

Quetzal Capital PLC
Financial Statements
30 June 2020

EDWARDS VEEDER (UK) LIMITED
Chartered accountants & statutory auditor
4 Broadgate
Broadway Business Park
Chadderton
Oldham
OL9 9XA

Quetzal Capital PLC

Financial Statements

Year ended 30 June 2020

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Quetzal Capital PLC

Strategic Report

Year ended 30 June 2020

The directors present the strategic report for the year ended 30 June 2020.

Financial results and dividends

The directors present the audited financial statements of Quetzal Capital Plc for the year from 1st July 2019 to 30th June 2020.

Shareholders will see that there was a profit for last year of £275,963 (2018-19, loss £ (66,439)) but that shareholders' funds in the Statement of Financial Position continue to show a deficit of £ (41,557), albeit this is at a significantly lower level than that of financial year 2018-19 (£ (334,211)). The reduction in the deficit of shareholders' funds and the difference of £342,402 in the result in the Statement of Comprehensive Income below are linked to the measures which were approved on the penultimate day of the financial year 2019-20 and outlined below; they do not result from any trading activity or asset sales. They arise rather from the arrangements entered into between the Company and certain of its creditors whereby those creditors accepted repayment of the indebtedness owed to them at a discount of 92.5p in each £1 (ninety-two and a half pence in the pound); and from a refinancing consisting of new equity share capital and convertible loan capital aggregating £50,000 (fifty thousand pounds) provided by the current Directors, who are Mr M Jackson and Mr S Grant-Rennick. No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Changes of directorate and other matters

Full details of the measures approved by shareholders on 29th June 2020 in the general meeting, which were set out in a Circular dated 2nd June 2020, included a capital reorganisation whereby the Company's ordinary share capital was effectively consolidated in the ratio of 1: 100 (one to one hundred). The Company also changed its name to Quetzal Capital plc from Welney plc. Immediately following the general meeting, at which Mr. Jackson and Mr S Grant-Rennick were elected as Directors, Mr C Luck resigned from the Board in accordance with a prior understanding; we thank him for his contribution to the Company.

Events after the end of the reporting period

On 5th October 2020, the Company announced that Mr D Edmonston had also resigned from the Board. This he did following a pre-agreed transition period, following the many changes which occurred towards the end of last financial year. Again, we wish to thank him for remaining with the Company during the early part of the current financial year and for his past service.

Future prospects

The directors have received a number of approaches and identified several potential business opportunities for Quetzal Capital Plc. The Directors are presently evaluating four possible transactions and I look forward to informing shareholders and the market further as and when this is appropriate.

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the continuing trading losses.

The Group meets its day to day financing through its cash reserves, equity or debt financing in the form of shareholders' loans and new share issues. As at 30 June 2020 the Company has net current liabilities of £43,744, a deficit in shareholders' funds of £41,557 and no cash at bank.

The directors have prepared cash flow forecasts for the period to 30 November 2021 which assume no unnecessary costs or expenditure. On the basis of these forecasts, the Company is expected to continue to operate within its available financial facilities for at least the next 12 months.

Quetzal Capital PLC

Strategic Report *(continued)*

Year ended 30 June 2020

This report was approved by the board of directors on 2/12/2020 and signed on behalf of the board by:



Mr S Grant-Rennick
Director

Registered office:
6th Floor
60 Gracechurch Street
London
United Kingdom
EC3V 0HR

Quetzal Capital PLC

Directors' Report

Year ended 30 June 2020

The directors present their report and the financial statements of the company for the year ended 30 June 2020.

Directors

The directors who served the company during the year were as follows:

Mr D Edmonston	(Resigned 5 October 2020)
Mr M Jackson	(Appointed 29 June 2020)
Mr S Grant-Rennick	(Appointed 29 June 2020)
Mr C Luck	(Resigned 29 June 2020)

Dividends

The directors do not recommend the payment of a dividend.

