

Company Registration No. 09675747 (England and Wales)

TRADE WINDS CORPORATION PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

TRADE WINDS CORPORATION PLC

COMPANY INFORMATION

Directors	Mr A A Fitzhenry Mr P R O'Sullivan
Secretary	Mr P M Shannon
Company number	09675747
Registered office	26 Willingdon Road London N22 6SB
Auditor	Newton & Garner Limited Chartered Accountants 47 Topsfield Parade, Tottenham Lane Hornsey, London N8 8PT

TRADE WINDS CORPORATION PLC

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TRADE WINDS CORPORATION PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

The directors present the strategic report for the year ended 31 August 2020.

Fair review of the business

In last year's report we discussed the possible acquisition of a boutique hotel in Pretoria, South Africa. Negotiations were concluded after year end and we acquired Cameron Marais (Pty) Limited, which owns the property upon which the hotel is being built, on 2019-12-31. The completed hotel project is expected to come in at approximately GBP3.75m, which at year end was just over 70% complete with a carrying value of approximately GBP2.7m. Completion will see a very high end boutique hotel of 38 rooms. Although the Seller of the hotel company in Pretoria is a minority shareholder in Trade Winds Corporation Plc, negotiations were handled as if same were at arm's length.

After acquisition of the hotel company, it was branded as 'Trade Winds Pretoria' and the subsidiary entered into a management contract with Accor Hotels group subsidiary, Mantis Collection. Work was expected to have been completed by October 2020, with the hotel fully up and running by December 2020. The demise of the global tourism market in 2020, with the advent of COVID, resulted in a decision in April 2020, to mothball the hotel, in its incomplete state.

As a result of COVID 19, a strategic decision has been taken to shelve the site assembly project in Douglasdale, Johannesburg and the three properties owned by the Company, will now be disposed of. We expect to recover the full purchase price of the three properties. Scheduled flights to St Helena Island have been stopped, and it is not yet clear when same will recommence due to the uncertainties created by COVID 19.

The three lodges owned by the Company in the UK, are being written down in value due to the collapse of the company that owned the site upon which the lodges were situated. This impairment will be reviewed after the market effects of COVID 19 have been considered and understood by the Company.

Principal risks and uncertainties

The directors continually monitor the risk that the company faces. Adequate (shareholder) finance is available to the company to take advantage of business opportunities and the directors consider the state of affairs to be satisfactory. Foreign currency risk is managed by the use of forward rate currency purchase, or spot purchases when the rate is deemed acceptable.

TRADE WINDS CORPORATION PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Development and performance

TRADE WINDS CORPORATION PLC

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Key performance indicators

The financial highlights are as follows:-

	2020	2019
Turnover	<u>£3,454</u>	<u>£355</u>
Loss before tax	<u>£(484,358)</u>	<u>£(129,599)</u>
Shareholders' funds	<u>£(941,338)</u>	<u>£(490,320)</u>
Net cash inflow/outflow from operating activities	<u>£2,324,413</u>	<u>£3,321,274</u>

On behalf of the board

Mr P R O'Sullivan

Director

27 May 2021

TRADE WINDS CORPORATION PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

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

Principal activities

The principal activity of the company continued to be that of Development of building projects.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A A Fitzhenry
Mr P R O'Sullivan

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor

Newton & Garner Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

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

TRADE WINDS CORPORATION PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

On behalf of the board

Mr P R O'Sullivan
Director

27 May 2021

TRADE WINDS CORPORATION PLC

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRADE WINDS CORPORATION PLC

Opinion

We have audited the financial statements of TRADE WINDS CORPORATION PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company 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 their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

TRADE WINDS CORPORATION PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TRADE WINDS CORPORATION PLC

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Auditor's responsibilities for the audit of the financial statements

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

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

TRADE WINDS CORPORATION PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF TRADE WINDS CORPORATION PLC

Use of our report

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

David Watts FCA (Senior Statutory Auditor)
for and on behalf of Newton & Garner Limited

