7.8%) and Russian Rouble (-5.6%).

2019 IN REVIEW (continued)

The portfolio stress tests indicate that the Company would lose -4.13% of book value for a 10% sell-off in the S&P equity index, -0.08% in value if credit spreads were to widen 10% and +0.09% in value if interest rates in the US were to increase by 1%.

Stress Test Scenarios	
Scenario	**Change in % of Book Value**
Equity Stress Test (S&P -10%)	-4.13%
Credit Stress Test (Credit Spreads up 10%)	-0.08%
Interest Rates Stress Test (Yields up 1%)	0.09%

Strategic Investment Portfolio

The Company has maintained its investment in City of London Investment Group ('CLIG') representing 11.7% of its overall book value. APQ Global believes that the positive outlook for the EM equity asset class, the prudent management and an attractive dividend yield bode well for the CLIG stock price.

Post Balance Sheet Events (PBSE)

On 29 January 2020, the Company entered into an agreement to purchase 100% of the Parish Group Limited ("Parish"), a company incorporated and domiciled in Guernsey. Parish Group Limited is a fiduciary and corporate services provider. In consideration to the sellers for the acquisition:

- The Company paid a net amount of approximately $4,095,630 cash consideration to the Sellers;
- APQ Capital Services Limited, a wholly owned subsidiary of the Company, issued 268,000 Convertible Preference Shares (convertible into ordinary shares in APQ Global) to the sellers (the "Convertible Preference Shares") at price of $10 per share; and
- The Company issued 1.0 million warrants in APQ Global ("Warrants"), with an exercise price equal to the most recently announced book value per share of 70.94 pence, to the sellers.

The Convertible Preference Shares are convertible into a variable number of shares linked to the relative assets attributable to the convertible preference shares. On 30 June 2020, the conversion ratio on the Convertible Preference Shares issued by APQ Capital Services was amended to a fixed conversion ratio of 11.25 ordinary shares per convertible preference share. The investment in Parish was made through APQ Corporate Services Limited and is held for the purpose of investment income and capital appreciation. It will therefore be measured at fair value through profit and loss as part of the valuation of APQ Corporate Services Limited.

Additionally, in June 2020, the Company appointed Parish Group, a wholly owned subsidiary of the Company, to replace its Company Secretary and Corporate Services provider Active Services (Guernsey) Limited. The decision was taken to increase efficiency and cut costs.

On 3 March 2020, the Company entered into an agreement to purchase 100% of Delphos International, Ltd ("Delphos"), a US based financial advisory firm with a global client base. In consideration to the shareholders of Delphos for the acquisition, the Company paid an upfront amount of $1.5 million in cash (the "Upfront Payment"). The Company is also required to make an additional payment to clear the working capital of Delphos prior to the acquisition, this amounted to $112,265 In addition to the Upfront Payment, the Company shall potentially make up to three earn-out payments to the Sellers ("Earn-Out Payments"), depending on the levels of EBTDA generated by Delphos for the years ended 30 June 2020 and 30 June 2021, with each payment capped at $0.75 million and a further Earn-Out Payment capped at $0.5 million for the year ended 30 June 2022. In the event that the minimum contingencies applied to the Earn-Out payments are not met, the Company is not required to make any further payments in respect of that Earn-Out period. The investment in Delphos was made through APQ Corporate Services Limited and is held for the purpose of investment income and capital appreciation. It will therefore be measured at fair value through profit and loss as part of the valuation of APQ Corporate Services Limited.

2019 IN REVIEW (continued)

Post Balance Sheet Events (PBSE) (continued)

2020 began with the outbreak of a new strain of the coronavirus (COVID-19), with confirmed cases in the majority of countries across the world. The spread of the virus has been far reaching and has caused severe disruption to financial markets globally, negatively affecting performance. The market volatility that followed the pandemic had a direct impact on the liquid market portfolio, with the largest losses stemming from the equity portfolio, particularly in the energy and financial sectors, and FX portfolio, in Russian Ruble and Mexican Peso, ultimately causing a large draw down in the Book Value of the Company. The portfolio was quickly de-risked, shown by the large percentage of cash held in the portfolio at March 31st, 2020 (80%). However, the market had dropped substantially by that time.

The Company has met all its payment obligations to various counterparties and is in full compliance with all debt covenants. Furthermore, the Board has decided, on 6 April 2020, to implement the following further cash preservation measures, which are intended to facilitate a smooth recovery:

- Suspension of dividends paid to ordinary shareholders until further notice;
- The management bonus scheme to be cut from 20% of profits to 10%;
- Significant cost reduction across all the Company; and
- Move to quarterly reporting of key metrics in the Company's income statement and balance sheet, an increase from semi-annually, starting for the reporting period Q2 2020.

Further details of the Boards action to mitigate the risks brought about by COVID-19 can be found in the going concern section page 17-18.

On the 1st May 2020, the Company agreed to settle the outstanding payments due on its acquisition of Palladium Trust Services Limited under the Share Purchase Agreement of £148,333 for £80,000. A one-off gain to the Statement of Comprehensive Income of the Company of £63,036 ($77,931) was recognised as part of the settlement. The impact of this settlement of on the fair value of the investment is nil as the value of this investment is determined in relation to the entity’s forecast cash flows and external comparisons.

BUSINESS MODEL AND STRATEGY
For the year ended 31 December 2019

The objective of the Company is to steadily grow its earnings to seek to deliver attractive returns and capital growth through a combination of building growing businesses as well as earning revenue from income generating operating activities in capital markets[10].

The Company's strategy is to:

(i) gain exposure to sovereign, corporate and banking entities for a range of business purposes, including for acquisition financing, working capital and investment purposes. The terms of any bonds or loans will vary but are typically expected to range from six months to five years. The Company expects that the loans will typically be secured;

(ii) invest in different parts of the capital structure, both public and private, of corporate and banking entities in as well as structured finance instruments; and

(iii) take operational control of businesses through the acquisition of minority and majority stakes in public and private companies.

The Company may utilise borrowings in connection with its business activities. Although there is no prescribed limit in the Company's Articles of Incorporation (the 'Articles') or elsewhere on the amount of borrowings that the Company may incur, the Directors will adopt a prudent borrowing policy and oversee the level and term of any borrowings of the Company and will review the position on a regular basis.

The Company has no investment restrictions and investing will not be subject to any maximum exposure limits. No material change will be made to the Company's objective or investing policy without the approval of Shareholders by ordinary resolution. The Company may gain exposure to emerging markets by investing in assets on other, non-emerging markets (such as the London Stock Exchange) as long as the underlying asset has exposure to emerging markets.

Key performance indicators (“KPIs”) for the Company will be the growth of the earnings of the Company and the Dividend paid. The Company’s KPI’s have been selected in accordance with the above strategy to provide both capital gain and income to the Company’s shareholders. These KPIs are:

(i) A sufficient per annum increase in earnings to allow a 6% dividend to be paid to shareholders. For the year ended 31 December 2019, the Company achieved this KPI target and the actual dividends paid were 6%.

(ii) Additional per annum increase in earnings to grow the Company by 5 – 10% per annum. For the year ended 31 December 2019, this KPI was not met as earnings increased from the prior year (see consolidated statement of comprehensive income) however, the increase in earnings was not sufficient to cover the dividends paid, and hence the Book Value Per Share fell Year on Year. The main factor driving the earnings increase was the performance of APQ Cayman Limited. In 2018, the Company did not meet this criterion, following operating losses at the Company amidst tough trading conditions in Emerging Markets.

Alternative Performance Measure (“APM”) for the Company:

(iii) One of The Company’s KPI’s is to pay a 6% Dividend Yield (based on capital subscribed), making income received a key component of the return on investment. The Company makes use of the Total Return, which factors in income received, as well as capital gained, when tracking the performance of the Company and its ability to meet the above KPI. The Total Return on the year was 3.5%.

In addition to the above, in June 2019, following full support of the board, the Company converted its intercompany loan to APQ Cayman Limited (a wholly owned subsidiary of the Company) into an investment at Fair Value. The decision was taken to increase the NAV at APQ Cayman Limited and has nil effect on the equity of the Company.

Please see Going Concern section on pages 17-18 for further details on the Company’s performance through 2020.

[10] Where we refer to revenue from income generating operating activities this relates to the revenue of our investee companies.

BUSINESS MODEL AND STRATEGY (continued)
For the year ended 31 December 2019

Principal Risks and Uncertainties

The Board has carried out a robust assessment of the Company's emerging and principal risks. The Directors believe the risks described below are the material risks relating to the Company:

Business Area/Process	Perceived risk	Mitigation
Environment	Changes in law or regulation or tax legislation may adversely affect the Company's ability to carry on its business or adversely impact its tax position and liabilities.	Considered on an ongoing basis by the Board during quarterly board meetings. Further advice comes from the Investment Advisory Committee.
Key man risk	The Company's performance is dependent on the performance of key members of management. The departure of any key individual from the management team may adversely affect the returns available to the Company.	The Board monitors the dependency of the Company upon any individual on an ongoing basis and where appropriate plans to reduce the impact from this risk.
FX	The Company and APQ Cayman Limited (a Subsidiary) will have an exposure to foreign exchange rate risk as a result of changes, both unfavourable and favourable, in exchange rates between United States Dollars and the currencies in which some assets and liabilities are denominated. The Company's functional and presentational currency is US Dollars. Therefore, there is currency risk as Ordinary Shares are traded on AIM in Pounds Sterling. Further detail on foreign exchange risks are discussed in Note 21 of the Financial Statements.	The Company has taken the decision not to hedge its foreign currency exposure, regarding the Ordinary shares, and thus accepts this risk as part of its investment strategy. The Board may engage in currency hedging in the future, seeking to mitigate foreign exchange risk although there can be no guarantees or assurances that the Group will successfully hedge against such risks.
Cyber Security	The Company will be subject to Cyber Risk in the form of both risk of failure of systems and of the risk of malignant action against the Company by way of Information Technology.	The Company makes use of Dual Signing Authority and two factor authentication across its banking and other key functional areas where it is available. The Company relies on its service providers to have in place proper cybersecurity systems and checks its providers through the annual third-party service provider review
Dividend Risk	There can be no guarantee that the Group will achieve the target rates of return referred to in this document or that it will not sustain any capital losses through its activities. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Group's businesses.	The Group monitors its income through its management accounts and targets investments that provide income in accordance with its strategy, laid out on the Strategy section on page 13 above.
Financial Risk	The Company will, through the implementation of its business model and strategy, face financial risks including market risk, credit risk and liquidity risk. Further details of these risks can be found in table 2 below.	These risks and the controls in place to mitigate them are reviewed at board meetings. Further detail on financial risks are discussed in Note 21 of the Financial Statements.
Volatility	There may be volatility in the price of the Ordinary Shares and the market price of the Ordinary Shares may rise or fall rapidly. The price of the Ordinary Shares may decline below their respective issue price and Shareholders may not be able to sell their Ordinary Shares at a price equal to or greater than their issue price.	To optimise returns, Shareholders may need to hold the Ordinary Shares for the long term.

BUSINESS MODEL AND STRATEGY (continued)
For the year ended 31 December 2019

Principal Risks and Uncertainties (continued)

Business Area/Process	**Perceived risk**	**Mitigation**
Liquidity	Shareholders will have no right of redemption and must rely, in part, on the existence of a liquid market in order to realise their investment. Although the Ordinary Shares are admitted to trading on AIM and on TISE, there can be no assurance as to the levels of secondary market trading in Ordinary Shares or the prices at which Ordinary Shares may trade. The Ordinary Shares may trade at a discount to the Net Asset Value per Ordinary Share.	The Board monitors the liquidity of the stock during its quarterly board meetings. The Company employs market making firms to ensure a live market is available in its ordinary shares.
Leverage	The Company has CULS which it is required to repay interest on quarterly, at a rate 3.5% pa. The Company must ensure that it has liquid resources available to repay this interest. Furthermore, any CULS not previously redeemed, purchased or converted will be repaid by the Company on 30 September 2024 at its nominal amount and thus the Company must ensure it has resources available at this time to make these repayments.	The Board monitors the leverage present in the Company via its monthly management accounts.
Brexit	The Directors note that the Company's future performance may be adversely affected by the economic and political instability surrounding the outcome of Brexit.	The Board monitors negotiations on the future relationship and is preparing to respond accordingly as decisions are made.
COVID-19	The Directors note, an additional risk to last year, that the Company's future performance may be adversely affected by the impact of COVID-19 on the Global economy.	Further detail of the Boards plan to mitigate the impact can be found on pages 11 and 12 – Post balance sheet events (PBSE) and pages 17-18 – Going Concern

The Directors believe the risks described below are the material risks relating to the Company through its investment into the APQ Cayman Limited:

Business Area/Process	**Perceived risk**	**Mitigation**
Emerging Markets	APQ Cayman Limited will have investment exposure to emerging markets, which are subject to certain risks and special considerations that are not typically associated with more developed markets and economies.	The Company engages a team to actively monitor treasury exposures live in high-end risk management software applications. The team monitors exposure and uses a comprehensive framework, utilising its administrator, banking counterparts and other third-party vendors, to ensure exposure levels are correctly measured and reported daily.
Derivative Risk	APQ Cayman Limited will invest in derivative instruments which can be highly volatile and may be difficult to value and/or liquidate. Derivatives will be used for gearing purposes which may expose investors to a high risk of loss.	The Company employs a highly experienced management team that monitors exposure on a daily basis and captures derivative exposure using high-end risk software applications. Daily reports are generated from the software and reviewed by the team.
Credit Risk	APQ Cayman Limited is subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. Where the Company utilises derivative instruments, it is likely to take credit risk with regard to such counterparties and bear the risk of settlement default.	The Company choses reputable financial service providers and uses a spread of counterparties to lessen the impact should one counterparty fail.

BUSINESS MODEL AND STRATEGY (continued)
For the year ended 31 December 2019

Principal Risks and Uncertainties (continued)

Business Area/Process	Perceived risk	Mitigation
Liquidity Risk	The Company could suffer losses as a result of a decrease in liquidity in the capital markets in which it invests. A decrease in liquidity could result in higher exit costs for a given investment, such as the commission or spread charged by the counterparties with which it trades.	The Company choses reputable financial service providers and uses a spread of providers to lessen the impact should one be unable to provide a market price.
Third party risk	APQ Cayman Limited will be subject to custody risk in the event of the insolvency of any custodian or sub-custodians with which it transacts	The Company chooses reputable financial service providers as its counterparties, and uses multiple service providers to lessen the impact should one become insolvent

The Directors believe the risks described below are the material risks relating to the Company through its unquoted investments:

Business Area/Process	Perceived risk	Mitigation
Valuation Risk	The Company's Direct Investment portfolio comprises unquoted investments purchased and sold privately, for which there is no market price available. As a result, management is required to make forecasts and assumptions about certain inputs used in the valuation of these investments. The Company could suffer losses, should these forecasts or assumptions not materialise.	The Company adopts a prudent approach in accordance with International Financial Reporting Standards and employs external valuation experts to perform these valuations.

These risks are mitigated by the control and oversight of the Board. The Board will consider the risks of the Company as a whole on a regular basis at its Board meetings and on an annual basis shall review the effectiveness of its risk management systems, ensuring that all aspects of risk management and internal control are considered. The processes for its annual reviews includes reporting and recommendations from the Board as well as adoption and review of a formal risk matrix documenting the existing and emerging risks facing the Company, as well as the assessed probability and impact of the identified risks. Other risk mitigation measures include, but are not limited to:

- Oversight by Executive Directors and key management with the requisite knowledge and experience in emerging and
- credit markets;
- Oversight by Non-Executive Directors;
- Dual signing authority on bank accounts;
- Business Continuity Plans of the various service providers;
- Ongoing Cyber Risk training; and
- Ongoing review of third-party service providers by the Board

DIRECTORS' REPORT
For the year ended 31 December 2019

The Directors present the consolidated financial statements of APQ Global Limited (the "Group") for the year ended 31 December 2019. The Group comprises the Company and its subsidiaries.

The Company

The Company was incorporated in Guernsey on 10 May 2016. The Company's shares ("Shares") were admitted to The International Stock Exchange on 11 August 2016 and admitted to trading on the AIM segment of the London Stock Exchange on 26 August 2016. The CULS have been admitted to the Order Book for Fixed Income Securities on the London Stock Exchange's International Securities Market, with effect from 7 September 2017.

