POLYGON GROUP LIMITED

REPORT & NON-STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

Directors :	Martin Belcher (Chairman)	
	Ed Daubeney	
	Amanda Groves	
	Charles McHugh	
	Hiren A Patel	
	Alexander Belcher	
	Verienne Belcher	
	Simon Livesey	
	Paul Wright	
	Joanna Leese	
	Mark Bright	(appointed 15 July 2020)
Company Secretary:	VFS Directors 1 Limited	
Auditor :	Grant Thornton Limited Chartered Accountants St Peter Port Guernsey	
Registered Office :	Hadsley House Lefebrve Street St Peter Port Guernsey	
Registered Number:	33173	

The Directors present their Report, together with the audited non-statutory financial statements for Polygon Group Limited ('the Company') for the year ended 30 June 2021.

Principal Activities

The principal activities of the Company is investment holding.

On the 14 September 2020 Polygon Group Limited, transferred the wealth management business within Vantage Limited to Advisa Group Limited's wholly-owned subsidiary, Advisa Financial Services Limited as the partial consideration for 35% of the shareholding in Advisa Group Limited.

Results and Dividend

The result for the year is shown in the Income Statement on page 7. No dividend was declared or paid during the year (2020: £Nil).

Directors

The directors of the Company who served during the year, unless otherwise stated, and to the date of this report are as stated on page 2.

Company Secretary

The Company secretary who held office throughout the year and to the date of this report is as stated on page 2

Directors' responsibilities statement

The directors are responsible for preparing the Report of the directors and the non-statutory financial statements in accordance with the company's stated accounting policies as detailed in Note 1 to the financial statements.

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

- select suitable accounting policies and then apply them on a consistent basis;
- make judgements and 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; and
- prepare non-statutory 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the non-statutory financial statements comply with the Company's stated accounting policies.

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.

The directors confirm 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 the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of this information.

Independent auditor

A resolution to reappoint Grant Thornton Limited will be proposed at the next board meeting.

By Order of the Board

Director

Director

Date: 22 March 2022

Opinion

We have audited the financial statements of Polygon Group Limited (the 'Company') for the year ended 30 June 2021 which comprise the Income Statement, statement of Financial Position, Reconciliation of movements in Shareholder's Funds and notes to the financial statements, including a summary of significant accounting policies. The financial statements have been prepared in accordance with accounting policies stated in note 1 to the financial statements.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its profit for the year then ended;
- are in accordance with accounting policies stated in note 1 to the financial statements; and
- comply with The Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the information included in the directors' report set out on pages 3 and 4, 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.

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with accounting policies stated in note 1 to the financial statements, 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 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton Limited

Grant Thornton Limited
Chartered Accountants
St Peter Port, Guernsey

Date: 24 March 2022

	Note	Year to 30 June 2021 £	Year to 30 June 2020 £
Income			
Interest income	9	1,131,292	803,081
Other income	9	1,281,448	955,333
Dividend income	10	1,552,500	1,500,000
Unrealised gain on investments	11	614,956	351,751
Realised gain/(loss) on investments	12	37,234	(5,916)
Total Income		**4,617,430**	**3,604,249**
Expenses			
Management expenses	13	(3,531,155)	(2,556,628)
Profit for the year		**1,086,275**	**1,047,621**
Retained Earnings as at 1 July		21,782,707	20,735,086
Retained Earnings as at 30 June		22,868,982	21,782,707

The Company has no recognised gains or losses other than the profits above.

All activities derive from continuing activites.

The notes on pages 11 to 22 form part of these non-statutory financial statements.