27 May 2021

Chartered Accountants
Statutory Auditor

Chartered Accountants
47 Topsfield Parade, Tottenham Lane
Hornsey, London
N8 8PT

TRADE WINDS CORPORATION PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
Turnover	3	3,454	355
Cost of sales		(386)	-
Gross profit		<u>3,068</u>	<u>355</u>
Administrative expenses		(223,223)	(202,710)
Other operating income		35,568	72,568
Operating loss	4	<u>(184,587)</u>	<u>(129,787)</u>
Interest receivable and similar income	7	232	220
Interest payable and similar expenses	8	(3)	(32)
Amounts written off investments	9	(400,000)	-
Loss before taxation		<u>(584,358)</u>	<u>(129,599)</u>
Tax on loss	10	-	-
Loss for the financial year	21	<u>(584,358)</u>	<u>(129,599)</u>
Other comprehensive income			
Currency translation differences		33,340	10
Total comprehensive income for the year		<u>(551,018)</u>	<u>(129,589)</u>
Loss for the financial year is attributable to:			
- Owners of the parent company		(584,358)	(112,458)
- Non-controlling interests		-	(17,141)
		<u>(584,358)</u>	<u>(129,599)</u>
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(551,018)	(112,448)
- Non-controlling interests		-	(17,141)
		<u>(551,018)</u>	<u>(129,589)</u>

TRADE WINDS CORPORATION PLC

GROUP BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Goodwill	11		1,293,717		931,160
Tangible assets	12		574,274		447,638
Investment properties	13		5,035,739		3,579,098
Investments	14		124,012		144,092
			<u>7,027,742</u>		<u>5,101,988</u>
Current assets					
Debtors	16	25,303		36,483	
Cash at bank and in hand		150,768		138,617	
		<u>176,071</u>		<u>175,100</u>	
Creditors: amounts falling due within one year	17	(42,003)		(13,645)	
Net current assets			<u>134,068</u>		<u>161,455</u>
Total assets less current liabilities			<u>7,161,810</u>		<u>5,263,443</u>
Creditors: amounts falling due after more than one year	18		(8,084,018)		(5,630,708)
Provisions for liabilities	19		(119,130)		(123,055)
Net liabilities			<u>(1,041,338)</u>		<u>(490,320)</u>
Capital and reserves					
Called up share capital	20		50,040		50,040
Profit and loss reserves	21		(1,074,237)		(523,219)
Equity attributable to owners of the parent company			<u>(1,024,197)</u>		<u>(473,179)</u>
Non-controlling interests			<u>(17,141)</u>		<u>(17,141)</u>
			<u>(1,041,338)</u>		<u>(490,320)</u>

The financial statements were approved by the board of directors and authorised for issue on 27 May 2021 and are signed on its behalf by:

Mr P R O'Sullivan
Director

TRADE WINDS CORPORATION PLC

COMPANY BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		447,056		447,348
Investment properties	13		305,000		700,000
Investments	14		2,495,565		400
			<u>3,247,621</u>		<u>1,147,748</u>
Current assets					
Debtors	16	3,300,000		3,301,572	
Cash at bank and in hand		93,611		113,915	
		<u>3,393,611</u>		<u>3,415,487</u>	
Creditors: amounts falling due within one year	17	(24,171)		(12,080)	
Net current assets			<u>3,369,440</u>		<u>3,403,407</u>
Total assets less current liabilities			<u>6,617,061</u>		<u>4,551,155</u>
Creditors: amounts falling due after more than one year	18	(4,917,023)		(4,867,252)	
Provisions for liabilities	19	(100,000)		(100,000)	
Net assets/(liabilities)			<u>1,600,038</u>		<u>(416,097)</u>
Capital and reserves					
Called up share capital	20	50,040		50,040	
Revaluation reserve		2,495,264		-	
Profit and loss reserves	21	(945,266)		(466,137)	
Total equity			<u>1,600,038</u>		<u>(416,097)</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £479,129 (2019 - £59,438 loss).