Principal Activities

The principal activity of the Company is to invest in Companies in emerging markets through the purchase of a variety of financial instruments, including equity, bonds and derivatives through the subsidiary APQ Cayman Limited, and through direct investments in private companies. The Company seeks to earn revenue from dividends and interest received from these investments and realise gains on sales of these investments. Additionally, the Company aims to take majority stakes in private businesses, seeking to earn income throughout the holding period and capital gains upon resale. The anticipated holding period between purchase and sale is expected to be three to seven years.

Functional and presentational currency

The Group's functional and presentational currency is US Dollars. The Group's main activities and returns for the year ended 31 December 2019 are from its subsidiary APQ Cayman Limited and were in US Dollars.

Results and Dividends

The consolidated results for the year are set out in the Consolidated Statement of Comprehensive Income on page 37 and the Statement of Financial Position at that date is set out on page 38.

The Company paid dividends during the year as follows:

- A dividend of 1.5 pence (1.93 cent) per share was declared on 31 January 2019 in respect of the fourth quarter ended 31 December 2018.
- A dividend of 1.5 pence (1.94 cent) per share was declared on 2 May 2019 in respect of the first quarter of 2019 ended 31 March 2019.
- A dividend of 1.5 pence (1.87 cent) per share was declared on 25 July 2019 in respect of the second quarter of 2019 ended 30 June 2019.
- A dividend of 1.5 pence (1.94 cent) per share was declared on 31 October 2019 in respect of the third quarter of 2019 ended 30 September 2019.

A further dividend of 1.5 pence (1.97 cents) per share was declared on 23 January 2020 in respect of the quarter ended 31 December 2019.

Share Capital

As at 31 December 2019 the Company had in issue 78,241,047 (2018 – 78,134,735) Ordinary Shares of nil par value. During the year 106,312 shares were issued (2018 – 79,735).

Principal Risks and Uncertainties

Principal Risks and Uncertainties are disclosed in the Business Model and Strategy section.

Going Concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the Financial Statements since the ultimate assets of the Company mainly consist of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for at least 12 months from the date of this report. The Company will be able to meet all its liabilities as they fall due.

Going Concern (continued)

During the first quarter of 2020, the Company experienced difficult trading conditions in its liquid portfolio due to large market movements in emerging markets currencies, bonds and equities.

During this time, the Company took decisive action to mitigate further risk to the balance sheet, de-risking its portfolio of liquid market securities, with the portfolio as of 31st March 2020 comprising:

- $40.6 million of unencumbered cash;
- $4.3 million of cash equities;
- $1.3 million of cash bonds; and
- $1.3 million of tangible book value in its private direct investments.

At the close of business on 30 June 2020, the Company's estimate of its unaudited book value per Ordinary Share was 31.70 US Dollar cents.

The Company has met all its payment obligations to various counterparties and is not in breach of any debt covenants.

Furthermore, with the ongoing uncertainty faced by emerging markets due to COVID-19, the Board has decided to implement the following further cash preservation measures, which are intended to facilitate a smooth recovery:

- Suspension of dividends paid to ordinary shareholders until further notice;
- The management bonus scheme to be cut from 20% of profits to 10%;
- Significant cost reduction across all of the Company; and
- Move to quarterly reporting of key metrics in the Company's income statement and balance sheet, an increase from semi-annually, starting for the reporting period Q2 2020.

Stress Testing

Following the above measures taken, the Company would maintain an expense coverage ratio between 71-81 times (Jun20-Sep21), assuming zero income from its assets and net of paying all its operating expenses and net of its financial payment obligations to the CULS and Preference Shareholders. The Company would not breach any debt covenants and retain USD 17.5 million in cash and liquid assets at end of month September 2021.

Cost Reduction

In total the Company is aiming to cut the operating costs across all of its subsidiaries by December 2020 by 44%. This will be achieved through a combination of staff reduction (or salary cuts) and switches to lower cost service providers.

Dividend Suspension

The suspension of the dividend paid to ordinary shareholders will increase the cash available to the Company by approximately $6m per annum based on last year’s distributions.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2019

Long Term Viability Statement

There is currently no strict regime of Corporate Governance to which the Company must adhere to, however there are guidelines set out for AIM companies (to adopt a recognised corporate governance code and disclose how it complies with that code, where it departs from its chosen code, and an explanation of the reasons for doing so). The Company has adopted the UK code on Corporate Governance, issued July 2018 for periods beginning on or after 1 January 2019 to the extent outlined in the Corporate Governance section below on page 21. In accordance with provision 31 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the 12 months minimum required by the 'Going Concern' provision. Three years is deemed to be an appropriate time period for management to implement its medium-term strategic objectives set out in the Business Model and Strategy section (page 13) of these financial statements.

Further to page 17 – Going Concern, the Company tests its three-year cash flow forecast (to September 2023) using newly targeted budgets and concluded that:

Assuming normal economic conditions resume from 2021 onwards[11], the Company would preserve an expense coverage ratio net of its financial obligations of 117%, retaining USD 28.7 million in cash on its balance sheet at the end of July 2023.

Assuming poor economic conditions, with zero income for the group across its unquoted investments for the entire period, and a 2% yield earned on its invested capital from 2021 onwards, the Company would not breach any debt covenants and would maintain an expense coverage ratio net of its financial obligations of 51% in July 2023, with a cash balance of USD 12.6 million.
In its assessment of the Company's viability over the three-year period the Board has considered each of the company's principal risks, in particular a significant fall in value of the Company's invested assets through the failure of a counterparty of the Subsidiary.

Based on the Company's processes for monitoring operating costs, share discount, internal controls, invested asset allocation, risk profile, liquidity risk and the assessment of the principal risks and uncertainties facing the Company, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period.

Directors

The details of the Directors of the Company during the year and at the date of this Annual Report are set out in the Directors section.

As at 31 December 2019 and the date of these financial statements, the following Directors, their close relatives and related trusts, held the following beneficial interests in the Company:

Director	Shares held	% of issued share capital
Bart Turtelboom	22,168,561	28.33%
Wayne Bulpitt	46,500	0.06%

International Tax Reporting

For the purposes of the US Foreign Accounts Tax Compliance Act, the Company registered with the US Internal Revenue Service ("IRS") as a Guernsey reporting Foreign Financial Institution ("FFI") in November 2016, received a Global Intermediary Identification Number (B2KS93.99999.SL.831) and can be found on the IRS FFI list.

The Common Reporting Standard ("CRS") is a standard developed by the Organisation for Economic Co-operation and Development ("OECD") and is a global approach for the automatic exchange of tax information. Guernsey has adopted the CRS which came into effect on 1 January 2016. The CRS replaced the intergovernmental agreement between the UK and Guernsey to improve tax compliance that had previously applied.

The Board will take the necessary actions to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

[11] 10% yield on invested capital and $55k net income per month generated across its unquoted investments

DIRECTORS' REPORT (continued)
For the year ended 31 December 2019

Auditor

BDO LLP were appointed as auditors on 6 October 2017 for the year end 31 December 2017 audit, reappointed as auditors at the AGM on 22 August 2018 in relation to the year end 31 December 2018 audit and were reappointed as auditors at the AGM on 16 July 2019 in relation to the year end 31 December 2019 audit. BDO LLP will be reconsidered for appointment for the December 2020 audit at the AGM scheduled for 13 October 2020.

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable Guernsey law and regulations.

The Companies (Guernsey) Law, 2008 requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and the Companies (Guernsey) Law, 2008.

Under the Companies (Guernsey) Law, 2008 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 Group and of the profit or loss of the Group for that period.

The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and its results for the year and to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Responsibility Statement

The Directors confirm that to the best of their knowledge the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for the shareholders to assess the Group's performance, business model and strategy.

Disclosure of Information to Auditor

Each of the persons who was a Director at the date of approval of the financial statements confirms that:

1. so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. he has taken all steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of section 249 of the Companies (Guernsey) Law, 2008.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2019

Corporate Governance

The Directors recognise the importance of robust Corporate Governance and meet regularly to review corporate strategy, the risk profile of the Group and its operating businesses and to monitor the performance of the service providers appointed to the Group. The Board assesses and monitors the culture of the Company and reviews the sustainability of the Company's business model and its impact on external stakeholders. Due to the size of the Company the Board are able to monitor the culture through regular contact with employees. More information with respect to the Company's Business Model can be found on page 13

There is currently no strict regime of Corporate Governance to which the Directors must adhere over and above the general fiduciary duties and duties of care, diligence and skill imposed on such directors under the Companies (Guernsey) Law, 2008; however, there are guidelines set out for AIM companies. The Directors recognise the importance of sound corporate governance and the Group will seek to take appropriate measures to ensure that the Group complies with the UK Code on Corporate Governance to the extent appropriate and taking into account the size of the Group and the nature of its business. The Directors, having reviewed the UK Code on Corporate Governance, considers that it has complied with the Code throughout the period under review with the exception of the following areas of non-compliance, each of which applied throughout the period:

Areas of non-compliance with the UK Corporate Governance Code which were disclosed at the launch of the Company:

- Provision 9 - the Chairman is not independent;
- Provision 11 – At least half the Board, excluding the chairman are not independent non-executive directors;
- Provision 12 – The chair does not hold meetings without the executive directors' present. The non-executive directors, led by the senior non-executive director do not meet without the chair at least annually to appraise his performance or on other such occasions which are deemed appropriate;
- Provision 17 - the Company does not have a nominations committee;
- Provision 24 - the audit committee does not contain two independent non-executive directors. The chairman of the Company is a member of the audit committee; and
- Provision 32 - the Company does not have a remuneration committee.

The Directors do not believe that compliance with these sections of the code are necessary due to the size of the Group and the nature of its business. Following the resignation of the Active Group as Company Secretary on 10 June 2020 the Company no longer has a material business relation with the Chairman, and he will be deemed to be independent after three years from this date.

As a Company with its shares admitted to listing on TISE, the Directors comply with the Model Code of TISE and take all reasonable and proper steps to ensure compliance by applicable employees as required by the Listing Rules. The Directors and the Company also comply at all times with the applicable provisions of the Listing Rules.

The Company has adopted an anti-bribery policy and adheres to the requirements of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003 and the UK Bribery Act 2010.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2019

Internal Audit

The Directors have determined that no internal audit function is required, as the bookkeeping and valuation of assets are performed by third parties, which provides checks and balances on the operations of the Group. The Directors believe that an internal audit function would largely duplicate this oversight and represent additional cost for no additional benefit. The Directors reassess this annually.

Role of the Board

The Board is the Company's governing body and has overall responsibility for maximising the Company's success by directing and supervising the affairs of the business and meeting the appropriate interests of Shareholders and relevant stakeholders, while enhancing the value of the Company and also ensuring protection of Shareholders. A summary of the Board's responsibilities is as follows:

- Statutory obligations and public disclosure;
- Strategic matters and financial reporting;
- Risk assessment and management including reporting compliance, governance, monitoring and control; and
- Other matters having a material effect on the Company.

The Board's responsibilities for the Annual Reports are set out in the Statement of Directors' Responsibilities section.

The Board needs to ensure that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Group's performance, business model and strategy.

In seeking to achieve this, the Directors have set out the Group's business strategy and have explained how the Board and its delegated committee operate and how the directors review the risk environment within which the Company operates and set appropriate risk controls. Furthermore, throughout the Annual Report the Board has sought to provide further information to enable Shareholders to have a fair, balanced and understandable view.

<u>Composition and Independence of the Board</u>

The Board comprises two executive directors, one independent non-executive director and one non-independent non-executive director.

Wayne Bulpitt is responsible for leadership of the Board and ensuring its effectiveness as Non-executive Chairman, a role he has held since 20 April 2017. He is not considered independent by virtue of him being the joint chairman of Active group of which Active Services (Group) Limited is a member, and which supplied administrative services to the Company during the year. On the 10 June 2020, Active Services (Group) ceased to supply administrative services to the company.

Bart Turtelboom continues to serve as Chief Executive Officer and Philip Soulsby continues to be the Senior Independent Non-Executive Director.

Wesley Davis was an Executive Director and Finance Director during the year.

	Board		**Audit Committee**	
	Held	Attended	Held	Attended
Bart Turtelboom	6	5	3	3
Wayne Bulpitt	6	6	3	3
Wesley Davis	6	4	3	2
Phil Soulsby	6	6	3	3

Re-election

At every Annual General Meeting any Director appointed by the Board since the last annual general meeting or who held office at the time of the two preceding annual general meetings and who did not retire at either of them shall retire from office and may offer themselves for re-appointment by the Shareholders.

At the AGM to be held on 13 October 2020, all the Directors shall offer themselves for re-election.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2019

Terms and Conditions of Appointment on Non-Executive Directors

Each of the Non-Executive Directors shall be subject to re-elections at the first annual general meeting of the Company and thereafter in accordance with the provisions of the Company's articles of incorporation in respect of re-election and retirement. Neither of the Non-Executive Directors has been appointed for a fixed term.

The conditions attached to the appointment of the Non-Executive Directors include the following:

- termination in the event of any serious breach of obligations to the Company or through any act of dishonesty, fraud or serious misconduct;
- attendance at quarterly and ad hoc board meetings and consideration of all board papers pertaining to such meetings;
- compliance with all applicable legal and regulatory requirements; and
- compliance with all applicable legal and regulatory requirements including the TISE model share dealing code and the UK Corporate Governance Code.

Board Evaluation and Succession Planning

The Directors consider how the Board functions as a whole taking into account the balance of skills, experience and length of service into consideration and reviews the individual performance of its members on an annual basis.

To enable this evaluation to take place, the Board has put in place a process whereby the Company Secretary circulates a questionnaire plus a separate questionnaire for the evaluation of the Chairman. Upon completion, the questionnaires are returned to the Company Secretary for collation and summary before distribution to the Chairman and the other Directors.

The Board considers that it has a breadth of experience relevant to the Company’s needs and that any changes to the Board’s composition can be managed without undue disruption. Future Directors will undertake an induction programme.

With regards to board composition and external evaluation, the board has considered its effectiveness at least annually and composition on a regular basis. It is both mindful of good practice and the need to continually review the matter. With regards to external evaluation, it is considered that the size and the activity of the Company do not justify such an expense at this stage, however a recent change of service providers and Company Secretary will allow the company to benefit from a “fresh pair of eyes” and informal review.

The Board is cognisant of good practice and recent reviews into the composition of boards. It continually reviews its own composition and believes that it has available an appropriate range of skills and experience. The Board will always ensure that the best available candidates are appointed irrespective of their background, gender or ethnicity.

Company Secretary

During the year, the Company’s Secretarial function was delegated to Active Services (Guernsey) Limited. From 10 June 2020, Parish Group Limited were appointed as Company Secretary. All Directors have direct access to the Company Secretary and the Company Secretary is responsible for ensuring that Board procedures are followed and that there is good communication within the Board and between the committees of the board listed below and the Board.

Committees of the Board

The Board has established the following committees:

Audit committee

The audit committee is chaired by Philip Soulsby, the independent Director, with all the other Directors as members. The audit committee meets no less than once a calendar year and meetings can also be attended by the Auditors.

The audit committee is responsible for monitoring the integrity of the financial statements of the company and any formal announcements relating to the company’s financial performance and reviewing significant financial reporting judgements contained in them before their submission to the Board. In addition, the audit committee is specifically charged under its terms of reference to advise the Board on the terms and scope of the appointment of the Auditors, including their remuneration, independence, objectivity and reviewing with the Auditors the results and effectiveness of the audit, and in ensuring that the Company's annual report and financial statements are fair, balanced and understandable. The audit committee is also responsible for reviewing the Company’s internal financial controls and internal control and risk management systems. They also consider annually the need for an internal audit function.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2019

Audit committee (continued)

The audit committee met on 30 September 2019, as well as in April and September 2020 to review and approve the accounts respectively. A report of the Audit Committee detailing their responsibilities is presented in the Audit Committee Report.

The Audit Committee's Terms of Reference state that the Audit Committee shall review the need for any non-audit services provided by the external auditor and authorise on a case by case basis. The Audit Committee's Terms of Reference are available from the registered office of the Company.

Audit fees for the external auditor, BDO LLP, for the year ended 31 December 2019 were $96,167 (2018 - $95,121).