POLYGON GROUP LIMITED
Statement of Financial Position
As at 30 June 2021

	Note	30 June 2021 £	30 June 2020 £
FIXED ASSETS			
Investments			
Investments in subsidiaries	2	20,142,982	21,744,324
Other investments	3	11,951,684	7,154,661
Tangible Assets	4	150,372	8,149
		32,245,038	28,907,134
CURRENT ASSETS			
Loans and advances	5	27,387,727	26,137,193
Prepayments and other receivables	5	167,374	109,583
Cash at bank		101,066	1,554,073
		27,656,167	27,800,849
Total Assets		**59,901,205**	**56,707,983**
LIABILITIES			
Creditors due within one year			
Creditors and Accruals	6	(384,830)	(255,124)
		(384,830)	(255,124)
Creditors due after one year			
Long term loan	7	(22,782,291)	(21,392,889)
Intercompany loans	8	(5,219,890)	(6,620,265)
Bonds Issued	15	(6,560,000)	(4,495,000)
Bond interest accrued		(61,212)	(137,998)
		(34,623,393)	(32,646,152)
Total Liabilities		**(35,008,223)**	**(32,901,276)**
Net assets		**24,892,982**	**23,806,707**
SHAREHOLDERS EQUITY			
Share capital	14	2,024,000	2,024,000
Profit and Loss Account		22,868,982	21,782,707
Shareholder's funds		**24,892,982**	**23,806,707**

Approved by the Directors on 22 March 2022

Director

Director

The notes on pages 11 to 22 form part of these non-statutory financial statements.

	Reserves	Share Capital	Total
	£	£	£
Balance as at 1 July 2020	**21,782,707**	**2,024,000**	**23,806,707**
Profit for the year	1,086,275	-	1,086,275
Balance as at 30 June 2021	**22,868,982**	**2,024,000**	**24,892,982**

	Reserves	Share Capital	Total
	£	£	£
Balance as at 1 July 2019	**20,735,086**	**2,024,000**	**22,759,086**
Profit for the year	1,047,621	-	1,047,621
Balance as at 30 June 2020	**21,782,707**	**2,024,000**	**23,806,707**

The notes on pages 11 to 22 form part of these non-statutory financial statements.

1. Accounting Policies

The company is a limited liability company, limited by shares and is incorporated in Guernsey. The address of its registered office is Hadsley House, Lefebvre Street, St Peter Port, Guernsey.

The Principal activity of the company is investment holding.

The non-statutory financial statements are prepared in accordance with the Company's accounting policies as stated below.

Going Concern - The accounts have been prepared on a going concern basis. The directors believe that this basis is appropriate.

The directors have reviewed the cash flow and projected income and expenses for the twelve months after signing, and whilst the level and timing of the insurance liabilities and returns from investments remains uncertain, the directors have assessed the liquidity of the company's assets and deemed that the company has adequate financial resources to meet its obligations.

(a) Basis of Accounting - The non-statutory financial statements are prepared on an accruals basis and under the historical cost convention as modified by the revaluation of some investments in subsidiaries and other investments that are carried at net asset value and net realisable value respectively.

The non-statutory financial statements are presented in Sterling, which is the Company's functional and presentation currency.

(b) Recognition of Profits and Losses - All income and expenditure is reflected in the Income Statement.

(c) Investment Income - Income from investments is included in the Income Statement on an accruals basis.

(d) Taxation - Taxation in the Income Statement is based on the results for the period as determined in accordance with the relevant tax legislation together with adjustments or provisions for prior periods.

(e) IT and Other Tangible Assets - IT equipment and other tangible assets (comprising fittings, furniture and vehicles) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management. IT and other tangible assets are subsequently measured at cost less accumulated depreciation and impairment losses.
Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of IT equipment and other tangible assets. The following useful lives are applied:

IT equipment: 3 years
Other equipment: 4 years
Vehicles: 5 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(f) Investments - Investments are held at cost, net asset value or net realisable value as appropriate (see note 2). Any unrealised and realised movement on the value of the investment is taken to the Income Statement.
Investments that are measured and reported at fair value are classified and disclosed, in accordance with applicable financial reporting framework

The Company invests in various entities which are not traded in an active market. Consequently, the valuation of investment is subject to a degree of judgement. The Company has adopted the policy of fair value through profit or loss which is considered appropriate for the nature of the asset held. The fair value of investments of the Company is determined using the Net Asset Value method or EBITDA in accordance with the International Private Equity and Venture Capital Valuation Guidelines and FRS 102 Section 11 "Basic Financial Instruments".