Future developments

The directors have received a number of approaches and identified several potential business opportunities for Quetzal Capital Plc. The Directors are presently evaluating four possible transactions and the directors look forward to informing shareholders and the market further as and when this is appropriate.

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 16 to the financial statements.

Quetzal Capital PLC

Directors' Report *(continued)*

Year ended 30 June 2020

Other matters

The directors' interests in the shares of the Company were as stated below:

	Ordinary shares of 0.1p each	
	2020	2019
Mr D G Edmonston	431,309	5,000,000
Mr S R Grant-Rennick	2,500,000	–
Mr M Jackson	4,060,000	–

Requirement for further funds

There may be a requirement for the Company to raise further funds in the future in order to fund working capital requirements. Such a funding requirement may be by the issue of further ordinary shares or the issue of convertible loan note instruments.

Principal risks and uncertainties

The Company's activities expose it primarily to the following financial risks:

Liquidity risk

The Company's policy is to finance its operations through working capital. The Company continues to seek additional sources of finance to provide sufficient funds for the foreseeable future.

Interest rate risk

The Company has interest bearing assets and liabilities. Interest bearing assets include only cash balances which earn interest at a fixed rate. The Company monitors its interest rate risk primarily through cash flow forecasting and allocating funds to the most relevant accounts in light of forecast balances and outgoings.

Substantial shareholders

As at 30 June 2020, other than the directors' holdings, the following shareholders hold more than 3% of the issued share capital:

	Number of ordinary shares	% of issued share capital
Gleeson Bessant Trustee Services Limited	1,000,000	4
Gatcembe Holdings Limited	2,609,648	12
Huss General Trading LLC	2,345,000	10

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Quetzal Capital PLC

Directors' Report *(continued)*

Year ended 30 June 2020

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 company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

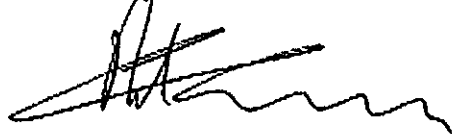
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies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

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 2/12/2020 and signed on behalf of the board by:



Mr S Grant-Rennick
Director

Registered office:
8th Floor
60 Gracechurch Street
London
United Kingdom
EC3V 0HR

Quetzal Capital PLC

Independent Auditor's Report to the Members of Quetzal Capital PLC

Year ended 30 June 2020

Opinion

We have audited the financial statements of Quetzal Capital PLC (the 'company') for the year ended 30 June 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Conclusions relating to going concern

We draw attention to the disclosure made in note 3 to the financial statements, under the heading 'Going Concern', concerning the ability of the Company to continue as a going concern. These conditions, along with other matters explained in note 3 to the financial statements, indicate the existence of a material uncertainty which may cast doubt about the ability of the Company to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Quetzal Capital PLC

Independent Auditor's Report to the Members of Quetzal Capital PLC *(continued)*

Year ended 30 June 2020

Key audit matters

Key audit matters are those that, in our professional judgement, 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.

Key audit matter one

Related parties

We are required to consider if the disclosures made in the financial statements are complete and accurate and to consider whether the processes for the identifying related parties and related party transactions are appropriate.

Audit response

We have assessed the Company's procedures for identifying related parties and ensuring the completeness of the disclosures that are included in the audit planning pack.

Key audit matter two

Going concern

The company raised finance during the period to fund its Investment Strategy and will require further funding in the future to meet its commitments together with expenses paid by directors.

The risk for our audit was whether this contributed to a material uncertainty that may cast doubt on the Company's ability to continue as a going concern.

Audit response

Critical assessment of the Directors' going concern assessment, challenging forecast and assumption.

Assessment of the cash flow forecast for committed and contracted expenditure versus discretionary expenditure compared to the level of cash resources.

Assessment of the adequacy of disclosures in the financial statements.

Key audit matter three

Management override of controls

We are required to consider how management biases could affect the results of the company.