A fee of $7,992 (2018 - $6,846) was paid to BDO LLP for audit related services with respect to review of the interim financial statements.

BDO LLP has served as the Company’s auditor for 3 years. The current audit partner is Neil Fung-On, who has held this role for 3 years.

Relations with Shareholders

The Board welcomes shareholders’ views and places great importance on communication with its shareholders.

The Board monitors the trading activity on a regular basis and maintains contact with the Company’s Nominated Adviser and Broker to ascertain the views of the shareholders, with whom they maintain a regular dialogue. Shareholders’ sentiment is also ascertained by the careful monitoring of the discount/premium that the Shares are traded in the market against the book value calculation per Share.

The Company reports to shareholders twice a year and produces a quarterly update which is posted on the Company’s website. In addition, it has an Annual General Meeting and a notice convening this together with a proxy voting card is sent with the Annual Report and Financial Statements. The Registrar monitors the voting of the shareholders and proxy voting is taken into account when votes are cast at the Annual General Meeting. Shareholders may contact the Directors via the Company Secretary.

The Chairman and other Directors are available to meet shareholders if required and the AGM of the Company provides a forum for shareholders to meet and discuss issues with the Directors.

Further information regarding the Company can be found on its website at www.apqglobal.com.

Post Balance Sheet Events

On 29 January 2020, the Company entered into an agreement to purchase 100% of the Parish Group Limited (“Parish”), a company incorporated and domiciled in Guernsey. Parish Group Limited is a fiduciary and corporate services provider. In consideration to the sellers for the acquisition:

- The Company paid a net amount of approximately $4,095,630 cash consideration to the Sellers;
- APQ Capital Services Limited, a wholly owned subsidiary of the Company, issued 268,000 Convertible Preference Shares (convertible into ordinary shares in APQ Global) to the sellers (the "Convertible Preference Shares") at price of $10 per share; and
- The Company issued 1.0 million warrants in APQ Global ("Warrants"), with an exercise price equal to the most recently announced book value per share of 70.94 pence, to the sellers.

The Convertible Preference Shares are convertible into a variable number of shares linked to the relative assets attributable to the convertible preference shares. On 30 June 2020, the conversion ratio on the Convertible Preference Shares issued by APQ Capital Services was amended to a fixed conversion ratio of 11.25 ordinary shares per convertible preference share. The investment in Parish was made through APQ Corporate Services Limited and is held for the purpose of investment income and capital appreciation. It will therefore be measured at fair value through profit and loss as part of the valuation of APQ Corporate Services Limited. On 10 June 2020, APQ Global appointed Parish Group as its company secretary and changed its registered office to the offices of Parish Group.

DIRECTORS' REPORT (continued)
For the year ended 31 December 2019

Post Balance Sheet Events (continued)

On 3 March 2020, the Company entered into an agreement to purchase 100% of the Delphos International, Ltd (“Delphos”), a US based Corporation. In consideration to the shareholders of Delphos for the acquisition, the Company paid an upfront amount of $1.5 million in cash (the "Upfront Payment"). The Company is also required to make an additional payment to clear the working capital of Delphos prior to the acquisition, this amounted to $112,265 In addition to the Upfront Payment, the Company shall potentially make up to three earn-out payments to the Sellers ("Earn-Out Payments"), depending on the levels of EBTDA generated by Delphos for the years ended 30 June 2020 and 30 June 2021, with each payment capped at $0.75 million and a further Earn-Out Payment capped at $0.5 million for the year ended 30 June 2022. In the event that the minimum contingencies applied to the Earn-Out payments are not met, the Company is not required to make any further payments in respect of that Earn-Out period.

After the year end, a further dividend of 1.5 pence (1.97 cents) per share was declared on 23 January 2020 and was paid on 2 March 2020 in relation to the quarter ended 31 December 2019.

Since 31 December 2019, the following securities have been admitted to the Official list of the International Stock Exchange:

Entity	Type of instrument	No. of instruments	Date admitted
APQ Global Limited	Warrants	1,000,000	30th January 2020
APQ Capital Services Ltd	Convertible preference shares	268,000	30th January 2020
APQ Global Limited	Ordinary shares	26,578	5th February 2020
APQ Global Limited	Ordinary shares	26,578	8th June 2020

COVID-19

During the first quarter of 2020, the Company experienced difficult trading conditions in its liquid portfolio due to large market movements in emerging markets currencies, bonds and equities, caused by the COVID-19 pandemic.

During this time, the Company took decisive action to mitigate further risk to the its balance sheet, de-risking its portfolio of liquid market securities, with the portfolio as of 31st March 2020 comprising:

- $40.6 million of unencumbered cash;
- $4.3 million of cash equities;
- $1.3 million of cash bonds; and
- $1.3 million of tangible book value in its private direct investments.

At the close of business on 30 June 2020, the Company's estimate of its unaudited book value per Ordinary Share was 31.70 US Dollar cents.

The Company has met all its payment obligations to various counterparties and is not in breach of any debt covenants.

Furthermore, with the ongoing uncertainty faced by emerging markets due to COVID-19, the Board has decided to implement the following further cash preservation measures, which are intended to facilitate a smooth recovery:

- Suspension of dividends paid to ordinary shareholders until further notice;
- The management bonus scheme to be cut from 20% of profits to 10%; and
- Significant cost reduction across all of the Company; and

DIRECTORS' REPORT (continued)
For the year ended 31 December 2019

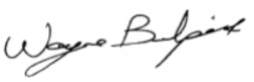
Annual General Meeting

The Company's Annual General Meeting is due to be held in October 2020. The last Annual General Meeting was held on 16 July 2019.

Related Party Transactions

Transactions entered into by the Company with related parties are disclosed in note 23 of the financial statements.

Signed on behalf of the Board of Directors by:



Wayne Bulpitt	Philip Soulsby
Chairman	Director

Date: 14 September 2020

AUDIT COMMITTEE REPORT
For the year ended 31 December 2019

On the following sections we present the Audit Committee's Report for the year ended 31 December 2019, setting out the responsibilities of the Audit Committee.

Members of the Audit Committee will be available at the AGM to respond to any shareholder questions on the activities of the Audit Committee.

The Audit Committee was formed on 4 November 2016 and held its first meeting on 19 April 2017.

Responsibilities

The Audit Committee reviews and recommends to the Board the Financial Statements of the Company and is the forum through which the external auditor reports to the Board of Directors.

The Audit Committee responsibilities include:

- Review of the annual financial statements prior to approval, focusing on changes in accounting policies and practices, major judgmental areas, significant audit adjustments, going concern and compliance with accounting standards, listing and legal requirements;

- Receiving and considering reports on internal financial controls, including reports from the auditors and reporting their findings to the Board;

- Considering the appointment and removal of the auditors, their effectiveness and their remuneration including reviewing and monitoring of independence and objectivity;

- Meeting with the auditors to discuss the scope of the audit, issues arising from their work and any matters the auditors wish to raise;

- Reviewing the Company's corporate review procedures and any statement on internal control prior to endorsement by the Board; and

- Providing advice to the Board upon request as to whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Audit Committee reports its findings to the Board, identifying any matters on which it considers that action or improvement is needed, and make recommendations on the steps to be taken.

The audit committee met in September 2020 to review the accounts and reports on the operations of the Company. After due consideration they reported to the Board of the Company that in their view the accounts were fair, balanced, understandable and presented the information necessary to allow shareholders to assess the Company's performance, business model and strategy.

Philip Soulsby
Audit Committee Chairman

Date: 14 September 2020

BOARD MEMBERS
For the year ended 31 December 2019

Bart Turtelboom (aged 53) (Chief Executive Officer and Executive Director)
Bart is Chief Executive Officer of APQ Global Limited and is on the board of APQ Cayman Limited. Previously he was the co-founder and Chief Investment Officer and partner of APQ Partners LLP. Prior to APQ Partners LLP, Bart was Co-Head of the Emerging Markets business at GLG and Co-Portfolio Manager of the GLG emerging markets funds. He was previously the Global Co-Head of Emerging Markets at Morgan Stanley, where he ran a multi-billion US Dollar business spanning Asia, Latin America, the Middle East and Africa, and head of its Global Capital Markets Group. Prior to that Bart was a Portfolio Manager at Vega Asset Management and a Director at Deutsche Bank, where he held several roles culminating in coverage of the bank's largest European clients. Bart was an Economist for the International Monetary Fund in Washington D.C. from 1994 until 1997. Bart received a Ph.D. in Economics from Columbia University.

Wayne Bulpitt CBE (aged 58) (Non-Executive Chairman)
Wayne Bulpitt has over 35 years of experience in business leadership in banking, investment and administration services. Having left National Westminster Bank Plc in 1992 to join CIBC Bank & Trust Company, he developed and launched CIBC Fund Managers (Guernsey) Limited in 1994. As Managing Director, Wayne spent the next four years managing and developing the offshore funds and building a third party fund administration capacity.
In 1998 this experience was to prove crucial for the Canadian Imperial Bank of Commerce where, as Director of Offshore Investment Services Global Private Banking & Trust Division, his main priority was to restructure the delivery of their investment management services outside of Canada.
Wayne founded Active Group Limited in 2002, which renamed to Aspida Group following its merger with Optimus in 2019. Aspida is an innovative provider of practical and professional support services such as compliance, corporate secretarial and management services to the finance industry. Wayne is on the boards of various investment management companies and funds (both listed and un-listed), overseeing a diverse range of investment activities.

Philip Soulsby (aged 54) (Independent Non-Executive Director)
Philip Soulsby is a mathematics graduate. He qualified as a chartered accountant in London with BDO Binder Hamlyn, before transferring to KPMG in Guernsey in 1990. There he spent two years specialising in the audit of financial services companies and offshore mutual funds. In 1992 he joined Credit Suisse Fund Administration Limited in charge of finance and compliance, later moving to a role more involved in structuring and marketing mutual fund services, helping the business grow from 12 staff to over 130. During this time, he acted as director to a number of funds and fund managers, and gained a broad knowledge of hedge funds, derivatives and risk control. In 2006, he left Credit Suisse to establish his own business, The Mundi Group Ltd, a fair-trade and ethical products business. He remains a director of several funds and fund management companies and was also Douzenier to the Parish of St Martin, his term of office expired on 31 December 2018.

Wesley Davis (aged 53) (Executive Director and Finance Director)
Wesley Davis was appointed to the Board on 1 January 2019.

Wesley Davis has over 25 years of experience in emerging & frontier markets, both in investment banking and operating company roles. Wesley has served in a consulting capacity on the International Advisory Council of the Company, with a focus on private equity and illiquid credit origination. Wesley has previously assisted emerging & frontier market firms in Africa and Asia with business development and financial advisory services at New Asia Advisory Ltd. Also, he was responsible for international funding and investor relations, while serving as a member of the Board of Directors at Asia Pacific Investment Partners. Wesley has experience in senior roles in emerging markets origination and institutional sales at Renaissance Capital, HSBC Bank and Merrill Lynch.

REMUNERATION POLICY
For the year ended 31 December 2019

No advice or services were provided by any external person in respect of the Board's consideration of the Directors' remuneration.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate directors of a quality required to run the Company successfully. The policy is to review fee rates periodically, although such a review will not necessarily result in any changes to the rates, and account is taken of fees paid to directors of comparable companies.

A management share plan was formalised on 7 April 2017 and amended on 17 July 2018. The plan allows for certain members of the management to benefit from 20% of any increase in the year end book value per share for a given year. Awards can be issued as an allocation of a specified number of shares or as an option (a right to acquired shares under the plan for nil consideration). Cash consideration is an option at the Board's discretion. It could disadvantage other shareholders if cash is taken and cash consideration exceeds the share price. The vesting period for any awards issued can be up to 5 years and subject to certain conditions. Share awards were with respect to the performance period ended 31 December 2017, which have continued to vest over the period. No awards have been issued with respect to the year ended 31 December 2018 and the year ended 31 December 2019 as the performance criteria has not been met.

Remuneration

The non-executive directors are remunerated for their services at such a rate as the Directors determine provided that the aggregate amount of such fees does not exceed $270,550 per annum. No engagement with the workforce has taken place to explain how remuneration aligns with wider company pay policy, this is due to the small size of the Company.

The directors are remunerated in the form of fees, payable monthly in arrears. Bart Turtelboom agreed to waive his entitlement to director's fees whilst he was Chairman. From April 2017 Bart Turtelboom received an annual salary of £120,000 as Chief Executive Officer. From 1 April 2018 the salary was amended to be settled as £60,000 from the Company and £60,000 from APQ Cayman Limited.

The Board considers that the salary is reasonable and commensurate with the level of the appointment.

Bart Turtelboom is eligible for a grant of share awards in accordance with the management share plan. For the performance period ended 31 December 2017, Bart Turtelboom was awarded 467,313 share awards which vest quarterly over a 5 year period ending 31 December 2022. In order for the shares to vest Bart Turtelboom must continue to be in employment at each vesting milestone. For the year ended 31 December 2018 93,463 shares had vested of which 70,097 had been issued. The charge for the year ended 31 December 2019 is $149,113 (2018 - $301,062) and the remaining portion yet to vest is $148,499 (2018 - $297,612).

No other remuneration has been paid to directors apart from reimbursement of their expenses.

		APQ Global Limited - Remuneration $		**APQ Global Limited - Share based remuneration $**		**APQ Cayman Limited - Remuneration $**		**Total $**	
		2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Bart Turtelboom	Chief Executive Officer	76,861	100,872	149,113	301,062	76,861	58,855	302,835	460,789
Wayne Bulpitt	Non-Executive Chairman	51,384	39,932	-	-	-	-	51,384	39,932
Richard Bray	Executive Director	-	39,932	-	-	-	5,000	-	44,932
Philip Soulsby	Non-Executive Director	22,398	23,584	-	-	-	-	22,398	23,584
Wesley Davis	Executive Director	72,000	-	-	-	72,000	-	144,000	-
		222,643	**204,320**	**149,113**	**301,062**	**148,861**	**63,855**	**520,617**	**569,237**

At 31 December 2019, $4,415 (2018 - $12,935) was payable to the directors.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF APQ GLOBAL LIMITED

Opinion

We have audited the financial statements of APQ Global Limited ("the Company") and its subsidiaries (the 'Group') for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the Financial Statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:
- give a true and fair view of the state of the Group's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

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 Group 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 as applied to listed entities, 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 principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the directors' confirmation in the annual report that they have carried out a robust assessment of the emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated;
- the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements and the directors' identification of any material uncertainties to the Group's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement relating to going concern is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation in the annual report as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF APQ GLOBAL LIMITED (continued)

Matter	Audit response
Valuation, Existence & Title of Investments – Cayman Subsidiary The Company has an investment in its subsidiary APQ Cayman Limited (the "Cayman subsidiary") which represents the largest balance in the financial statements. As described in note 1, note 14 and note 21, the fair value of the investment in the Cayman subsidiary is based on the net asset value (NAV) of the Cayman subsidiary. The Cayman Subsidiary's NAV is made up of cash balances (48%), a diverse portfolio of equity and derivative instruments (51%) and other assets and liabilities (<1%). The Cayman subsidiary has a portfolio of level 1 and level 2 investments that are recognised at fair value and there is a risk these may not be appropriately stated and/or title over these investments may not exist. Valuation, existence and title of investments are considered to be key audit matters due to the size of the balance and the level of audit effort required.	We obtained management's calculation of the NAV of the Cayman subsidiary and checked that this was arithmetically correct. In respect of the Cayman subsidiary's portfolio of investments we have performed the following: **Cash** In respect of the cash balances: • 100% of cash balances have been confirmed to third party bank or custodian statements **Valuation of Quoted Investments** In respect of the quoted investment valuations: • We confirmed year end prices to independent sources and verify that there are no contra indicators, such as liquidity considerations, to suggest year end prices are not the most appropriate indication of fair value. **Valuation of Derivative Investments** For 99.5% of the derivative investments our procedures included: • Performing re-calculations of simple derivative contracts using external sources (e.g. Bloomberg) • Engaging with valuation specialists to independently recalculate the value of more complex derivative investments. We also considered the completeness, accuracy and clarity of investment related disclosures. **Existence and title of Investments** For 100% of investments held by the Cayman subsidiary we have corroborated title and existence to independent confirmations obtained from custodians and brokers. **Other Assets/ Liabilities** For the other assets and liabilities making up the NAV of the Cayman subsidiary we have performed a combination of analytical procedures and substantive testing procedures. **Key Observations** We consider the investment valuations to be within an appropriate range considering the level of estimation uncertainty. We consider the investment disclosures to be appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF APQ GLOBAL LIMITED (continued)

<table>
<tr><th>Matter</th><th>Audit response</th></tr>
<tr><td>Valuation, Existence & Title of Investments – Other investments

The Company holds investments in a number of other entities either directly or indirectly through subsidiary holding companies. As described in note 1, note 14 and note 21, the fair value of the investments are determined by a variety of fair value techniques. These level 3 investments are recognised at fair value and there is a risk these may not be appropriately stated and/or title over these investments may not exist.</td><td>For all Investments we:
Challenged whether the valuation methodology was the most appropriate in the circumstances under the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines and IFRSs;
Recalculated the value attributable to the Company;
For a sample of investments that were valued using less subjective valuation techniques (cost and price of recent investment for changes in fair value) we:
Verified the cost or price of recent investment to supporting documentation;
Considered whether the investment was an arm's length transaction;
Considered whether there were any indications that the cost or price of recent investment was no longer representative of fair value considering, inter alia, the current performance of the investee Company and the milestones and assumptions set out in the investment proposal; and
Considered whether the price of recent investment is supported by alternative valuation techniques.
For a sample of investments that were valued using more subjective techniques (discounted cash flow forecasts corroborated by revenue multiples and earnings multiples) we:
We reviewed the valuations prepared by management's expert and challenged and corroborated the inputs to the valuation with reference to management information of investee companies, market data and our own understanding and assessed the impact of the estimation uncertainty concerning these assumptions and the disclosure of these uncertainties in the financial statements;
Reviewed the historical financial statements where available and any recent management information available to support assumptions about maintainable revenues, expenditure, working capital and tax which formed the basis of the cash flow forecasts used in the valuations;
Considered the discount rate applied to the cash flow forecasts by reference to venture capital discount rates; and
Considered the appropriateness of the cash flow forecast period with reference to our knowledge of the subsidiaries and industry norms.
Where appropriate, we performed a sensitivity analysis by developing our own point estimate where we considered that alternative input assumptions could reasonably have been applied and we considered the overall impact of such sensitivities on the portfolio of investments in determining whether the valuations as a whole are reasonable and free from bias.