The financial statements were approved by the board of directors and authorised for issue on 27 May 2021 and are signed on its behalf by:

Mr P R O'Sullivan
Director

Company Registration No. 09675747

TRADE WINDS CORPORATION PLC

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2020

	Share capital	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	£	£	£	£	£
Balance at 1 September 2018	50,040	(410,771)	(360,731)	-	(360,731)
Year ended 31 August 2019:					
Loss for the year	-	(112,458)	(112,458)	(17,141)	(129,599)
Other comprehensive income:					
Currency translation differences	-	10	10	-	10
Total comprehensive income for the year	-	(112,448)	(112,448)	(17,141)	(129,589)
Balance at 31 August 2019	50,040	(523,219)	(473,179)	(17,141)	(490,320)
Year ended 31 August 2020:					
Loss for the year	-	(584,358)	(584,358)	-	(584,358)
Other comprehensive income:					
Currency translation differences	-	33,340	33,340	-	33,340
Total comprehensive income for the year	-	(551,018)	(551,018)	-	(551,018)
Balance at 31 August 2020	50,040	(1,074,237)	(1,024,197)	(17,141)	(1,041,338)

TRADE WINDS CORPORATION PLC

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2020

	Share capital	Revaluation	Profit and reserves	Total
	£	£	£	£
Balance at 1 September 2018	50,040	-	(406,699)	(356,659)
Year ended 31 August 2019:				
Loss and total comprehensive income for the year	-	-	(59,438)	(59,438)
Balance at 31 August 2019	50,040	-	(466,137)	(416,097)
Year ended 31 August 2020:				
Loss and total comprehensive income for the year	-	-	(479,129)	(479,129)
Other movements	-	2,495,264	-	2,495,264
Balance at 31 August 2020	50,040	2,495,264	(945,266)	1,600,038

TRADE WINDS CORPORATION PLC

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	23	2,324,413		3,321,274	
Interest paid			(3)		(32)
Net cash inflow from operating activities		<u>2,324,410</u>		<u>3,321,242</u>	
Investing activities					
Purchase of intangible assets		(362,557)		(931,160)	
Purchase of tangible fixed assets		(146,763)		-	
Purchase of investment property		(1,955,200)		(2,300,200)	
Proceeds on disposal of investment property		-		15,623	
Purchase of subsidiaries		(1)		-	
Proceeds on disposal of subsidiaries		(99)		-	
Proceeds on disposal of associates		24,532		333	
Proceeds on disposal of fixed asset investments		(4,352)		-	
Interest received		232		220	
Net cash used in investing activities		<u>(2,444,208)</u>		<u>(3,215,184)</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(119,798)</u>		<u>106,058</u>	
Cash and cash equivalents at beginning of year		138,617		32,549	
Effect of foreign exchange rates		131,949		10	
Cash and cash equivalents at end of year		<u><u>150,768</u></u>		<u><u>138,617</u></u>	

TRADE WINDS CORPORATION PLC

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	24		(15,522)		105,317
Investing activities					
Purchase of investment property		(5,000)		-	
Purchase of subsidiaries		(1)		-	
Acquisition of subsidiaries		100		(400)	
Interest received		119		8	
Net cash used in investing activities			(4,782)		(392)
Net (decrease)/increase in cash and cash equivalents					
			(20,304)		104,925
Cash and cash equivalents at beginning of year			113,915		8,990
Cash and cash equivalents at end of year			<u>93,611</u>		<u>113,915</u>

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Company information

TRADE WINDS CORPORATION PLC ("the company") is a public limited company domiciled and incorporated in England and Wales. The registered office is 26 Willingdon Road, London, N22 6SB.

The group consists of TRADE WINDS CORPORATION PLC and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of TRADE WINDS CORPORATION PLC and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 August 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have the support of the long term creditors to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 Tangible fixed assets

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

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

Freehold land and buildings	Nil
Plant and equipment	33.33% straight line
Fixtures and fittings	33.33% straight line
Computers	33.33% straight line

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

1.7 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

1.9 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3 Turnover and other revenue

	2020	2019
	£	£
Other significant revenue		
Interest income	232	220
	<u> </u>	<u> </u>

4 Operating loss

	2020	2019
	£	£
Operating loss for the year is stated after charging:		
Depreciation of owned tangible fixed assets	20,077	366
Operating lease charges	58,878	39,916
	<u> </u>	<u> </u>

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	5,400	3,720
Audit of the financial statements of the company's subsidiaries	1,159	-
	<u>6,559</u>	<u>3,720</u>

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
5	-	-	-
<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	32,727	-	-	-
	<u>32,727</u>	<u>-</u>	<u>-</u>	<u>-</u>

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Interest on bank deposits	232	220
	<u>232</u>	<u>220</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	232	220
	<u>232</u>	<u>220</u>