Audit response

We have considered the controls in place, remained alert for material and unusual items and tested a sample of journals to assess the risk.

Assessment of the adequacy of disclosures in the financial statements.

Quetzal Capital PLC

Independent Auditor's Report to the Members of Quetzal Capital PLC *(continued)*

Year ended 30 June 2020

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatements in the Financial Statements. As in all our audits, we addressed the risk of management override of controls, including among other matters consideration of whether there was any evidence of bias that represented a risk of material misstatement due to fraud.

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 influence the economic decisions of reasonable users that are taken on the basis of the financial statements. Importantly, misstatements below these levels will not necessarily be evaluated as material, as we also take into account the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined the materiality for the financial statements as a whole to be £13,000 (2019: £3,400) which is based on an average of 5% of profit before tax. We considered this as an appropriate benchmark.

We set performance materiality as 80% of the overall Financial Statement materiality.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

Quetzal Capital PLC

Independent Auditor's Report to the Members of Quetzal Capital PLC *(continued)*

Year ended 30 June 2020

Matters on which we are required to report by exception

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

Quetzal Capital PLC

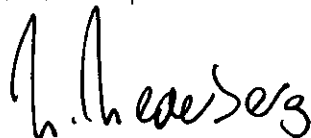
Independent Auditor's Report to the Members of Quetzal Capital PLC *(continued)*

Year ended 30 June 2020

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/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Lee Lederberg FCCA (Senior Statutory Auditor)

For and on behalf of
Edwards Veeder (UK) Limited
Chartered accountants & statutory auditor
4 Broadgate
Broadway Business Park
Chadderton
Oldham
OL9 9XA

2 December 2020

Quetzal Capital PLC

Statement of Comprehensive Income

Year ended 30 June 2020

	Note	2020 £	2019 £
Administrative expenses		(284,981)	58,696
Operating profit/(loss)	4	<u>284,981</u>	<u>(58,696)</u>
Interest payable and similar expenses	8	<u>9,018</u>	<u>7,743</u>
Profit/(loss) before taxation		275,963	(66,439)
Tax on profit/(loss)		—	—
Profit/(loss) for the financial year and total comprehensive income		<u>275,963</u>	<u>(66,439)</u>

All the activities of the company are from continuing operations.

The notes on pages 15 to 21 form part of these financial statements.

Quetzal Capital PLC

Statement of Financial Position

30 June 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	9	2,187	1,248
Current assets			
Debtors	10	7,495	8,214
Creditors: amounts falling due within one year			
Trade creditors		39,571	56,141
Amounts owed to group undertakings		1,000	1,000
Other creditors including taxation and social security	11	2,134	-
Accruals and deferred income		8,534	7,500
		<u>51,239</u>	<u>64,641</u>
Net current liabilities		<u>43,744</u>	<u>58,427</u>
Total assets less current liabilities		<u>(41,557)</u>	<u>(57,179)</u>
Creditors: amounts falling due after more than one year			
Other creditors including taxation and social security	12	-	277,032
Net liabilities		<u>(41,557)</u>	<u>(334,211)</u>
Capital and reserves			
Called up share capital	13	1,552,202	1,545,511
Share premium account	14	1,572,336	1,562,336
Profit and loss account	14	(3,166,095)	(3,442,058)
Shareholders deficit		<u>(41,557)</u>	<u>(334,211)</u>

These financial statements were approved by the board of directors and authorised for issue on 2/12/2020, and are signed on behalf of the board by:



Mr S Grant-Rennick
Director

Company registration number: 05840813

The notes on pages 15 to 21 form part of these financial statements.