We also considered the completeness and clarity of disclosures regarding the valuation of investments in the financial statements.

Key Observations

We consider the investment valuations to be within an appropriate range considering the level of estimation uncertainty.

We consider the investment disclosures to be appropriate.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF APQ GLOBAL LIMITED (continued)

<table>
<tr><th>Matter</th><th>Audit response</th></tr>
<tr><td>Investment Entity Status

As described in note 3 to the financial statements, the Directors have determined that the Company continues to meet the definition of an Investment Entity and therefore holds its investments at fair value through profit and loss as opposed to consolidation.

In accordance with IFRS 10, an investment entity is an entity that:

a) obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services

b) commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both, and

c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

The assessment of whether the Company continues to meet the definition of an investment entity under IFRS 10 is judgemental and must be reconsidered at each reporting date, taking into account changes in the portfolio and Company's activities.

Due to the increasing number of acquisitions in the year of unquoted investments and due to the telecommunication minutes operating income stream, additional time and judgement has been spent by management in re-assessing whether the Company continues to meet the investment entity definition. As a result, more time and effort has been spent during the audit reviewing and concluding that the Company continues to meet the definition.</td><td>We reviewed the Company's listing documents, financial statement disclosures and website publications to confirm that the Company's business purpose, objectives and strategy were congruous with those of an Investment entity.

We obtained management's memorandum which details the rationale for why APQ Global Limited continues to meet the definition of an Investment entity and checked that the rationale applied was consistent with IFRS 10. We also checked that the explanations and rationale were consistent with our understanding of the entity and its activities.

We obtained management's memorandum in respect of each of the underlying investments which detailed the rationale for acquiring each of these investments and the exit strategy for each investment. We considered whether the rationale for acquiring these investments was in accordance with our understanding obtained throughout the audit and was consistent with that of an investment entity.

Where appropriate we agreed the details included in management's memoranda to supporting evidence such as Board meeting minutes, publications for investors and fair value assessments.

We reviewed management's fair value assessment of each of the investments and checked that all of the investments were evaluated on a fair value basis at the year end.

We challenged management in respect of the consistency of the telecommunication minutes operating income stream with the activities of an Investment entity to assess and determine whether this impacted on the status of the entity as an investment entity. We assessed and challenged the appropriateness of management's responses.

We considered the materiality of the income stream and the return against the overall levels of revenue and returns of the Company. We also considered the intention of management for commencing this activity and the reduction and termination of this income stream post year end. In doing so we held discussions with management and reviewed Board meeting minutes.

We reviewed the key disclosures in respect of this matter to ensure they were complete and accurate and appropriately reflected the requirements of IFRS 10.

Key Observations

We concur with management's view that the investment entity status continues to be appropriate to APQ Global Limited in preparing its accounts.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF APQ GLOBAL LIMITED (continued)

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could reasonably influence the economic decisions of users that are taken on the basis of the financial statements.

The application of these key considerations gives rise to Financial Statement Materiality and Performance Materiality; the quantum and purpose of which are tabulated below. In setting materiality, we had regard to the nature and disposition of the investment portfolio. There were no significant revisions of materiality thresholds during the audit.

Materiality Measure	Purpose	Basis and key considerations	Quantum YE 2019 USD	Quantum YE 2018 USD
Financial Statement Materiality	Assessing whether the financial statements as a whole present a true and fair view.	Based on 1% of the Gross Investment balance considering the nature of the investment portfolio and the level of judgement inherent in the valuation.	1,050,000	730,000
Performance Materiality	The maximum error in an assertion that we would be prepared to accept and still conclude that the result from an audit procedure has achieved our objective.	Based on 70% of materiality.	735,000	511,000

We agreed with the Audit Committee that we would report to the committee all individual audit differences in excess of $21,000 (2018: $14,600). We also agreed to report differences below these thresholds that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was developed by obtaining an understanding of the Group's activities and the overall control environment. We also considered the involvement of the Company's key service providers and the accounting and reporting environment. Based on this understanding we assessed those aspects of the Group's transactions and balances which were most likely to give rise to a material misstatement. The Group consists of the Parent, one consolidated subsidiary and a number of other subsidiaries, including the Cayman subsidiary and an associate held at fair value through profit and loss. BDO (UK) LLP performed a full scope audit on the parent and the consolidated subsidiary. We also audited the fair value of each of the other investments held.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF APQ GLOBAL LIMITED (continued)

Other information

The other information comprises the information included in the annual report and consolidated financial statements, 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.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable–** the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or

- **Audit committee reporting–** the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Parent Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of directors

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF APQ GLOBAL LIMITED (continued)

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 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: www.frc.org.uk/auditors responsibilities. This description forms part of our auditor's report.

The partner in charge of the audit resulting in this independent auditors' report is Neil Fung-On.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. 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.

BDO LLP
Chartered Accountants
London, UK
Date August 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Note	2019 $	2018 $
Revenue	5	12,688,702	1,601,748
Net loss on financial assets at fair value through profit and loss	14	(3,016,884)	(18,535,478)
Administrative expenses	6	(5,441,673)	(2,361,870)
Operating profit / (loss) for the year before tax		**4,230,145**	**(19,295,600)**
Interest receivable	9	352,182	1,367,151
Interest payable	10	(2,274,831)	(2,280,049)
Profit / (loss) on ordinary activities before taxation		**2,307,496**	**(20,208,498)**
Tax on profit / (loss) on ordinary activities		-	-
Total profit / (loss) for the year		**2,307,496**	**(20,208,498)**
Other comprehensive income / (loss)		**-**	**-**
Total comprehensive income / (loss) for the year		**2,307,496**	**(20,208,498)**
Basic earnings per share	11	**0.02951**	**(0.25889)**
Diluted earnings per share	11	**0.02938**	**(0.25889)**

The notes on pages 42 to 72 form an integral part of the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION **Company No. 62008**
As at 31 December 2019

	Note	2019 $	2018 $
Assets			
Non-current assets			
Property, plant and equipment	13	17,670	25,721
Right of use assets	20	84,802	-
Investments	14	105,414,240	74,154,302
Total non-current assets		**105,516,712**	**74,180,023**
Current assets			
Trade and other receivables	15	871,691	33,839,280
Cash and cash equivalents		1,505,234	511,871
Total current assets		**2,376,925**	**34,351,151**
Total assets		**107,893,637**	**108,531,174**
Current liabilities			
Trade and other payables	16	(912,783)	(253,384)
Total current liabilities		**(912,783)**	**(253,384)**
Long term liabilities			
3.5% Convertible Unsecured Loan Stock	17	(34,064,993)	(31,834,626)
Total long-term liabilities		**(34,064,993)**	**(31,834,626)**
Net assets		**72,915,861**	**76,443,164**
Equity			
Share capital	18	99,733,054	99,596,856
Equity component of 3.5% Convertible Unsecured Loan Stock	17	6,919,355	6,919,355
Other capital reserves	19	300,798	264,076
Retained earnings		(29,109,833)	(25,409,610)
Exchange reserve	2.13	(4,927,513)	(4,927,513)
Total equity		**72,915,861**	**76,443,164**
Net asset value per ordinary share		**93.19c**	**97.84c**

The Financial Statements on pages 37 to 72 were approved by the Board of Directors of APQ Global Limited and signed on 14 September 2020 on its behalf by:

Bart Turtelboom
Chief Executive Officer

Wesley Davis
Director

The notes on pages 42 to 72 form an integral part of the Financial Statements.

APQ Global Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 31 December 2019

	Share capital	CULS equity component	Other capital reserves	Retained earnings	Exchange reserve	Total
As at 1 January 2018	**99,494,707**	**4,285,225**	**-**	**1,141,163**	**(4,927,513)**	**99,993,582**
Comprehensive income for the year						
Loss for the year	-	-	-	(20,208,498)	-	(20,208,498)
Equity after total comprehensive income for the year	**99,494,707**	**4,285,225**	**-**	**(19,067,335)**	**(4,927,513)**	**79,785,084**
Contributions by and distributions to owners						
CULS equity component	-	2,634,130	-	-	-	2,634,130
Share based payments	-	-	376,328	-	-	376,328
Share based payments settled in cash	-	-	(10,103)	-	-	(10,103)
Issue of share awards	102,149	-	(102,149)	-	-	-
Dividends	-	-	-	(6,342,275)	-	(6,342,275)
As at 31 December 2018	**99,596,856**	**6,919,355**	**264,076**	**(25,409,610)**	**(4,927,513)**	**76,443,164**
Comprehensive income for the year						
Profit for the year	-	-	-	2,307,496	-	2,307,496
Equity after total comprehensive income for the year	**99,596,856**	**6,919,355**	**264,076**	**(23,102,114)**	**(4,927,513)**	**78,750,660**
Contributions by and distributions to owners						
Share based payments	-	-	186,391	-	-	186,391
Share based payments settled in cash	-	-	(13,471)	-	-	(13,471)
Issue of share awards	136,198	-	(136,198)	-	-	-
Dividends	-	-	-	(6,007,719)	-	(6,007,719)
As at 31 December 2019	**99,733,054**	**6,919,355**	**300,798**	**(29,109,833)**	**(4,927,513)**	**72,915,861**

The notes on pages 42 to 72 form an integral part of the Financial Statements.

APQ Global Limited

CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended 31 December 2019

			Restated*
		2019	**2018**
Cash flow from operating activities	**Note**	**$**	**$**
Cash generated from operations			
Profit / (loss) for the financial year		2,307,496	(20,208,498)
Adjustments for non-cash income and expenses			
Equity settled share-based payments	19	186,391	376,328
Depreciation on property plant and equipment	13	13,541	12,137
Depreciation on right of use assets	20	84,803	-
Net loss on financial assets at fair value through profit and loss	14	3,016,884	18,535,478
Exchange rate fluctuations		1,331,787	(2,225,016)
Changes in operating assets and liabilities			
(Increase) / decrease in trade and other receivables	15	(498,538)	7,245
Increase / (decrease) in trade and other payables	16	24,030	(161,524)
Increase in receivables from group undertakings	15	(281,489)	-
Increase in payables from group undertakings	16	1,960	-
Cash generated from / (used in) operations		**6,186,865**	**(3,663,850)**
Interest received	9	(352,182)	(1,367,151)
Interest paid	10	2,274,831	2,280,049
Net cash inflow / (outflow) from operating activities		**8,109,514**	**(2,750,952)**
Cash flow from investing activities			
Payments to acquire investments	14	(338,066)	(766,680)
Payments to acquire property, plant and equipment	13	(5,490)	(19,812)
Interest received	9	352,182	1,367,151
Loan to APQ Cayman Limited	15	349,504	(7,249,304)
Net cash inflow / (outflow) from investing activities		**358,130**	**(6,668,645)**
Cash flow from financing activities			
Equity component of CULS	17	-	2,634,130
Issue of CULS	17	-	11,279,186
Equity dividends paid	12	(6,007,719)	(6,342,275)
Interest on CULS	17	(1,347,911)	(1,362,452)
Cash settled share-based payments	19	(13,471)	(10,103)
Principal paid on lease liabilities	20	(110,379)	-
Net cash (outflow) / inflow from financing activities		**(7,479,480)**	**6,198,486**
Net increase / (decrease) in cash and cash equivalents		**988,164**	**(3,221,111)**
Cash and cash equivalents at beginning of year		511,871	4,005,434
Exchanged rate fluctuations on cash and cash equivalents		5,199	(272,452)
Cash and cash equivalents at end of year		**1,505,234**	**511,871**

CONSOLIDATED STATEMENT OF CASH FLOW
For the year ended 31 December 2019 (continued)

	2019	2018
	$	$
Reconciliation of cash flows to debt		
Brought forward	31,834,626	22,135,311
Cash flows from issue of CULS	-	11,313,247
Cash flows used in servicing interest payments of CULS	(1,347,911)	(1,362,452)
Cash flows used in principal payments of lease liabilities	(110,379)	-
Non cash flows – recognition of lease liability	143,850	-
Non cash flows – amortisation of discount on CULS issue	2,264,716	2,245,988
Non cash flows – amortisation of discount on lease liabilities	10,115	-
Exchange differences	1,336,986	(2,497,468)
Closing balance	**34,132,003**	**31,834,626**
Net debt comprises the following:		
Convertible Unsecured Loan Stock 2024	34,064,993	31,834,626
Lease liabilities	67,010	**-**
	34,132,003	**31,834,626**

*The 2018 cash flow has been restated due to an error in the classification of exchange rate differences on CULS, which had been treated as a movement in cash and cash equivalents rather than as a non-cash adjustment to cash generated from operating activities. Cash used in operations and the net decrease in cash and cash equivalents have both increased by $2,225,016. Exchange rate fluctuations on cash and cash and cash equivalents have increased by the same amount compared to that previously shown in the financial statements published for the year ended 31 December 2018. There has been no change to the Group's overall cash position for the year ended 31 December 2018.

The notes on pages 42 to 72 form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

1. Corporate information

The financial statements of APQ Global Limited (the "Group") for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 14 September 2020. The Company is incorporated as a limited company in Guernsey. The Company was incorporated on 10 May 2016 for an unlimited duration in accordance with the Companies (Guernsey) Law, 2008. The Company's registered office is at PO Box 142, The Beehive, Rohais, St Peter Port, Guernsey, GY1 3HT.

The objective of the Company is to steadily grow its earnings to seek to deliver attractive returns and capital growth through a combination of building growing businesses in emerging markets as well as earning revenue from income generating operating activities[12].

The Company and its subsidiaries have no investment restrictions and no maximum exposure limits will apply to any investments made by the Group, unless otherwise determined and set by the Board from time to time. No material change will be made to the Company's or subsidiaries objective or investing policy without the approval of Shareholders by ordinary resolution.

The Group's investment activities are managed by the Board.

The shares are quoted on The International Stock Exchange for informational purpose. The ordinary shares are admitted to trading on AIM.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law. The financial statements have been prepared on a historical-cost basis, except for financial assets and financial liabilities held at fair value through profit or loss (FVTPL) that have been measured at fair value. The financial statements have been prepared on a going concern basis.

The principal accounting policies are set out below.