8 Interest payable and similar expenses

	2020	2019
	£	£
Other finance costs:		
Other interest	3	32
	<u>3</u>	<u>32</u>

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

9 Amounts written off investments

	2020	2019
	£	£
Changes in the fair value of investment properties	(400,000)	-

10 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Loss before taxation	(584,358)	(129,599)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(111,028)	(24,624)
Unutilised tax losses carried forward	34,973	24,317
Permanent capital allowances in excess of depreciation	55	56
Difference in overseas tax rate	-	251
Taxation credit	(76,000)	-
Taxation charge in the financial statements	-	-
Reconciliation - the current year tax charge does not reconcile to the above analysis. Please review figures in the database.	(76,000)	-

11 Intangible fixed assets

Group	Goodwill
	£
Cost	
At 1 September 2019	931,160
Additions	362,557
At 31 August 2020	1,293,717
Amortisation and impairment	
At 1 September 2019 and 31 August 2020	-

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

11	Intangible fixed assets	(Continued)
	Carrying amount	
	At 31 August 2020	1,293,717
	At 31 August 2019	931,160

The company had no intangible fixed assets at 31 August 2020 or 31 August 2019.

12 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 September 2019	446,800	434	1,026	110	448,370
Additions	-	21,989	124,774	-	146,763
Exchange adjustments	-	(75)	-	-	(75)
At 31 August 2020	446,800	22,348	125,800	110	595,058
Depreciation and impairment					
At 1 September 2019	-	144	514	74	732
Depreciation charged in the year	-	3,461	16,580	36	20,077
Exchange adjustments	-	(25)	-	-	(25)
At 31 August 2020	-	3,580	17,094	110	20,784
Carrying amount					
At 31 August 2020	446,800	18,768	108,706	-	574,274
At 31 August 2019	446,800	290	512	36	447,638

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets (Continued)

Company	Freehold land and buildings £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 September 2019 and 31 August 2020	446,800	1,026	110	447,936
Depreciation and impairment				
At 1 September 2019	-	514	74	588
Depreciation charged in the year	-	256	36	292
At 31 August 2020	-	770	110	880
Carrying amount				
At 31 August 2020	446,800	256	-	447,056
At 31 August 2019	446,800	512	36	447,348

13 Investment property

	Group 2020 £	Company 2020 £
Fair value		
At 1 September 2019	3,579,098	700,000
Additions through external acquisition	1,955,200	5,000
Net gains or losses through fair value adjustments	(400,000)	(400,000)
Foreign currency adjustments	(98,559)	-
At 31 August 2020	5,035,739	305,000

The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties by the directors.

14 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	15	100	-	2,495,565	400
Investments in associates		119,560	144,092	-	-
Loans		4,352	-	-	-
		124,012	144,092	2,495,565	400

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

14 Fixed asset investments (Continued)

Movements in fixed asset investments

Group	Shares in group undertakings and participating interests	Other investments	Total
	£	£	£
Cost or valuation			
At 1 September 2019	144,092	-	144,092
Additions	1	4,352	4,353
Valuation changes	(24,333)	-	(24,333)
Disposals	(100)	-	(100)
At 31 August 2020	<u>119,660</u>	<u>4,352</u>	<u>124,012</u>
Carrying amount			
At 31 August 2020	<u>119,660</u>	<u>4,352</u>	<u>124,012</u>
At 31 August 2019	<u>144,092</u>	<u>-</u>	<u>144,092</u>

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 September 2019	400
Additions	1
Valuation changes	2,495,264
Disposals	(100)
At 31 August 2020	<u>2,495,565</u>
Carrying amount	
At 31 August 2020	<u>2,495,565</u>
At 31 August 2019	<u>400</u>

15 Subsidiaries

Details of the company's subsidiaries at 31 August 2020 are as follows:

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

15 Subsidiaries (Continued)

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Saint Helena Corporation South Africa (Pty) Limited	South Africa	Ordinary shares	100.00	-
Saint Helena Developments Ltd	England	Ordinary shares	100.00	-
Saint Helena Resorts Ltd	England	Ordinary shares	100.00	-
Saint Helena Construction Ltd	England	Ordinary shares	100.00	-
Trade Winds St Helena Island Limited	England	Ordinary shares	0	75.10
Cameron Maais (Pty) Ltd	South Africa	Ordinary Shares	100.00	-