(g) Related Party Transactions - Information regarding related party transactions and outstanding balances with related parties is disclosed within the notes.

(h) Statement of Cashflows – the company has decided not to include a statement of cashflows in the financial statements.

(i) Trade and other receivables - Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

(j) Financial liabilities - The Company's financial liabilities include borrowings, trade and other payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(k) Cash and cash equivalents - Cash and cash equivalents comprise cash in hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

A security deposit of £26,553.74 is held by the Royal Bank of Scotland International for the credit card facility and a guarantee exists between Polygon Group Limited and Polygon Insurance Company Limited.

(l) Equity and reserves - Share capital represents the nominal (par) value of shares that have been issued. Retained earnings includes all current and prior period retained profits.

Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements - The following are the judgements made by management in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Estimation uncertainty - Information about estimates and assumptions that may have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Fair value measurement
Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available.

Finance leases
Assets obtained under finance leases are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful life.

A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease, on a basis estimated to represent a constant proportion of the balance of capital repayments outstanding.

2. Investments in Subsidiaries

The Company's directly held subsidiaries are as below. These are all 100% owned (excluding Le Marchant Underwriting Management Limited which is 60% owned).

The following are registered in Guernsey:
Le Marchant Underwriting Management Limited
Polygon Properties Limited
Polygon Properties 3 Limited
Saints Holdings Limited
Polygon Insurance Company Limited

The following are registered in Jersey:
Polygon Properties Limited
The Vantage Group of Companies

	2021	2020
	£	£
Held at Net Asset Value	7,840,750	7,602,105
Held at Historic Cost	104,520	104,520
Held at Net Realisable Value	12,197,712	14,037,699
	20,142,982	**21,744,324**

The following subsidiaries are held at net asset value

	2021	2020
	£	£
Le Marchant Underwriting Management Limited	151,993	133,012
Polygon Properties Limited*	7,688,757	7,469,093
	7,840,750	**7,602,105**

*Polygon Properties Limited is the consolidated figure of Polygon Properties Limited (Guernsey registered company) and Polygon Properties Limited, its Jersey registered subsidiary and Polygon Properties 3 Limited. These companies hold properties which have a combined market value of £32.9 million. The properties, less the loan due to Polygon Group Limited (see note 5), make up the majority of the net asset value.

The following subsidiary is held at historic cost

	2021	2020
	£	£
Saints Holdings Limited	104,520	104,520
	104,520	**104,520**

2. Investments in Subsidiaries (continued)

The following subsidiaries are held at net realisable value

	2021	2020
	£	£
Polygon Insurance Company Limited	4,246,000	5,224,000
Polygon Serviced Offices Limited	1,816,830	1,779,390
Polymetrix Limited	902,025	591,497
The Vantage Group of Companies	5,232,857	6,442,812
	12,197,712	**14,037,699**

In calculating the value of Polygon Insurance Company Limited ('PICL'), the company considered that PICL adopts estimation techniques in determining its underwriting results due to uncertainties relating to the assessment of provisions for outstanding claims and related reinsurance recoveries. These uncertainties are such that PICL's ultimate payables and receivables, which will vary as a result of subsequent information and events, may be subject to material, but presently unquantifiable, adjustments to the amounts which could have a significant impact in relation to the quantum and liquidity of PICL and, therefore, the company. Further details can be obtained in PICL's 30 June 2021 financial statements. However the directors believe there is sufficient excess in the reserves they believe that £4,246,000 (2020: £5,244,000) is a reasonable value for PICL.

Most of the Vantage Group of Companies are valued at a multiple of 10 times EBITDA which is considered prudent by the directors based on the current maket multiple for entities of this nature.