2.2 Going concern

The Directors believe that it is appropriate to adopt the going concern basis in preparing the Financial Statements since the ultimate assets of the Company mainly consist of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for at least 12 months from the date of this report. The Company will be able to meet all its liabilities as they fall due.

During the first quarter of 2020, the Company experienced difficult trading conditions in its liquid portfolio due to large market movements in emerging markets currencies, bonds and equities.

During this time, the Company took decisive action to mitigate further risk to the balance sheet, de-risking its portfolio of liquid market securities, with the portfolio as of 31st March 2020 comprising:

- $40.6 million of unencumbered cash;
- $4.3 million of cash equities;
- $1.3 million of cash bonds; and
- $1.3 million of tangible book value in its private direct investments.

At the close of business on 30 June 2020, the Company's estimate of its unaudited book value per Ordinary Share was 31.70 US Dollar cents.

The Company has met all its payment obligations to various counterparties and is not in breach of any debt covenants.

[12] Where we refer to revenue from income generating operating activities this relates to the revenue of our investee companies.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2. Significant accounting policies (continued)

2.2. Going concern (continued)

Furthermore, with the ongoing uncertainty faced by emerging markets due to COVID-19, the Board has decided to implement the following further cash preservation measures, which are intended to facilitate a smooth recovery:

- Suspension of dividends paid to ordinary shareholders until further notice;
- The management bonus scheme to be cut from 20% of profits to 10%;
- Significant cost reduction across all of the Company; and
- Move to quarterly reporting of key metrics in the Company's income statement and balance sheet, an increase from semi-annually, starting for the reporting period Q2 2020.

Stress Testing

Following the above measures taken, the Company would maintain an expense coverage ratio between 71-81 (Jun20-Sep21), assuming zero income from its assets and net of paying all its operating expenses and net of its financial payment obligations to the CULS and Preference Shareholders. The Company would not breach any debt covenants and retain USD 17.5 million in cash and liquid assets at end of month September 2021.

Cost Reduction

In total the Company is aiming to cut the operating costs across all of its subsidiaries by December 2020 by 44%. This will be achieved through a combination of staff reduction (or salary cuts) and switches to lower cost service providers.

Dividend Suspension

The suspension of the dividend paid to ordinary shareholders will increase the cash available to the Company by approximately $6mm per annum based on last year's distributions.

2.3 Functional and presentational currency

The Group's presentational and functional currency is US Dollars.

2.4 Standards issued

New and amended standards and interpretations

The only new standard impacting the Group that has been adopted in the annual financial statements for the year ended 31 December 2019, and which have given rise to changes in the Group's accounting policies is IFRS 16 "Leases".

On 1 January 2019, the Group adopted all of the requirements of IFRS 16 – Leases. IFRS 16 Leases was issued in January 2016 and provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

To determine the split between principal and interest in the lease the Company is required to estimate the interest it would have to pay in order to finance payments under the new lease. The interest rate used by the Company is based on the incremental borrowing rate, which was calculated by using the Company's most recent issue of convertible loan stock. The impact of the estimated interest rate is currently considered to be immaterial to the financial statements, but the Directors will review this approach as appropriate.

The Group has taken advantage of the transition exemptions available on the implementation of IFRS 16 and have adopted the modified retrospective approach. This means that the Group has not needed to restate the comparatives stated in these financial statements for the year ended 31 December 2018. The effect of the adoption of IFRS 16 has resulted in the increase of assets by $170k and liabilities by $170k as at 1 January 2019. The impact has been to accelerate the expense recognised within the Statement of Comprehensive Income as opposed to its treatment under IAS17.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

2. Significant accounting policies (continued)

2.4 Standards issued (continued)

Standards issued but not yet effective

IFRS 17 "Insurance contracts" was issued and will not become effective until accounting periods beginning 1 January 2023. IFRS 17 applies to all types of insurance contacts and covers recognition, measurement, presentation and disclosure. This standard is not applicable to the Group.

An amendment to IAS 8 "Accounting policies, changes in accounting estimates and errors" will become effective for accounting periods beginning on or after 1 January 2020. The introduction amendments to IAS 8 are not expected to have a material impact on the reported results and financial position of the Group. These amendments have not been adopted early by the Group.

Other accounting standards have been published and will be mandatory for the Group's accounting periods beginning on or after 1 January 2020 or later periods. The impact of these standards is not expected to be material to the reported results and financial position of the Group. The Group has not adopted any of these standards early.

2.5 Basis of consolidation

The Directors have concluded that APQ Global Limited has all the elements of control as prescribed by IFRS 10 "Consolidated Financial Statements" in relation to its subsidiaries and that the Company satisfies the criteria to be regarded as an investment entity. For a detailed analysis of the assessment of the criteria please refer to note 3; Significant accounting judgements, estimates and assumptions. Based on this, the subsidiaries APQ Cayman Limited, APQ Corporate Services Limited and APQ Knowledge Limited are therefore measured at fair value through profit or loss (FVTPL), in accordance with IFRS 13 "Fair Value Measurement" and IFRS 9 "Financial Instruments".

Notwithstanding this, IFRS 10 requires subsidiaries that provide services that relate to the investment entity's investment activities to be consolidated. The subsidiaries APQ Partners LLP and APQ Capital Services Limited assist the Board with implementation of its business strategy, provides research on business opportunities in emerging markets and provides support for cash management and risk management purposes. Accordingly, the consolidated financial statements of the Group include the results of the Company, APQ Partners LLP and APQ Capital Services Limited, whilst APQ Cayman Limited, APQ Corporate Services Limited and APQ Knowledge Limited are measured at FVTPL. The results of APQ Partners LLP are consolidated from the date control commences. Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing these consolidated financial statements.

2.6 Financial instruments

The Group classifies its financial assets and financial liabilities at initial recognition into the following categories, in accordance with IFRS 9 Financial Instruments.

Financial assets at FVTPL

The investments in APQ Cayman Limited, APQ Corporate Services Limited and APQ Knowledge Limited are designated at fair value through profit or loss upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company, as set out in the Company's offering document.

In accordance with the exception under IFRS 10 Consolidated Financial Statement for an investment entity, the Company does not consolidate its investments in APQ Cayman Limited, APQ Corporate Services Limited and APQ Knowledge Limited and has designated the investments as fair value through profit or loss in the financial statements. The investments in APQ Cayman Limited, APQ Corporate Services Limited, APQ Knowledge Limited and APQ Connect Limited are subsequently measured at fair value with movements in fair value recognised as net gain/(loss) on financial assets at fair value through profit and loss in the consolidated statement of comprehensive income.

The investment in BARTR Holdings Limited is designated as fair value through profit or loss with movements in fair value recognised as net gain/(loss) on financial assets at fair value through profit and loss in the consolidated statement of comprehensive income.

2. Significant accounting policies (continued)

2.6 Financial instruments (continued)

Financial assets held at amortised cost

The Group recognises trade debtors, accrued income and other debtors as financial assets classified as amortised cost. These assets are held in order to collect the contractual cash flows and the contractual cash flows are solely payments of principal and interests. These are classified, at initial recognition, as receivables at fair value plus transaction costs and are subsequently measured at amortised cost. The Group has adopted the simplified approach to the credit loss model. Under the simplified credit loss model approach a provision is recognised based on the expectation of default rates over the full lifetime of the financial assets without the need to identify significant increases on credit risk on these assets.

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either:

(a) the Group has transferred substantially all of the risks and rewards of the asset; or
(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Further detail of the Group's financial assets held at amortised cost are disclosed in Note 15 and Note 21 in these financial statements.

Financial liabilities held at amortised cost

The Group recognises trade creditors, other creditors, accruals and the liability component of convertible loan stock as other financial liabilities. Other financial liabilities are classified, at initial recognition, as payables at fair value net of transaction costs and are subsequently measured at amortised cost using the effective interest method. Further details are disclosed in Note 16, Note 17, Note 20 and Note 21 in these financial statements.

The Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

2.7 Fair value measurement

The Company measures its investments in APQ Cayman Limited, APQ Corporate Services Limited, APQ Knowledge Limited and BARTR Holdings Limited at fair value at each reporting date.

For APQ Cayman Limited this is considered to be the carrying value of the net assets of APQ Cayman Limited. APQ Cayman Limited measures its underlying investments at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

2. Significant accounting policies (continued)

2.7 Fair value measurement (continued)

For all other financial instruments, not traded in an active market, including APQ Corporate Services Limited, APQ Knowledge Limited and BARTR Holdings Limited, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. These have been determined in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. These guidelines require the valuer to make judgements with regards to the most appropriate valuation method to be used and the results and inputs used to determine these valuations. Valuation methods that may be used include:

- The income approach – valuation through discounted cash flow forecast of future cash flows or earnings, using appropriate discount rates.
- The market approach – valuation by comparing the asset being valued to comparable assets for which price information is readily available. This price information can be in the form of transactions that have occurred or market information on companies operating in a similar industry.
- The cost approach – valuation based on the cost of reproducing or replacing the asset being valued.

The use of these guidelines requires management to make judgements in relation to the inputs utilised in preparing these valuations. These include but are not limited to:

- Determination of appropriate comparable assets and benchmarks;
- Future cash flow expectations deriving from these assets;
- Appropriate discount factors to be used in determining the discounted future cash flows; and
- Adjustments required to existing market data to make it more comparable to the asset being valued.

For the year ended 31 December 2018, the investment in BARTR Holdings Limited was measured at cost as this approximated the fair value of the investment, as there had been no significant change in its fundamentals from the acquisition date by the Group of 19 November 2019. This investment is now held at FVTPL in accordance with the IPEV guidelines.

For assets and liabilities that are measured at fair value on a recurring basis, the Company identifies transfers between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole), and deems transfers to have occurred at the beginning of each reporting period.

2.8 Foreign currency translations

Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency transaction gains and losses on financial instruments classified as at FVTPL are included in profit or loss in the statement of comprehensive income as part of the 'net (loss) or gain on financial assets at fair value through profit or loss'.

2.9 Share capital

In the event of the liquidation of the Company the Ordinary Shares entitle the holder to a pro rata share of the Company's net assets. Shares are issued net of transaction costs, which are defined as incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

2.10 3.5% Convertible Unsecured Loan Stock 2024

3.5% Convertible Unsecured Loan Stock 2024 ("CULS") issued by the Company is regarded as a compound instrument, comprising of a liability component and an equity component. At the date of issue, the fair value of the liability component was estimated by assuming that an equivalent non-convertible obligation of the Company would have a coupon rate of 6.5%. The fair value of the equity component, representing the option to convert liability into equity, is derived from the difference between the issue proceeds of the CULS and the fair value assigned to the liability. The liability component is subsequently measured at amortised cost using the effective interest rate.

Direct expenses associated with the CULS issue are allocated to the liability and equity components in proportion to the split of the proceeds of the issue. Expenses allocated to the liability component are amortised over the life of the instrument.

The interest expense on the CULS is calculated according to the effective interest rate method by applying the assumed rate of 6.5% at initial recognition to the liability component of the instrument. The difference between this amount and the actual interest paid is added to the carrying amount of the CULS.

2.11 Share-based payments

On 19 April 2017, and amended on 17 July 2018, the Company formalised a management share plan. The plan allows for certain members of the management to benefit from 20% of any increase in the year end book value per share for a given year (a performance period). Awards can be issued as an allocation of a specified number of shares or as an option (a right to acquired shares under the plan for nil consideration). Since any awards granted are to be settled by the issuance of equity, they are deemed to be equity settled share-based payments accounted for in accordance with IFRS 2.

Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period, together with a corresponding increase in other capital reserves, based upon the Group's estimate of the shares that will eventually vest, which involves making assumptions about any performance and service conditions over the vesting period. The vesting period is determined by the period of time the relevant participant must remain in the Group's employment before the rights to the shares transfer unconditionally to them. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates on the number of awards it expects to vest based on service conditions.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately. However, if a new transaction is substituted for the cancelled transaction and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

The Group retains the right to settle the share award in cash. The transaction is accounted for as an equity settled payment and vested over the life of the award. At the point the Group elects to settle the share award in cash, or an expectation that the award will be settled in cash, the value of the portion to be settled in cash is reclassified from the share-based payment reserve to liabilities. Any difference between the value recorded in the share-based payment reserve and the value of the cash to be paid is recognised as an expense in the statement of comprehensive income.

Per the management share plan the vesting period for any awards issued can be up to 5 years and subject to certain conditions. The first awards were issued in the year with respect to the performance period ended 31 December 2017.

2.12 Retained earnings

Retained earnings consists of profit or losses for the financial year as disclosed in the Statement of Comprehensive Income less foreign currency translation differences. Dividends declared by the Board of Directors are paid are accounted for as a deduction from retained earnings.

2. Significant accounting policies (continued)

2.13 Exchange reserve

During the year ended 31 December 2017, the Company changed the functional and presentational currency in which it presents its financial statements from Pounds Sterling to US Dollars. A change in presentational currency is a change in accounting policy which is accounted for retrospectively. The financial information for the period ended 31 December 2016 was previously reported in Pounds Sterling and was restated in US Dollars using differing exchange rates. The retained earnings were converted using an average rate for the period they related to. Equity shares were converted using the historical date which was the date of issue of the shares. The assets and liabilities were converted at the closing exchange date at 31 December 2016. Therefore, an exchange reserve is included in the Statement of Financial Position to reflect the fact this change in presentational currency from the functional currency to 31 December 2016.

2.14 Distributions to shareholders

Dividends are at the discretion of the Company. A dividend to the Company's shareholders is accounted for as a deduction from retained earnings. An interim dividend is recognised as a liability in the period in which it becomes irrevocable, which is following its payment. A final dividend is recognised as a liability in the period when it becomes irrevocable, which is once it has been approved at the annual general meeting of shareholders.

2.15 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as ‘cash and cash equivalents’.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

2.16 Property, plant and equipment

Property, plant and equipment is recorded at historical cost less accumulated depreciation and impairment losses.

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost or valuation of each asset on a straight-line basis over its expected useful life to estimated residual values, as follows:

Office equipment	over 3 years (2018 – over 3 years)
Furniture and fixtures	over 4 years (2018 – over 4 years)
Leasehold improvements	over 2 years (2018 – over 2 years)

Residual values, useful lives and depreciation method are reviewed, and adjusted if appropriate, at each year end.

2.17 Interest revenue and expenses

Interest revenue and expenses are recognised in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.

2.18 Dividend income

Dividend income is recognised on the date when the Company's right to receive the payment is established. This is ordinarily at the ex-dividend date.

2. Significant accounting policies (continued)

2.19 Telecommunication minutes income

Telecommunications minutes income represents income received with respect to the resale of minutes purchased by the Company. The performance obligations in the contracts with these customers is the supply of these minutes. Minutes are supplied at the point of customer utilisation and therefore income is recognised in the period the customer has utilised the minutes.

2.20 Net gain or loss on financial assets and liabilities at fair value through profit or loss

Net gains or losses on financial assets and liabilities at FVTPL are changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVTPL and exclude interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior period's unrealised gains and losses for financial instruments which were realised in the reporting period. Realised gains and losses on disposals of financial instruments classified as at FVTPL are calculated using the first-in, first-out (FIFO) method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

2.21 Fee expense

Fees are recognised on an accrual basis. Refer to Note 6 for details of fees and expenses paid in the period.

2.22 Taxes

The Company is taxable in Guernsey at the company standard rate of 0% (2018 – 0%).

However, in some jurisdictions, investment income is subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant for the Company. The Company presents the withholding tax separately from the gross investment income in the statement of comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented gross of withholding taxes, when applicable.

2.23 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:
- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are expensed in the period to which they relate.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:
- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them, except to the extent that the subsidiary provides services that relate to the investment entity's investment activities. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services;

- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company's listing document details its objective of providing investment management services to investors which includes investing in equities, fixed income securities, private equity and property investments for the purpose of returns in the form of investment income and capital appreciation. This is via its subsidiary APQ Cayman Limited. The Company also holds several private investments either directly or through its other subsidiaries for the purpose of investment income and capital appreciation.

The Company reports to its investors via quarterly investor information, and to its management, via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by IFRS in the Company's annual reports. The Company has an exit strategy for all of its underlying investments.

The Board has concluded that the Company meets additional characteristics of an investment entity, in that it has more than one investment; the Companies ownership interests are predominantly in the form of equities and similar securities; it has more than one investor and its investors are not related parties.