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
Saint Helena Corporation South Africa (Pty) Limited	(16,599)	(11,216)
Saint Helena Developments Ltd	100	-
Saint Helena Resorts Ltd	100	-
Saint Helena Construction Ltd	100	-
Cameron Maais (Pty) Ltd	(423,228)	(60,674)

16 Debtors

	Group		Company	
	2020	2019	2020	2019
Amounts falling due within one year:	£	£	£	£
Trade debtors	3,421	10,608	-	1,323
Amounts owed by group undertakings	-	-	3,300,000	3,300,000
Other debtors	21,882	25,626	-	-
Prepayments and accrued income	-	249	-	249
	<u>25,303</u>	<u>36,483</u>	<u>3,300,000</u>	<u>3,301,572</u>

17 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade creditors	790	217	790	217
Amounts owed to group undertakings	-	-	22,795	11,863
Other taxation and social security	5,751	-	-	-
Other creditors	34,876	13,428	-	-
Accruals and deferred income	586	-	586	-
	<u>42,003</u>	<u>13,645</u>	<u>24,171</u>	<u>12,080</u>

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Creditors: amounts falling due after more than one year

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts owed to undertakings in which the group has a participating interest	3,155,026	604,444	621,215	604,444
Other creditors	4,928,992	5,026,264	4,295,808	4,262,808
	<u>8,084,018</u>	<u>5,630,708</u>	<u>4,917,023</u>	<u>4,867,252</u>

19 Provisions for liabilities

	Group 2020 £	2019 £	Company 2020 £	2019 £
	119,130	123,055	100,000	100,000
	<u>119,130</u>	<u>123,055</u>	<u>100,000</u>	<u>100,000</u>

Movements on provisions:

Group	£
Additional provisions in the year	<u>119,130</u>
Company	£
Additional provisions in the year	<u>100,000</u>

20 Share capital

	Group and company	
	2020 £	2019 £
Ordinary share capital Issued and fully paid		
12,510 Ordinary of £4 each	<u>50,040</u>	<u>50,040</u>

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 Profit and loss reserves

	Group 2020 £	2019 £	Company 2020 £	2019 £
At the beginning of the year	(523,219)	(410,771)	(466,137)	(406,699)
Loss for the year	(584,358)	(112,458)	(479,129)	(59,438)
Currency translation differences	33,340	10	-	-
At the end of the year	<u>(1,074,237)</u>	<u>(523,219)</u>	<u>(945,266)</u>	<u>(466,137)</u>

22 Related party transactions

The company entered into transactions with a related party during the course of the year. The related parties exist as they are under control of directors of the company. During the year the company had the following transactions with the related party:

- The company made payments of £10,000 in respect of consultancy fees to the related party.

23 Cash generated from group operations

	2020 £	2019 £
Loss for the year after tax	(584,358)	(129,599)
Adjustments for:		
Finance costs	3	32
Investment income	(232)	(220)
Depreciation and impairment of tangible fixed assets	20,077	366
Amounts written off investments	400,000	-
(Decrease)/increase in provisions	(3,925)	99,947
Movements in working capital:		
Decrease/(increase) in debtors	11,180	(23,894)
Increase in creditors	2,481,668	3,376,412
Decrease in deferred income	-	(1,770)
Cash generated from operations	<u>2,324,413</u>	<u>3,321,274</u>

TRADE WINDS CORPORATION PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

24 Cash (absorbed by)/generated from operations - company	2020 £	2019 £
Loss for the year after tax	(479,129)	(59,438)
Adjustments for:		
Investment income	(119)	(8)
Depreciation and impairment of tangible fixed assets	292	294
Amounts written off investments	400,000	-
Increase in provisions	-	100,000
Movements in working capital:		
Decrease/(increase) in debtors	1,572	(3,301,572)
Increase in creditors	61,862	3,366,041
Cash (absorbed by)/generated from operations	<u>(15,522)</u>	<u>105,317</u>

25 Analysis of changes in net funds - group	1 September 2019 £	Cash flows £	Exchange rate £	31 August 2020 £
Cash at bank and in hand	138,617	(119,798)	131,949	150,768

26 Analysis of changes in net funds - company	1 September 2019 £	Cash flows £	31 August 2020 £
Cash at bank and in hand	113,915	(20,304)	93,611

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