3. Other Investments

	2021	2020
	£	£
Held at Historic Cost	4,990,061	896,330
Held at Net Realisable Value	6,961,623	6,258,331
	11,951,684	**7,154,661**

3. Other Investments (continued)

The following investments are held at historic cost

	2021	2020
	£	£
CarPlanner	146,377	146,377
Advisa Group Limited	3,554,984	-
Quale.it	132,007	132,007
Faction Skis	592,682	157,447
CYD Limited	-	50,000
Dovetail	-	200,000
Un Limited	314,936	-
Solascure	20,000	20,000
JewelStreet	229,075	190,499
	4,990,061	**896,330**

The £200,000 holding in Dovetail and £50,000 holding in CYD Limited, have now transferred to Un Limited following the aquisition of Dovetail by Un Limited with a further £64,936 of shares being purchased on 15 February 2021 at par.

There are no known events which lead the directors to believe that the value of these investments are in any way impaired and are therefore held at historic cost in order to be prudent.

The following investments are held at net realisable value

	2021	2020
	£	£
Shearwater Group plc	-	72,483
MCR Developments Limited	325,000	266,626
Olly Limited	14,000	14,000
Vauxlaurens Property Holdings Limited	1,329,250	1,329,250
BookingTek Limited	1,640,575	1,640,575
M J Hudson Limited	3,652,798	2,935,397
	6,961,623	**6,258,331**

M J Hudson Limited is AIM listed and the shares are held at year end bid prices Security is held over these shares by Investec Bank in connection with the £1,250,000 revolving credit facility it has extended to the Company. The shares held in Shearwater Group plc were sold on 1 March 2021 for a cash consideration of £51,343.

The ultimate realisable values of the other investments may be substantially different to the value in these accounts. These differences may be material, but presently are unquantifiable, and could have a significant positive or negative impact in relation to the quantum and liquidity of the net assets of the Company.

4. Tangible Assets

	Office Equipment	Motor Vehicles	Total
	£	£	£
Cost			
1 July 2020	8,586	-	8,586
Additions	2,273	163,487	165,760
30 June 2021	10,859	163,487	174,346
Amortisation			
1 July 2020	437	-	437
Depreciation	1,993	21,544	23,537
30 June 2021	2,430	21,544	23,974
Net Book Value			
30 June 2021	8,429	141,943	150,372
30 June 2020	8,149	-	8,149

5. Advances and Prepayments

	2021	2020
	£	£
Due to PGL from subsidiary companies	27,387,727	26,137,193
Prepayments	126,195	68,578
Other Receivables	41,179	41,005
	27,555,101	**26,246,776**

6. Creditors

	2021	2020
	£	£
Creditors	229,010	123,483
Accruals	155,820	131,641
	384,830	**255,124**

7. Long Term Loans

	2021	2020
Bank Loan - Investec	21,012,500	21,062,889
Revolving Facility - Investec	1,250,000	-
Finance Lease - Close Finance	117,431	-
Other Loans	402,360	330,000
	22,782,291	**21,392,889**

The company entered into a five year loan facility with Investec Bank (Channel Islands) Limited of up to £20,000,000 on 5 November 2019 which was increased to £21,500,000 on 7 May 2020. Some of the proceeds of this facility were used by the company to repay the loan facility from ABN AMRO (Channel Islands) Limited (which was entered into by the company's Guernsey subsidiary Polygon Properties Limited on 21 June 2017) in full.

A further revolving loan facility of £1,250,000 was entered into by the company on 3 September 2020.

The security for the Investec facilities consisted of, inter alia, guarantees by certain subsidiaries of the companies and Martin Belcher, security granted over various commercial properties in Guernsey and Jersey owned by such subsidiaries of the company, as well as security granted by Martin Belcher over his shareholding in the company.

The company entered into three, four year finance leases with Close Finance on 28 September 2020, 29 September 2020 and 25 November 2020 to purchase three vehicles totaling £153,314. At 30 June 2021, £117,431 was the amount falling due to Close Finance after one year.