The Board has therefore concluded that the Company meets the definition of an investment entity. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change. The Board therefore recognises its investment in APQ Cayman Limited, APQ Corporate Services Limited, APQ Knowledge Limited and BARTR Holdings Ltd at fair value through profit or loss. The Board has also concluded that since APQ Partners LLP and APQ Capital Services Limited provide services related to the Company's investment activities, these subsidiaries should be consolidated.

As disclosed in the Chairman's Statement page 5, in May 2019 APQ global commenced trading in telecommunications minutes, generating revenue of $1,026,160, with a net loss of $227,604. The intention of undertaking this activity was to ultimately provide investors with capital return or investment income in combination with its other telecommunication investments, BARTR Holdings Limited and its subsidiaries. Trading was performed by a third-party service provider, and the contracts were initially held by APQ Global, to reduce counterparty risk. Management's intention was to novate these contracts into APQ Connect at a subsequent point in time. Post year end this activity has reduced and will cease entirely in 2020. As this activity was a one-off activity and was immaterial in the context of the firm's operations, the Directors are satisfied that the Investment entity status is maintained, and the financial statements continue to be prepared in accordance with the investment entity provisions of IFRS 10.

3. Significant accounting judgements, estimates and assumptions (continued)

Valuation of investments

There are a range of methods for determining the fair value of the unquoted investments held by the Group. Determination of the most appropriate method for valuing these is a key judgement of the Board, and the use of different methods will result in variations in the fair value determined for each investment. The Board determines the most appropriate method based of the life stage of the investment and available comparisons to existing companies operating in the same investments. The Board utilises qualified third parties to assist in deciding the most appropriate valuation technique.

Fair value of share awards

The Directors consider the fair value of the share awards issued in the year to be the equivalent of the fixed cash settlement of the transaction were the Board to choose to settle in cash rather than shares. In the event there was no fixed amount for the cash settlement the Directors would value the awards using the Black Scholes model. Further details with respect to the share awards can be found in note 19.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Fair value of investments

The Directors consider that the fair value of the investment in APQ Cayman Limited should be based on the NAV of APQ Cayman Limited, please refer to note 2.6 and note 14 for further discussion regarding the fair value of investments.

The Directors measure the investments in APQ Corporate Services Limited, APQ Knowledge Limited and BARTR Holdings Limited in accordance with the IPEV guidelines. As these investments are unlisted, their fair value is determined through a range of inputs using external comparisons and management generated forecasts. Forecasts are by their nature estimated expectations and this leads to uncertainty with respect to the valuation of these investments.

The forecast future cash flows are a key estimate in the determination of these valuations and are subject to uncertainty. These forecasts are determined at the Statement of Financial Position date and do not reflect changes in these forecasts from events after the reporting periods. The impact of the COVID-19 pandemic that occurred in 2020 may have an impact on the future cash flows of these investments however these are not reflected in the valuations determined as at 31 December 2019.

Fair value of share awards

To determine the expense to be recognised in the statement of comprehensive income over the vesting period the Directors must calculate the expected likelihood of the service conditions being met for the awards to vest, and only recognise the portion where this is likely to be met. This expectation is remeasured at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

4. Information

For management purposes, the Group is organised into one main operating segment, which invests in equities and credit, government and local currency bonds. All of the Group's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The following table analyses the Group's assets by geographical location. The basis for attributing the assets are the place of listing for the securities or for non-listed securities, country of domicile.

Group	**2019** **$**	**2018** **$**
Cayman	102,885,960	107,109,483
United Kingdom	425,085	417,338
Guernsey	4,438,129	1,004,353
	107,749,174	108,531,174

5. Analysis of revenue

	2019 **$**	**2018** **$**
Dividends received from APQ Cayman Limited	11,663,216	1,592,173
Rental income	(674)	9,575
Telecommunications minutes income	1,026,160	-
	12,688,702	1,601,748

6. Analysis of administrative expenses

	2019 **$**	**2018** **$**
Personnel expenses	495,435	336,153
Operating lease expenses	-	95,601
Depreciation of tangible fixed assets expenses	13,541	12,137
Depreciation of right of use assets	84,803	-
Audit fees	96,167	95,121
Audit related services – review of interim financial statements	7,992	6,846
Nominated advisor fees	63,217	84,025
Expenses incurred in relation to investment in BARTR Holdings Limited	179,227	70,000
Costs of purchasing telecommunications minutes	1,253,764	-
Administration fees and expenses	182,892	64,033
Director's remuneration	227,716	210,978
Other expenses	423,495	286,245
Professional fees	810,138	679,365
Share based payment expenses	186,391	376,328
Insurance	11,265	(352)
Bad debt expenses	155,111	-
Recharge of expenses to APQ Cayman Limited	(341,595)	(169,483)
Net exchange losses	1,592,114	214,873
	5,441,673	2,361,870

7. Director's remuneration

	2019 $	2018 $
Director's remuneration	222,643	204,320
Share based payment expenses	149,113	301,062
Social security costs on director's remuneration	5,073	6,658
	376,829	512,040
The highest paid director was Bart Turtelboom (2018 – Bart Turtelboom)	225,974	401,934
Average number of directors in the year	4	4

8. Personnel expenses

	2019 $	2018 $
Short term benefits – wage and salaries	221,652	71,900
Short term benefits – social security costs	21,341	4,208
Short term benefits – other benefits	244,591	258,468
Short term benefits – Share based payment expenses	37,278	75,266
Post-employment benefits	7,851	1,577
	532,713	411,419

Personnel expenses include expenses per note 6 and the portion of share based payments relating to individuals who are not directors of the Company.

Key management personnel expenses, excluding director's remuneration detailed in note 7, is as follows:

Short term benefits – other benefits	238,350	253,600
Short term benefits – Share based payment expenses	37,278	75,266
	275,628	328,866

9. Interest receivable

	2019	2018
	$	$
Loan interest receivable from APQ Cayman Limited	350,046	1,367,008
Loan interest receivable from Palladium Trust Services Limited	1,067	-
Loan interest receivable from New Markets Media & Intelligence Ltd	1,069	-
Bank interest receivable	-	143
	352,182	1,367,151

During 2018, the Company provided a loan of $7,249,304 to APQ Cayman Limited from the proceeds of the CULS issue. The loan was repayable on demand. During 2019, the balance of $33,372,357 was converted into an investment. The balance of $33,721,861 at 31 December 2018 was included within trade and other receivables.

In addition, the Company charged interest of $350,046 (2018 - $1,367,008) to APQ Cayman Limited for the year ended 31 December 2019. This was fully received during the year and no balance was outstanding at year end. Interest is accrued on the outstanding balance of the loan at such rate as is required to enable the Company to meet its obligations to holders of its convertible unsecured loan stock 2024 in relation to the payment of interest thereon.

10. Interest payable

	2019	2018
	$	$
Interest on 3.5% Convertible Unsecured Loan Stock 2024	2,264,716	2,280,049
Discount on unwinding of lease liability	10,115	-
	2,274,831	**2,280,049**

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

11. Earnings Per Share

The basic and diluted earnings per shares are calculated by dividing the profit or loss by the average number of ordinary shares outstanding during the year.

	2019 $	2018 $
Total comprehensive income / (loss) for the year	2,307,496	(20,208,498)
Weighted average number of shares in issue	78,196,993	78,057,840
Earnings per share	**0.02951**	**(0.25889)**
Diluted earnings per share	**0.02938**	**(0.25889)**

The Group had share awards vested but not yet issued, which are dilutive in 2019. The impact of these share awards would have no impact on the total comprehensive income/loss for the year. They would increase the weighted average number of shares by 350,485 (2018 – 467,313). These share awards were not dilutive in 2018 as the impact of the dilution would be to decrease the loss per share.

The Group has 6,000 (2018 – 6,000) units of Convertible Loan Stock which are potentially dilutive if converted into ordinary shares. This would increase the weighted average number of shares by 6,000 (2018 - 6,000) exercise price on these conversion options currently exceeds the traded share price of APQ Global These are not currently dilutive (2018 – not dilutive).

Potentially dilutive instruments issued after the reporting date

On the 29 January 2020, APQ Global issued 1,000,000 share warrants with an exercise price of 70.94p. The possible impact of this dilution would be to increase the weighted average number of shares by 1,000,000.

On the 29 January 2020, APQ Global issued 268,000 convertible preference shares which were convertible into a variable number of shares linked to the relative assets attributable to the convertible preference shares. On 30 June 2020, the terms of the Convertible preference shares were changed so that they are now convertible into 11.25 ordinary shares per convertible preference share. The possible impact of this dilution would be to increase the weighted average number of shares by 3,015,000.

12. Dividends

Dividends were declared in the year ended 31 December 2018 and 2019 as follows:

	Ex-dividend date	Payment date	Dividend (£)	Dividend ($)	Dividend per share (£)	Dividend per share ($)
First dividend	1 February 2018	2 March 2018	1,170,825	1,625,920	0.015	0.021
Second dividend	26 April 2018	25 May 2018	1,170,825	1,665,264	0.015	0.021
Third dividend	26 July 2018	24 August 2018	1,170,825	1,522,307	0.015	0.020
Fourth dividend	1 November 2018	30 November 2018	1,172,021	1,528,784	0.015	0.020
Total 2018			**4,684,496**	**6,342,275**	**0.060**	**0.082**
First dividend	31 January 2019	1 March 2019	1,172,420	1,511,601	0.015	0.019
Second dividend	2 May 2019	31 May 2019	1,172,818	1,517,451	0.015	0.019
Third dividend	25 July 2019	23 August 2019	1,173,217	1,464,644	0.015	0.019
Fourth dividend	31 October 2019	29 November 2019	1,173,616	1,514,023	0.015	0.019
Total 2019			**4,692,071**	**6,007,719**	**0.060**	**0.076**

The stated dividend policy of the Company is to target an annualised dividend yield of 6% based on the Placing Issue Price. In addition, the Company declared a further dividend of 1.5 pence (1.97 cents) per share on 23 January 2020 in respect of the quarter ended 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

12. Dividends (continued)

There is no guarantee that any dividends will be paid in respect of any financial year. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Company's businesses. There can be no guarantee that the Group will achieve the target rates of return referred to in this document or that it will not sustain any capital losses through its activities

13. Property, plant and equipment

	Office equipment $	Furniture and fixtures $	Leasehold improvements $	Total $
Cost				
At 1 January 2019	58,021	19,352	34,588	111,961
Additions during the year	5,490	-	-	5,490
At 31 December 2019	63,511	19,352	34,588	117,451
Accumulated depreciation				
At 1 January 2019	37,676	13,976	34,588	86,240
Charge for the year	11,798	1,743	-	13,541
At 31 December 2019	49,474	15,719	34,588	99,781
Net book value				
At 31 December 2019	14,037	3,633	-	17,670
At 31 December 2018	20,345	5,376	-	25,721

14. Investments

	APQ Cayman Limited $	APQ Corporate Services Limited $	APQ Knowledge Limited $	BARTR Holdings Limited $	Total $
At 1 January 2019	73,387,622	-	-	766,680	74,154,302
Additions	33,372,357	290,518	613,947	-	34,276,822
Fair value movement	(3,874,019)	562,351	270,721	24,063	(3,016,884)
At 31 December 2019	102,885,960	852,869	884,668	790,743	105,414,240

APQ Global Limited wholly owns APQ Cayman Limited whose registered office is at the offices of Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands. The Company meets the definition of an investment entity. Therefore, APQ Cayman Limited is not consolidated and is recognised as an investment at fair value through profit or loss.

APQ Global Limited is the managing partner of APQ Partners LLP whose registered office is at 22-23 Old Burlington Street, London, W1S 2JJ. APQ Partners LLP supports the investment activities of APQ Global Limited and therefore does not meet the requirements of being an investment entity. This subsidiary is consolidated into the group financial statements. Refer to Note 2.5 for further detail.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

14. Investments (continued)

On the 19 November 2018, APQ Global Limited acquired a capital interest represents a 40% shareholding and equivalent voting rights BARTR Holdings Limited, a company incorporated in England and Wales, whose registered office is Tobias House St. Marks Court, Thornaby, Stockton-On-Tees, United Kingdom, TS17 6QW. BARTR Holdings Limited wholly owns two subsidiaries, BARTR Connect Limited, whose registered office is Tobias House St. Marks Court, Thornaby, Stockton-On-Tees, United Kingdom, TS17 6QW, and BARTR Technologies Limited, whose registered office is 156 Great Charles Street Queensway, Birmingham, England, B3 3HN, the Company therefore has an indirect 40% interest in these subsidiaries. BARTR Holdings Limited meets the definition of an investment entity. Therefore, BARTR Holdings Limited is not consolidated and is recognised as an investment at fair value through profit or loss.

On 10 January 2019, the Company incorporated a wholly owned subsidiary APQ Corporate Services Limited, for the purpose of acting as a holding company for new investments. The registered address of APQ Corporate Services Limited is PO Box 142, The Beehive, Rohais, St Peter Port, Guernsey, GY1 3HT. APQ Corporate Services Limited meets the definition of an investment entity. Therefore, APQ Corporate Services Limited is not consolidated and is recognised as an investment at fair value through profit or loss.

On 21 December 2018, the Group entered into an agreement to purchase 100% of the following 5 entities; Palladium Trust Services Limited, a Company incorporated in England and Wales, Palladium Trust Company (NZ) Limited, a company incorporated and domiciled in New Zealand, Palladium Corporate Service (Singapore) Pte Limited, a company incorporated and domiciled in Singapore, Palladium Finance Group Limited (Seychelles), a company incorporated and domiciled in the Seychelles and Palladium Trust Company (BVI) Limited, a company incorporated and domiciled in the British Virgin Islands. The completion of this purchase was finalised on 22 February 2019. The total consideration of the purchase agreement was $290,518 (£222,500). As at 31 December 2019, $210,540 (£158,929) is still due with respect to this purchase agreement and is included within deferred consideration in Note 16. All 5 of the entities are 100% owned by APQ Corporate Services Limited. The intention is to hold these investments for the purpose of obtaining investment income and capital appreciation. As their parent company, APQ Corporate Services Limited meets the definition of an investment entity, these entities are not consolidated and are recognised as an investment at fair value through profit or loss as part of the valuation of APQ Corporate Services Limited.

On 1 March 2019, the Company incorporated a wholly owned subsidiary APQ Knowledge Limited also for the purpose of acting as a holding company for new investments. The registered address of APQ Knowledge Limited is PO Box 142, The Beehive, Rohais, St Peter Port, Guernsey, GY1 3HT. APQ Knowledge Limited meets the definition of an investment entity. Therefore, APQ Knowledge Limited is not consolidated and is recognised as an investment at fair value through profit or loss.

On 26 February 2019, the Group entered into an agreement to purchase 100% of Frontier Consultancy Limited, a Company incorporated in England and Wales. Frontier Consultancy Limited changed its name to New Markets Media & Intelligence Ltd on 13 March 2019. The total consideration of the purchase agreement was $613,947(£463,742). As at 31 December 2019, $355,859 (£279,423) is still due with respect to this purchase agreement and is included within deferred consideration in Note 16. The entity is 100% owned by APQ Knowledge Limited. The intention is to hold this investment for the purpose of obtaining investment income and capital appreciation. As its parent company, APQ Knowledge Limited meets the definition of an investment entity, New Markets Media & Intelligence Ltd is not consolidated and is recognised as an investment at fair value through profit or loss as part of the valuation of APQ Corporate Services Limited.

On 12 April 2019, APQ Corporate Services Limited incorporated a wholly owned subsidiary, GEO Strategic Partners Limited, a Company incorporated in the Isle of Man. The intention is to hold this investment for the purpose of obtaining investment income and capital appreciation. As its parent company, APQ Corporate Services Limited meets the definition of an investment entity, GEO Strategic Partners Limited is not consolidated and is recognised as an investment at fair value through profit or loss as part of the valuation of APQ Corporate Services Limited.

On 31 July 2019, APQ Global Limited incorporated a wholly owned subsidiary, APQ Connect Limited, a Company incorporated in Guernsey. The registered address of APQ Connect Limited is PO Box 142, The Beehive, Rohais, St Peter Port, Guernsey, GY1 3HT.