Quetzal Capital PLC

Statement of Changes in Equity

Year ended 30 June 2020

	Called up share capital £	Share premium account £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
At 1 July 2018	1,545,511	1,562,336	10,714	(3,386,333)	(267,772)
Loss for the year				(66,439)	(66,439)
Other comprehensive income for the year:					
Transfer from equity reserve to profit and loss account	—	—	(10,714)	10,714	—
Total comprehensive income for the year	—	—	(10,714)	(55,725)	(66,439)
At 30 June 2019	1,545,511	1,562,336	—	(3,442,058)	(334,211)
Profit for the year				275,963	275,963
Total comprehensive income for the year	—	—	—	275,963	275,963
Issue of shares	6,691	10,000	—	—	16,691
Total investments by and distributions to owners	6,691	10,000	—	—	16,691
At 30 June 2020	<u>1,552,202</u>	<u>1,572,336</u>	<u>—</u>	<u>(3,166,095)</u>	<u>(41,557)</u>

The notes on pages 15 to 21 form part of these financial statements.

Quetzal Capital PLC

Statement of Cash Flows

Year ended 30 June 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit/(loss) for the financial year	275,963	(66,439)
<i>Adjustments for:</i>		
Fair value adjustment of listed shares	(1,187)	1,080
Interest payable and similar expenses	9,018	7,743
Other operating cash flow adjustment	(334,658)	-
<i>Changes in:</i>		
Trade and other debtors	(1,281)	3,145
Trade and other creditors	61,163	62,214
Cash generated from operations	<u>9,018</u>	<u>7,743</u>
Interest paid	(9,018)	(7,743)
Net cash used in operating activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	<u>-</u>	<u>-</u>

The notes on pages 15 to 21 form part of these financial statements.

Quetzal Capital PLC

Notes to the Financial Statements

Year ended 30 June 2020

1. General information

The company is a public company limited by shares, registered in England and Wales. The address of the registered office is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR, United Kingdom

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The Company made a profit for the year of £275,963 (2019: £66,439 loss) and has net liability position of £41,557 (2019: £334,211). The directors will continue with ongoing support with all the necessary expenditure for the foreseeable future. The directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

There are no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Quetzal Capital PLC

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

3. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Quetzal Capital PLC

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

3. Accounting policies *(continued)*

Impairment of fixed assets *(continued)*

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Operating profit

Operating profit or loss is stated after charging/crediting:

	2020	2019
	£	£
Fair value adjustment of listed shares recognised in:		
Administrative expenses	(1,187)	1,080

Quetzal Capital PLC

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

5. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>3,600</u>	<u>5,520</u>

6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020	2019
	No.	No.
Directors	<u>3</u>	<u>2</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020	2019
	£	£
Wages and salaries	<u>22,000</u>	<u>24,000</u>

7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	<u>22,000</u>	<u>24,000</u>

8. Interest payable and similar expenses

	2020	2019
	£	£
Other interest payable and similar charges	<u>9,018</u>	<u>7,743</u>

9. Investments

	Shares in group undertakings £	Other investments other than loans £	Total £
Cost			
At 1 July 2019	1,000	248	1,248
Revaluations	<u>—</u>	<u>939</u>	<u>939</u>
At 30 June 2020	<u>1,000</u>	<u>1,187</u>	<u>2,187</u>
Impairment			
At 1 July 2019 and 30 June 2020	<u>—</u>	<u>—</u>	<u>—</u>

Quetzal Capital PLC

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

9. Investments *(continued)*

	Shares in group undertakings £	Other investments other than loans £	Total £
Carrying amount At 30 June 2020	1,000	1,187	2,187
At 30 June 2019	<u>1,000</u>	<u>248</u>	<u>1,248</u>

Subsidiaries, associates and other investments

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Metro Environmental Limited	The Barn, Tednambury Farm, Tednambury, Spellbrook, Herts, England, CM23 4BD	Ordinary	100

The results and capital and reserves for the year are as follows:

	Capital and reserves		Profit/(loss) for the year	
	2020	2019	2020	2019
	£	£	£	£
Subsidiary undertakings				
Metro Environmental Limited	<u>1,000</u>	<u>1,000</u>	<u>—</u>	<u>—</u>

The company is dormant and no trading has occurred since incorporation.