8. Intercompany Loans

	2021	2020
Due from PGL to subsidiary companies	5,219,890	6,620,265
	5,219,890	**6,620,265**

Balances due to subsidiary companies are unsecured. The Investec interest incurred by the Company, was recharged to the subsidiaries based on their individual intercompany loans. Interest has been charged at The Bank of England base rate plus 4.25 percent and whilst technically repayable within one year are unlikely to be repaid within one year.

9. Income

	2021	2020
	£	£
Interest income	1,131,292	803,081
	1,131,292	**803,081**
Monitoring fees	35,556	43,050
Subsidiary recharges	1,234,029	911,975
Other income	11,863	308
	1,281,448	**955,333**

Monitoring fees relate to fees charged to Subsidiaries and Investment Companies for the provision of accounting services and directors.

Subsidiary recharges reflect the re-allocation of expenses incurred by the Company on behalf of other subsidiary companies.

10. Dividends received from Subsidaries

	2021	2020
	£	£
Polygon Insurance Company Limited	1,500,000	1,500,000
Advisa Group Limited	52,500	-
	1,552,500	**1,500,000**

11. Unrealised gains on investments

	2021	2020
	£	£
Polygon Properties Limited	219,665	(602)
Polygon Serviced Offices Limited	37,440	425,100
Polymetrix Limited	310,528	(413,449)
The Vantage Group of Companies	290,045	1,197,994
Polygon Insurance Company Limited	(978,000)	(76,000)
Le Marchant Underwriting Management Limited	18,981	(3,201)
Olly Limited	-	14,000
M J Hudson	716,297	(792,091)
	614,956	**351,751**

12. Realised gains/(losses) on investment

	2021	2020
	£	£
Shearwater Group plc	(21,140)	(5,916)
MCR Developments Limited	58,374	-
	37,234	**(5,916)**

13. Management Expenses

Included in the management expenses in the income statement are the following:

	2021	2020
	£	£
Audit fee	26,000	20,600
Non-executive directors' fees	140,000	115,000

14. Taxation

The company pays tax at the standard corporate income tax rate of 0%.

15. Share Capital

	2021	2020
	£	£
Authorised Shares of £1.00 each:		
As at 1st July	2,024,000	2,024,000
As at 30th June	**2,024,000**	**2,024,000**
Shares issued at par:		
As at 1st July	2,024,000	2,024,000
As at 30th June	**2,024,000**	**2,024,000**

16. Bonds Issued

During the year £2,065,000 of bonds were issued (2020: £1,570,000 issued and £1,450,000 repaid). These are all interest bearing.

Of the total £6,560,000 bonds in issue (2020: £4,495,000):

£3,635,000 (2020: £1,570,000) bonds were issued on the International Stock Exchange with an annual interest rate of 6%, the bonds mature on the fifth anniversary of the date of issue.

£2,925,000 (2020: £2,925,000) bonds were issued on The International Stock Exchange with an annual interest rate of 8% maturing on the fifth anniversary of the date of issue.

17. Ultimate Controlling Party

The ultimate controlling party of Polygon Group Limited is considered to be Mr Martin Belcher.

18. Related Party Transactions

Related Party Income

	2021	2020
	£	£
Interest Income	1,131,292	803,081
Other Income	1,281,448	955,333
Dividend Income	1,552,500	1,500,000
	3,965,240	**3,258,414**

Related Party Assets

	2021	2020
	£	£
Loans and Advances from PGL to Subsidiaries	27,387,727	26,137,193
	27,387,727	**26,137,193**

Related Party Liabilities

	2021	2020
	£	£
Other Loans - Due from PGL to Martin Belcher	100,000	100,000
Other Loans - Due from PGL to Martin Belcher	190,000	190,000
Interco Loans - Due from PGL to Subsidiaries	5,219,890	6,620,265
	5,509,890	**6,910,265**

19. Post Balance Sheet Events

On 1 October 2021 £1,905,000 of bonds were issued on the International Stock Exchange with an annual interest rate of 6%, maturing on the fifth anniversary of the date of issue.