On 31 July 2019, APQ Global Limited incorporated a wholly owned subsidiary, APQ Capital Services Limited, a Company incorporated in Guernsey. The registered address of APQ Capital Services Limited is PO Box 142, The Beehive, Rohais, St Peter Port, Guernsey, GY1 3HT. APQ Capital Services supports the investment activities of APQ Global Limited and therefore does not meet the requirements of being an investment entity. This subsidiary is consolidated into the group financial statements. Refer to Note 2.5 for further detail.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

14. Investments (continued)

Valuation techniques

APQ Cayman Limited has a portfolio of tradable assets and liabilities which it values at fair value using the same policies as the Company. The Company is able to redeem its holding of APQ Cayman Limited at its net asset value. Fair value of the investment in APQ Cayman Limited is therefore measured at its Net Asset Value.

The investment in BARTR Holdings Limited was completed on 19 November 2018. Fair value has been determined in relation to the most recent round of fund raising by BARTR Holdings Limited. This is due to BARTR Holdings Limited being a pre-revenue technology start-up company for which other valuation techniques are not appropriate.

The investment in APQ Corporate Services Limited was completed on 10 January 2019. Fair value has been determined through the income approach, incorporating comparison with external sources and the expected cash flows of the investment.

The investment in APQ Knowledge Limited was completed on 1 March 2019. Fair value has been determined through the income approach, incorporating comparison with external sources and the expected cash flows of the investment.

Unlisted managed funds

The Company classifies its investments into the three levels of the fair value hierarchy based on:

Level 1: Quoted prices in active markets for identical assets or liabilities;
Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
Level3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has classified its investments in APQ Cayman Limited, BARTR Holdings Limited, APQ Corporate Services Limited and APQ Knowledge Limited as level 3 as the inputs utilised in valuing the investments are deemed to be unobservable. The most significant unobservable input used in the fair value of the investment in APQ Cayman is the NAV. The most significant unobservable input used in the fair value of the investments in BARTR Holdings Limited is the most recent funding raised by BARTR Holdings Limited. The most significant unobservable input used in the fair value of the investments in APQ Corporate Services Limited and APQ Knowledge Limited are the future expected cash flows of the investments, used in deriving a valuation using discounted cash flows. The movement in the investments in the year are shown above.

The movement of investments classified under level 3 is the same as the table above.

15. Trade and other receivables

	2019 $	2018 $
Trade debtors	68,581	21,808
Loan to APQ Cayman Limited	-	33,721,861
Amounts due from group undertakings	281,489	-
Prepayments and accrued income	466,914	59,044
Other debtors	54,707	36,567
	871,691	33,839,280

During the year, the Company provided a loan of $nil (2018 - $7,249,304) to APQ Cayman Limited from the proceeds of the CULS issue. The loan is repayable on demand and the balance as at 31 December 2019 is $nil (2018 - $33,721,861). During the year, the Company converted the $33,372,357 loan with APQ Cayman Limited, from the proceeds of the CULS issue to an investment. In addition, the Company charged interest of $350,046 (2018 - $1,367,008) to APQ Cayman Limited for the year ended 31 December 2019. This was fully received during the year and no balance was outstanding at year end. Interest is accrued on the outstanding balance of the loan at such rate as is required to enable the Company to meet its obligations to holders of its convertible unsecured loan stock 2024 in relation to the payment of interest thereon.

No expected credit losses adjustments are included in the above balances. All bad debts have been recognised within the year and other balances that have not been received subsequent to year end relate to group undertakings or the rental lease security deposit.

16. Trade and other payables

	2019 $	2018 $
Trade creditors	75,260	115,046
Amounts due to group undertakings	1,960	-
Other creditors	61,409	37,315
Accruals	140,745	101,023
Lease liabilities	67,010	-
Deferred consideration	566,399	-
	912,783	253,384

17. 3.5% Convertible Unsecured Loan Stock 2024

	Nominal number of CULS $	Liability component $	Equity component $
As at 1 January 2018	26,953,749	22,135,311	4,285,225
Issue of 3.5% Convertible Unsecured Loan Stock 2024	14,492,418	11,755,346	2,737,072
Expenses of issue	-	(442,099)	(102,942)
Amortisation of discount on issue and issue expenses	-	2,245,988	-
Interest paid during the year	-	(1,362,452)	-
Exchange differences	-	(2,497,468)	-
As at 31 December 2018	41,446,167	31,834,626	6,919,355
Amortisation of discount on issue and issue expenses	-	2,264,716	-
Interest paid during the year	-	(1,347,911)	-
Exchange differences	-	1,313,562	-
As at 31 December 2019	41,446,167	34,064,993	6,919,355

At an Extraordinary General Meeting held on 4 September 2017, Resolutions were passed approving the issue of 4,018 3.5 per cent. convertible unsecured loan stock 2024 ("CULS") to raise £20,090,000 before expenses. The CULS were admitted to trading on the International Securities Market, the London Stock Exchange's market for fixed income securities and dealings commenced at 8.00 a.m. on 5 September 2017.

Following Admission there were 4,018 CULS in issue. Holders of the CULS are entitled to convert their CULS into Ordinary Shares on a quarterly basis throughout the life of the CULS, commencing 31 December 2017, and all outstanding CULS will be repayable at par (plus any accrued interest) on 30 September 2024. The initial conversion price is 105.358 pence, being a 10 per cent. premium to the unaudited Book Value per Ordinary Share on 31 July 2017. Following conversion of 80 per cent. or more of the nominal amount of the CULS originally issued, the Company will be entitled to require remaining CULS Holders to convert their outstanding CULS into Ordinary Shares after they have been given an opportunity to have their CULS redeemed.

On 22 January 2018, the Company raised a further £10,207,300 ($14,492,418) before expenses through the issue of 1,982 units of 3.5 per cent. convertible unsecured loan stock 2024 in denominations of £5,000 ($7,099) nominal each, at an issue price of £5,150 ($7,312) per unit.

18. Share Capital

The authorised and issued share capital of the Company is 78,241,047 ordinary shares of no par value listed on The International Stock Exchange and admitted to trading on AIM. All shares are fully paid up.

Quantitative information about the Company's capital is provided in the statement of changes in equity and in the tables below.

Holders of ordinary shares are entitled to dividends when declared and to payment of a proportionate share of the Companies net asset value on any approved redemption date or upon winding up of the Company. They also hold rights to receive notice, attend, speak and vote at general meetings of the Company.

18. Share Capital (continued)

The Company's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its listing documents.
- To maintain sufficient liquidity to meet the expenses of the Company, pay dividends and to meet redemption requests as they arise.
- To maintain sufficient size to make the operation of the Company cost-efficient.
- The Board has authority to purchase up to 14.99 per cent. of the issued Ordinary Share capital of the Company. The Board intends to seek a renewal of this authority at each annual general meeting of the Company. No buy backs occurred during the period under review.

	Ordinary shares No	£	$
As at 1 January 2018	78,055,000	76,621,621	99,494,707
Shares issued from share awards during the year	79,735	75,512	102,149
At 31 December 2018	78,134,735	76,697,133	99,596 856
Shares issued from share awards during the year	106,312	100,682	136,198
At 31 December 2019	78,241,047	76,797,815	99,733,054

During the year ended 31 December 2019, 106,312 (2018 - 79,735) shares were issued as part of the share award scheme as detailed in note 19.

19. Share awards

On 19 April 2017 (and amended 17 July 2018), the Company established a share award scheme for the employees of the Company. The scheme grants the Board the authority to allot share awards or share options with service conditions attached. Share awards or options can only be awarded for performance periods whereby the book value per share (excluding dividend transactions) exceeds the book value per share for all previous performance period ends. The maximum amount of share awards or options is determined by reference to 20% of the increased performance of the current book value per share against all previous performance periods. The Board retains the right to settle these awards in either shares or cash. As the Company does not have a present obligation to settle in cash the awards are all recognised as equity settled share awards.

The first share awards were granted in 2018 with respect to the performance period ended 31 December 2017.

Grant date	Type of award	No. of instruments	Fair value of instrument granted cents	Vesting conditions	Final vesting date
1 January 2018	Shares	584,141	128.11	Awards vest quarterly over 5 years provided the employee is still in service of the Group.	31 December 2022

Fair value for the award dated 1 January 2018 is calculated by reference to the fixed value of cash per share that the Board is at discretion to pay rather than settle the award in shares.

19. Share awards (continued)

	Number of awards	Weighted average of fair value of instrument cents	Number of awards	Weighted average of fair value of instrument cents
Outstanding at 1 January 2018	496,520	128.11	-	-
Granted	-	-	584,141	128.11
Settled in equity	(106,312)	128.11	(79,735)	128.11
Settled in cash	(10,516)	128.11	(7,886)	128.11
Outstanding at 31 December 2019	379,692	128.11	496,520	128.11

	Charge for awards to be settled in Equity $	Charge for awards settled in Cash $	Total charge for share based awards $
Year ended 31 December 2018	366,225	10,103	376,328
Year ended 31 December 2019	172,920	13,471	186,391

The unvested portion of the share awards currently granted is $185,625 (2018 - $372,016). Of the awards outstanding the number vested that are available for settlement amount to 29,207 (2018 – 29,207)

20. Leases

Lease commitments

The Company's subsidiary, APQ Partners LLP, leases rental space and information with regards to this lease is outlined below:

Rental lease asset	$
Leased asset recognised on adoption of IFRS 16 on 1 January 2019	169,605
Depreciation for the year	(84,803)
At 31 December 2019	84,802

Rental lease liability	$
Leased asset recognised on adoption of IFRS 16 on 1 January 2019	143,850
Unwinding of discounting on lease liability	10,115
Payments for lease	(110,379)
Exchange differences	23,424
At 31 December 2019	67,010

Further information regarding the adoption of IFRS 16 is detailed in note 26.

NOTES TO THE FINANCIAL STATEMENTS (continued)
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21. Financial risk and management objectives and policies

The Group's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Group's continuing profitability. Further details of the principal business risks are included on page 14. The Group is exposed to market risk (which includes interest rate risk, currency risk and price risk), liquidity risk, credit risk and investment holding period risk arising from the financial instruments it holds. The following table analyses the Group's financial assets and liabilities in accordance with IFRS 9, which are exposed to these market risks:

Financial Assets		**2019**			**2018**	
	Fair value through profit and loss	**Amortised cost**	**Total**	**Fair value through profit and loss**	**Amortised cost**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Investments	105,414,240	-	105,414,240	74,154,302	-	74,154,302
Trade debtors	-	68,581	68,581	-	21,808	21,808
Loan to APQ Cayman Limited	-	-	-	-	33,721,861	33,721,861
Amounts due from group undertakings	-	281,489	281,489	-	-	-
Prepayments and accrued income	-	253,532	253,532	-	765	765
Other debtors	-	44,888	44,888	-	27,839	27,839
Cash and cash equivalents	-	1,505,234	1,505,234	-	511,871	511,871
Total	105,414,240	2,153,724	107,567,964	74,154,302	34,284,144	108,438,446

Financial Liabilities		**2019**			**2018**	
	Fair value through profit and loss	**Amortised cost**	**Total**	**Fair value through profit and loss**	**Amortised cost**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Trade creditors	-	75,260	75,260	-	115,046	115,046
Amounts due to group undertakings	-	1,960	1,960	-	-	-
Other creditors	-	61,409	61,409	-	37,315	37,315
Accruals	-	140,745	140,745	-	101,023	101,023
Lease liabilities	-	67,010	67,010	-	-	-
Deferred consideration	-	566,399	566,399			
CULS liability	-	34,064,993	34,064,993	-	31,834,626	31,834,626
Total	-	34,977,776	34,977,776	-	32,088,010	32,088,010

21. Financial risk and management objectives and policies (continued)

Market risk

Market price risk arises from uncertainty about the future prices and valuations of financial instruments held in accordance with the Company's investment objectives. It represents the potential loss that the Company might suffer through market price movements in respect of quoted investments and also changes in the fair value of unquoted investments that it holds. The market risk on the fair value of unquoted investments is a new risk identified in the year.

Market price risk

Equity price risk arises from equity securities held as part of the Group's portfolio of investments. The Group's investments comprise unquoted investments in its subsidiaries. APQ Cayman Limited has investments in quoted and unquoted equities and debt instruments whose value is dependent on movements in markets. The unquoted investments in the Group's other subsidiaries are subject to fluctuations in markets which may impact their profitability and the realisable value on exit from the investments.

The Board seeks to manage this risk whilst also attempting to maximise returns. The Board regularly reviews the portfolio of investments and utilises and investment advisory committee to help manage the risks of the portfolio.

The most significant unobservable input used in the fair value of APQ Cayman Limited is the NAV. A reasonable change of 10% in the NAV will have an impact of $10,288,596 (2018 - $7,338,762) on the profit of the business.

The valuation of the investments of the Group's other subsidiaries make use of multiple independent unobservable inputs and it is impractical to perform sensitivity analysis on one input utilised in the calculation of the valuations. Estimates and underlying assumptions are reviewed for reasonableness however these inputs are highly subjective.

A reasonable change of 15% in the value of the investment of APQ Corporate Services Limited will have an impact of $127,931 (2018 - $nil) on the profit of the business.

A reasonable change of 15% in the value of the investment of APQ Knowledge Limited will have an impact of $132,700 (2018 - $nil) on the profit of the business.

A reasonable change of 15% in the value of the investment of BARTR Holdings Limited will have an impact of $118,611 (2018 - $nil) on the profit of the business.

Further sensitivity to underlying market movements has been noted in the 2019 review on page 8.

Interest rate risk

The bank accounts of APQ Global Limited are not interest bearing there is limited exposure to interest rate risk. In addition, the CULS are at a fixed interest rate so there is no exposure to interest rate risk on these instruments. The Board does not feel it needs to actively manage this risk.

21. Financial risk and management objectives and policies (continued)

Currency risk

The Group's functional and reporting currency is denominated in US Dollars. The Group's Ordinary Shares are denominated in Sterling. Through its activities in emerging markets the Group will have underlying exposure to a range of emerging market currencies. Accordingly, the Group's earnings may be affected favourably or unfavourably by fluctuations in currency rates. The impact of an overall increase/decrease in the NAV of APQ Cayman Limited is disclosed on page 64. The Board may engage in the future in currency hedging in seeking to mitigate foreign exchange risk although there can be no guarantees or assurances that the Group will successfully hedge against such risks. The Board therefore does not feel it needs to actively manage this risk at this time.

The Group hold assets and liabilities in Pounds Sterling at year end. The following table detail the Group's assets and liabilities and the currency exposure to Pounds Sterling to the Group:

	2019 $	2018 $
Cash and cash equivalents	407,423	446,377
Trade debtors	68,582	21,808
Loan to APQ Cayman Limited	-	33,721,861
Accrued income	-	764
Other debtors	34,707	36,567
Amounts due from group undertakings	40,830	-
Trade creditors	(75,260)	(115,046)
Other creditors	(34,371)	(37,315)
Amounts due to group undertakings	(1,960)	-
Accruals	(140,745)	(101,023)
Lease liabilities	(67,010)	-
Deferred consideration	(566,399)	-
CULS	(34,064,993)	(31,834,626)
	(34,399,196)	2,139,367

A reasonable change of 5% in the Group's Pounds Sterling net liabilities (2018 – assets) will have an impact of $1,719,960 (2018 - $106,968) on the value of the net assets. This level of change is considered to be reasonable based on observations of current conditions.

Liquidity risk

Liquidity risk is the risk that the Group and the Company may not be able to meet a demand for cash or fund an obligation when due. The Board continuously monitor forecast and actual cash flows from operating, financing and investing activities to consider payment of dividends, repayment of the Group's outstanding debt or further investing activities.

The Group may employ borrowings in connection with its business activities. Prospective investors should be aware that in the event that the Group's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Group. The Group will pay interest on any borrowing it incurs. As such, the Group is exposed to interest rate risk due to fluctuations in the prevailing market rates. Interest rate movements may affect the level of income receivable by the Group and the interest payable on the Group's variable rate borrowings.