10. Debtors

	2020 £	2019 £
Prepayments and accrued income	7,495	6,120
Other debtors	—	94
	<u>7,495</u>	<u>6,214</u>

11. Other creditors including taxation and social security falling due within one year

	2020 £	2019 £
Director loan accounts	<u>2,134</u>	<u>—</u>

Quetzal Capital PLC

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

12. Other creditors including taxation and social security falling due after more than one year

	2020	2019
	£	£
Convertible Loans	–	124,242
Loans from related parties	–	69,790
Other creditors	–	83,000
	<u>–</u>	<u>277,032</u>

The long-term loans are secured by fixed charges over 0%.

Convertible loan notes have an effective rate of interest of 6.00%.

13. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £0.001 each	22,145,735	22,146	1,545,511,405	1,545,511
Deferred Shares shares of £0.099 each	15,455,115	1,530,056	–	–
	<u>37,600,850</u>	<u>1,552,202</u>	<u>1,545,511,405</u>	<u>1,545,511</u>

On 29 June 2020, 95 ordinary shares of £0.001 were issued at par.

On 29 June 2020, Ordinary shares held at the time were converted to 15,455,115 deferred shares of £0.099 and 15,455,115 ordinary shares of £0.001.

On 29 June 2020, 1,690,620 ordinary shares of £0.001 were issued at par as part of an agreement reached with creditors on 29 May 2020.

In June 2020, 5,000,000 ordinary shares of £0.001 were issued at a premium of £0.002 to the directors Mr M Jackson and Mr S Grant-Rennick.

14. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

Quetzal Capital PLC

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

15. Analysis of changes in net debt

	At 1 Jul 2019	Cash flows	At 30 Jun 2020
	£	£	£
Debt due within one year	<u>(1,000)</u>	<u>(2,134)</u>	<u>(3,134)</u>

16. Events after the end of the reporting period

On 5th October 2020, the Company announced that Mr D Edmonston had also resigned from the Board. This he did following a pre-agreed transition period, following the many changes which occurred towards the end of last financial year.

17. Directors' advances, credits and guarantees

During the year the directors (Mr M Jackson and Mr S Grant-Rennick) paid suppliers amounting to £17,134 expenses on behalf of the company. £15,000 was settled with equity of 5,000,000 ordinary shares at £0.003. The amounts owed to directors as at 31 June 2020 is £2,134.

18. Related party transactions

On 29th May 2020, the company came to an agreement with certain creditors to pay them 7.5% in cash and the remainder of the debt in equity. Creditors are due to be paid £27,300 in cash and a further amount in equity. The cash amount was settled in July 2020. The remainder of the balance was written off.

During the year Bushwood Accountants raised invoices totalling £nil (2019 - £4,140). As at 30th June 2020 the balance owing to Bushwood Accountants was £1,222 (2019 - £16,296) and there is no interest chargeable, a company owned by the director Mr D Edmonston. During the year an amount of £14,998 was written off as part of the agreement mentioned above.

As at 30th June 2020, an amount of £2,010 (2019: £16,800) was owed to Toddbrook Investments Limited with no interest chargeable, a company owned by the director Mr D Edmonston. During the year an amount of £15,461 was written off as part of the agreement mentioned above.

During the year charges were incurred of £11,000 (2019 - £12,000) in relation to directors fees to Mr D Edmonston. As at 30th June 2020 the balance owing to Mr D Edmonston was £3,675 (2019 - £38,000), and no interest is chargeable. During the year an amount of £45,097 was written off as part of the agreement mentioned above.

During the year charges were incurred of £11,000 (2019 - £12,000) in relation to directors fees to Mr C Luck. As at 30th June 2020 the balance owing to Mr C Luck was £4,200 (2019 - £45,000), and no interest is chargeable. During the year an amount of £51,540 was written off as part of the agreement mentioned above.

All transactions with related parties are conducted at arm's length.

19. Controlling party

The directors consider that there is no ultimate controlling party.