The following table details the Group's expected maturity for its financial liabilities together with the contractual undiscounted cash flow amounts:

21. Financial risk and management objectives and policies (continued)

31 December 2019	Less than 1 year $	1 – 5 years $	5 + years $	Total $
Liabilities				
Trade creditors	(75,260)	-	-	(75,260)
Amounts due to group undertakings	(1,960)	-	-	(1,960)
Other creditors	(61,409)	-	-	(61,409)
Accruals	(140,745)	-	-	(140,745)
Lease liabilities	(67,010)	-	-	(67,010)
Deferred consideration	(249,268)	(317,131)	-	(566,399)
CULS	-	(46,386,938)	-	(46,386,938)
	(595,652)	(46,704,069)	-	(47,299,721)

31 December 2018	Less than 1 year $	1 – 5 years $	5 + years $	Total $
Liabilities				
Trade creditors	(115,046)	-	-	(115,046)
Other creditors	(37,315)	-	-	(37,315)
Accruals	(101,023)	-	-	(101,023)
CULS	-	-	(45,933,169)	(45,933,169)
	(253,384)	-	(45,933,169)	(46,186,553)

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Group by failing to discharge an obligation. The Group generate its returns through its investment in APQ Cayman Ltd and is thus exposed to the risk of credit-related losses primarily through that investment. This is a specific investment policy of the Group. The risk of default from the investment is considered minimal because the Group is able to redeem its investment in APQ Cayman Limited at any time. The underlying assets within APQ Cayman Limited are readily tradable and thus liquid.

The Group banks with Credit Suisse, JPMorgan Chase & Co, HSBC and Barclays. As per Fitch ratings, Credit Suisse has a credit rating of A-, JPMorgan Chase & Co has a credit rating of AA-, HSBC has a credit rating of AA- and Barclays has a credit rating of A+.

The Group's maximum exposure to credit risk in relation to the financial assets is the carrying amount as disclosed in the statement of financial position.

The Group is also exposed to the following risks through its investment in APQ Cayman Limited ("Cayman").

- Cayman has investment exposure to emerging markets, which are subject to certain risks and special considerations that are not typically associated with more developed markets and economies.
- Cayman invests in derivative instruments which can be highly volatile and may be difficult to value and/or liquidate.
- Cayman seeks exposure to emerging markets through the use of structured products which carry additional credit risks, are inherently difficult to value, illiquid and subject to counterparty risk on maturity.
- Cayman is subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. Where Cayman utilises derivative instruments, it is likely to take credit risk with regard to such counterparties and bear the risk of settlement default.
- Cayman is subject to custody risk in the event of the insolvency of the custodian or any sub-custodians.

The Group intentionally exposes itself to these risks as part of its operations. These risks are managed on an ongoing basis by performance reviews of the underlying portfolio on a quarterly basis by the Board of the Group.

22. Capital Management

The Group can raise new capital which may be implemented through the issue of a convertible debt instrument or such other form of equity or debt as may be appropriate. It also has a buy-back authority subject to a maximum buy-back of 14.99 per cent of the issued Ordinary Shares.

The Group's objectives for managing capital are:

- To invest the capital into investments through its subsidiaries.
- To maintain sufficient liquidity to meet the expenses of the Group and pay dividends.
- To maintain sufficient size to make the operation of the Group cost-effective.

The Board reviews and approves the investment of capital into illiquid investments and regularly reviews its dividend policy to ensure it remains in accordance with its capital aims.

The Group may utilise borrowings in connection with its business activities. Although there is no prescribed limit in the Articles or elsewhere on the amount of borrowings that the Group may incur, the Directors will adopt a prudent borrowing policy and oversee the level and term of any borrowings of the Group and will review the position on a regular basis. The Group's capital comprises:

	2019	**2018**
	$	**$**
Share capital	99,733,054	99,596,856
Equity component of 3.5% Convertible Unsecured Loan Stock 2024	6,919,355	6,919,355
Other capital reserves	300,798	264,076
Retained earnings	(29,109,833)	(25,409,610)
Exchange reserve	(4,927,513)	(4,927,513)
Total shareholders' funds	**72,915,861**	**76,443,164**

23. Related party transactions

Richard Bray was a director of the Company and its wholly owned subsidiary, APQ Cayman Limited, as well as being a director of Active Management Services Limited which is part of the Active Group as is Active Services (Guernsey) Limited. The Active Group are a back office support professional service firm providing registered office and administrative services to the Group.

Wayne Bulpitt founded the Active Group; he is also a shareholder of the Company.

Bart Turtelboom founded APQ Partners LLP and is also a director of APQ Cayman Limited as well as the largest shareholder of the Company.

The Directors are remunerated from the Company in the form of fees, payable monthly in arrears. Bart Turtelboom was entitled to an annual salary of £120,000 as Chief Executive Officer of the Company. From 1 April 2018 this was split between the Company and APQ Cayman Limited.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2019

23. Related party transactions (continued)

		APQ Global Limited - Remuneration $		APQ Global Limited - Share based remuneration $		APQ Cayman Limited - Remuneration $		Total $	
		2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Bart Turtelboom	Chief Executive Officer	76,861	100,872	149,113	301,062	76,861	58,855	302,835	460,789
Wayne Bulpitt	Non-Executive Chairman	51,384	39,932	-	-	-	-	51,384	39,932
Richard Bray	Executive Director	-	39,932	-	-	-	5,000	-	44,932
Philip Soulsby	Non-Executive Director	22,398	23,584	-	-	-	-	22,398	23,584
Wesley Davis	Executive Director	72,000	-	-	-	72,000	-	144,000	-
		222,643	**204,320**	**149,113**	**301,062**	**148,861**	**63,855**	**520,617**	**569,237**

The directors represent key management personnel. Additional key management personnel are the partners of the LLP, details of their remuneration is disclosed in Note 8.

APQ Global Limited has incurred $89,770 (2018 - $64 033) of fees and expenses to Active Services (Guernsey) Limited as administrator of the Company. As at 31 December 2019, APQ Global Limited owed $21,677 (2018 - $11,261) to Active Services (Guernsey) Limited.

APQ Global Limited has supported APQ Cayman Limited by paying directors fees of $nil (2018 - $822) during the year to Richard Bray as he was a director of both entities. Richard Bray resigned during the year ended 31 December 2019.

As described in the Listing Document, and under the terms of the Services Agreement, APQ Partners LLP assist the Board and the Group's management based in Guernsey with the implementation of its business strategy, provide research on business opportunities in emerging markets and provide support for cash management and risk management purposes. APQ Partners LLP are entitled to the reimbursement of expenses properly incurred on behalf of APQ Global Limited in connection with the provision of its services pursuant to the agreement. APQ Partners LLP has recharged expenses of $446,488 (2018 - $417,959) to APQ Global Limited during the year. As at 31 December 2019, APQ Global Limited were owed $142,010 (2018 - $229,391) from APQ Partners LLP. In the current and prior year amounts have been eliminated on consolidation.

During the year, APQ Global Limited provided a loan of $nil (2018 - $7,249,304) to APQ Cayman Limited from the proceeds of the CULS issue. The balance outstanding as at 31 December 2019 is $nil (2018 - $33,721,861) and is included within trade and other receivables. During the year, the Company converted the $33,372,357 loan with APQ Cayman Limited, from the proceeds of the CULS issue to an investment. In addition, APQ Global Limited charged interest of $350,046 (2018 - $1,367,008) to APQ Cayman Limited for the year ended 31 December 2019. This was fully received during the year and no balance was outstanding at year end (2018 – no balance outstanding). Additionally, the Group recharged expenses to APQ Cayman Limited of $341,595 (2018 - $169,483) during the year.

During the year, APQ Global Limited provided $280,000 (2018 - $70,000) to BARTR Connect Limited, an entity over which the Company has significant influence, in relation to its management of telecommunication contracts. At 31 December 2019, $nil (2018 - $nil) was due to BARTR Connect Limited.

During the year, APQ Global Limited provided funding of $144,464 to APQ Corporate Services Limited during the year. As at 31 December 2019, $144,464 (2018 - $nil) was due from APQ Corporate Services Limited (See Note 15).

23. Related party transactions (continued)

During the year, APQ Global Limited provided a loan to Palladium Trust Services Limited, a group undertaking, of $37,431 (2018 - $nil). In addition, the loan attracts interest at a rate of 10%. During the year, APQ Global Limited charged interest of $1,067 (2018 - $nil). As at year end, APQ Global Limited was owed $40,831 (2018 - $nil) from Palladium Trust Services Limited (See Note 15).

During the year, APQ Global Limited provided a loan to New Markets Media & Intelligence Ltd, a group undertaking, of $24,299 (2018 - $nil). In addition, the loan attracts interest at a rate of 10%. During the year, APQ Global Limited charged interest of $1,069 (2018 - $nil). During the year, New Markets Media & Intelligence Ltd also provided funding to APQ Global Limited of $28,404 (2018 - $nil). As at year end, APQ Global Limited owed $1,960 (2018 - $nil) to New Markets Media & Intelligence Ltd (See Note 16).

During the year, APQ Global Limited provided funding to APQ Connect Limited, a group undertaking, of $96,195 (2018 - $nil). As at year end, APQ Global Limited was owed $96,195 (2018 - $nil) from APQ Connect Limited (See Note 15).

24. Subsidiary undertakings

Name	Country of incorporation	Registered Office	Holding %	Activity	Recognition
APQ Capital Services Limited	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	100	Investment support	Consolidation
APQ Cayman Limited	Cayman Islands	Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108	100	Investment entity	Fair value
APQ Connect Limited	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	100	Investment holding company	Fair value
APQ Corporate Services Limited	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	100	Investment holding company	Fair value
APQ Knowledge Limited	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	100	Investment holding company	Fair value
APQ Partners LLP	England and Wales	22-23 Old Burlington Street, London, W1S 2JJ	100	Investment support	Consolidation
Delphos International, Ltd[1]	United States	2121 K St, N 2121 K St, NW, Suite 1020, Washington, DC 20037	100*	Trading investment company	Fair value
GEO Strategic Partners Limited	Isle of Man	PO Box 95, 2A Lord street, Douglas, IM99 1HP, Isle of Man	100*	Trading investment company	Fair value
New Markets Media & Intelligence Ltd	England and Wales	22-23 Old Burlington Street, London, W1S 2JJ	100*	Trading investment company	Fair value
Palladium Corporate Services (Singapore) Pty Ltd	Singapore	30 Cecil Street, #19/08 Prudential Tower, Singapore 049712	100*	Trading investment company	Fair value
Palladium Finance Group Limited	Seychelles	Global Gateway 8, Rue de la Perle, Providence, Seychelles	100*	Trading investment company	Fair value
Palladium Trust Company BVI Limited	British Virgin Islands	3076 Sir Francis Drake Highway, Road Town, Tortola VG1110	100*	Trading investment company	Fair value

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24. Subsidiary undertakings (continued)

Name	Country of incorporation	Registered Office	Holding %	Activity	Recognition
Palladium Trust Company (NZ) Limited	New Zealand	Level 8, AIG Building, 41 Shortland Street, Auckland, New Zealand 1010	100*	Trading investment company	Fair value
Palladium Trust Services Ltd	England and Wales	22-23 Old Burlington Street, London, W1S 2JJ	100*	Trading investment company	Fair value
Parish Corporate Services Limited[1]	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	100*	Trading investment company	Fair value
Parish Group Limited[1]	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	100*	Trading investment company	Fair value
Parish Nominees Limited[1]	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	100*	Trading investment company	Fair value
Parish Trustees Limited[1]	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	100*	Trading investment company	Fair value

[1] Acquired following the end of the reporting period
*indirect holdings through subsidiaries of APQ Global Limited

25. Events after the reporting period

On 29 January 2020, the Company entered into an agreement to purchase 100% of the Parish Group Limited ("Parish"), a company incorporated and domiciled in Guernsey. Parish Group Limited is a fiduciary and corporate services provider. In consideration to the sellers for the acquisition:

- The Company paid a net amount of approximately $4,095,630 cash consideration to the Sellers;
- APQ Capital Services Limited, a wholly owned subsidiary of the Company, issued 268,000 Convertible Preference Shares (convertible into ordinary shares in APQ Global) to the sellers (the "Convertible Preference Shares") at price of $10 per share; and
- The Company issued 1.0 million warrants in APQ Global ("Warrants"), with an exercise price equal to the most recently announced book value per share of 70.94 pence, to the sellers.

The Convertible Preference Shares are convertible into a variable number of shares linked to the relative assets attributable to the convertible preference shares. On 30 June 2020, the conversion ratio on the Convertible Preference Shares issued by APQ Capital Services was amended to a fixed conversion ratio of 11.25 ordinary shares per convertible preference share. The investment in Parish was made through APQ Corporate Services Limited and is held for the purpose of investment income and capital appreciation. It will therefore be measured at fair value through profit and loss as part of the valuation of APQ Corporate Services Limited. On 10 June 2020, APQ Global appointed Parish Group as its company secretary and changed its registered office to the offices of Parish Group.

25. Events after the reporting period (continued)

On 3 March 2020, the Company entered into an agreement to purchase 100% of the Delphos International, Ltd ("Delphos"), a US based Corporation. In consideration to the shareholders of Delphos for the acquisition, the Company paid an upfront amount of $1.5 million in cash (the "Upfront Payment"). The Company is also required to make an additional payment to clear the working capital of Delphos prior to the acquisition, this amounted to $112,265 In addition to the Upfront Payment, the Company shall potentially make up to three earn-out payments to the Sellers ("Earn-Out Payments"), depending on the levels of EBTDA generated by Delphos for the years ended 30 June 2020 and 30 June 2021, with each payment capped at $0.75 million and a further Earn-Out Payment capped at $0.5 million for the year ended 30 June 2022. In the event that the minimum contingencies applied to the Earn-Out payments are not met, the Company is not required to make any further payments in respect of that Earn-Out period.

After the year end, a further dividend of 1.5 pence (1.97 cents) per share was declared on 23 January 2020 and was paid on 2 March 2020 in relation to the quarter ended 31 December 2019.

On 1 May 2020, The Share purchase agreement for the purchase of Palladium Trust Services Limited and the affiliated entities was amended so that the residual liability due at this date (see Note 14) was derecognised through an immediate settlement of £80k.

COVID-19

During the first quarter of 2020, the Company experienced difficult trading conditions in its liquid portfolio due to large market movements in emerging markets currencies, bonds and equities, caused by the COVID-19 pandemic. This is a non-adjusting event and therefore the valuations and balances included in these financial statements do not reflect the impact of the pandemic.

During this time, the Company took decisive action to mitigate further risk to its balance sheet, de-risking its portfolio of liquid market securities, with the portfolio as of 31st March 2020 comprising:

- $40.6 million of unencumbered cash;
- $4.3 million of cash equities;
- $1.3 million of cash bonds; and
- $1.3 million of tangible book value in its private direct investments.

At the close of business on 30 June 2020, the Company's estimate of its unaudited book value per Ordinary Share was 31.70 US Dollar cents.

The Company has met all its payment obligations to various counterparties and is not in breach of any debt covenants.
Furthermore, with the ongoing uncertainty faced by emerging markets due to COVID-19, the Board has decided to implement the following further cash preservation measures, which are intended to facilitate a smooth recovery:

- Suspension of dividends paid to ordinary shareholders until further notice;
- The management bonus scheme to be cut from 20% of profits to 10%;
- Significant cost reduction across all of the Company; and
- Move to quarterly reporting of key metrics in the Company's income statement and balance sheet, an increase from semi-annually, starting for the reporting period Q2 2020.

26. Adoption of IFRS 16

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The following table presents the impact of the adoption of IFRS 16 on the Group Statement of Financial Position as at 1 January 2019:

	Adjustments	31 December 2018 As originally presented	IFRS 16	1 January 2019
		$	$	$
Non-current Assets				
Right of use assets	(a)	-	169,605	169,605
Current assets				
Prepayments and accrued income	(b)	466,914	(25,755)	441,159
Current liabilities				
Lease liability	(c)	-	79,427	79,427
Non-current liabilities				
Lease liability	(c)	-	64,423	64,423

(a) Recognition of right of use asset, as measured at an amount equal to the lease liability adjusted by the prepaid lease amount.

(b) Adjustment for prepaid rents held at amortised cost.

(c) Minimum lease payments discounted using an appropriate incremental borrowing rate of 9%.

The following table shows the reconciliation between operating lease commitments as at 31 December 2018 and the initial total lease liability as at 1 January 2019

	$
Operating lease commitments as at 31 December 2018	177,815
Rent payment made prior to the year ended 31 December 2018	(21,799)
Impact of discount rate	(12,166)
Lease liability at 1 January 2019	**143,850**