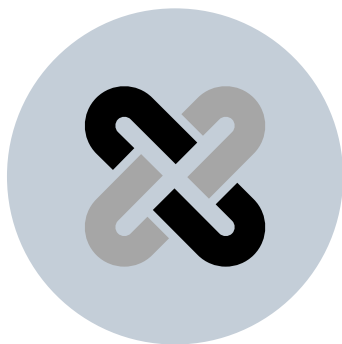




WILLIAM JOHN

Annual Report and Accounts

2021 - 2022

**Company Name**

William John (HV) plc

Directors

T W Inch
N J Parfremment

Secretary

C H Lovell

Registered Office

71 - 75 Shelton Street,
Covent Garden London,
WC2H 9JQ,
United Kingdom

Registered Number:

11760796
(England & Wales)

Financial Year

Financial period ended
31 July 2022

Auditors

UHY Hacker Young (S.E.)
Limited 168 Church Road
Hove Brighton BN3 2DL

Legal Advisors

Taylor Wessing
5 New Street Square
London EC4A 3TW

Follow Us:

 @williamjohn_fx

 @williamjohn

Contents

Directors' Report 7 - 13

Co Founder and Executive Director Trevor Inch shares his reflections and insights on behalf of the William John (HV) plc board in relation to the Company's performance throughout the period February 2021 – July 2022.

Macroeconomic Analyses 15 - 23

William John's analyst takes a perspective on wider world economic factors that drive underlying financial performance.

Capital Market Review 25 - 55

A comparative review of equity and debt capital markets in specific geographical regions globally.

Meet the Team 57 - 59

Meet the Management Team of William John (HV) plc.

Accounts 61 - 89

Full audited financial statements for the period ended 31 July 2022 prepared by the company and audited by UHY Hacker Young.

An aerial, monochromatic photograph of London, featuring the River Thames, several bridges, and the prominent dome of St Paul's Cathedral. The image is used as a background for the title text.

A message from the Board



Over the past 18 months since the publication of our last audited accounts we have seen the continuation of the global pandemic and the introduction of the conflict in the Ukraine, both of which I make comment upon within the Directors Report within this edition of the Annual Report and Accounts. However, on a more personal note, the Board wishes to extend to you once more our very best wishes and hope that every one of you remains in the very best of health and that you have managed to navigate yourselves through this continued period of uncertainty, wherever you may be living and working around the world.

Moving to matters relating to the firm and its deliverables you will note upon reading the various documents and reports we have prepared for you, this period of trading has brought positive results in a demanding market, and our performance against other asset classes in various geographical markets has shown us to be competitive and shed a favourable light upon our product, providing consistency and value to our Bondholders. Reciprocally, we wish to thank our Bondholders who have continued to support us through such a challenging period and have, not only maintained their commitment by remaining invested in our Bond programme throughout the period, but also have in numerous cases increased their respective holdings. This indicates and underlines to us how, over the years since the inception of the company, we have developed and built a positive, mutually beneficial relationship between the firm and our Bondholders.

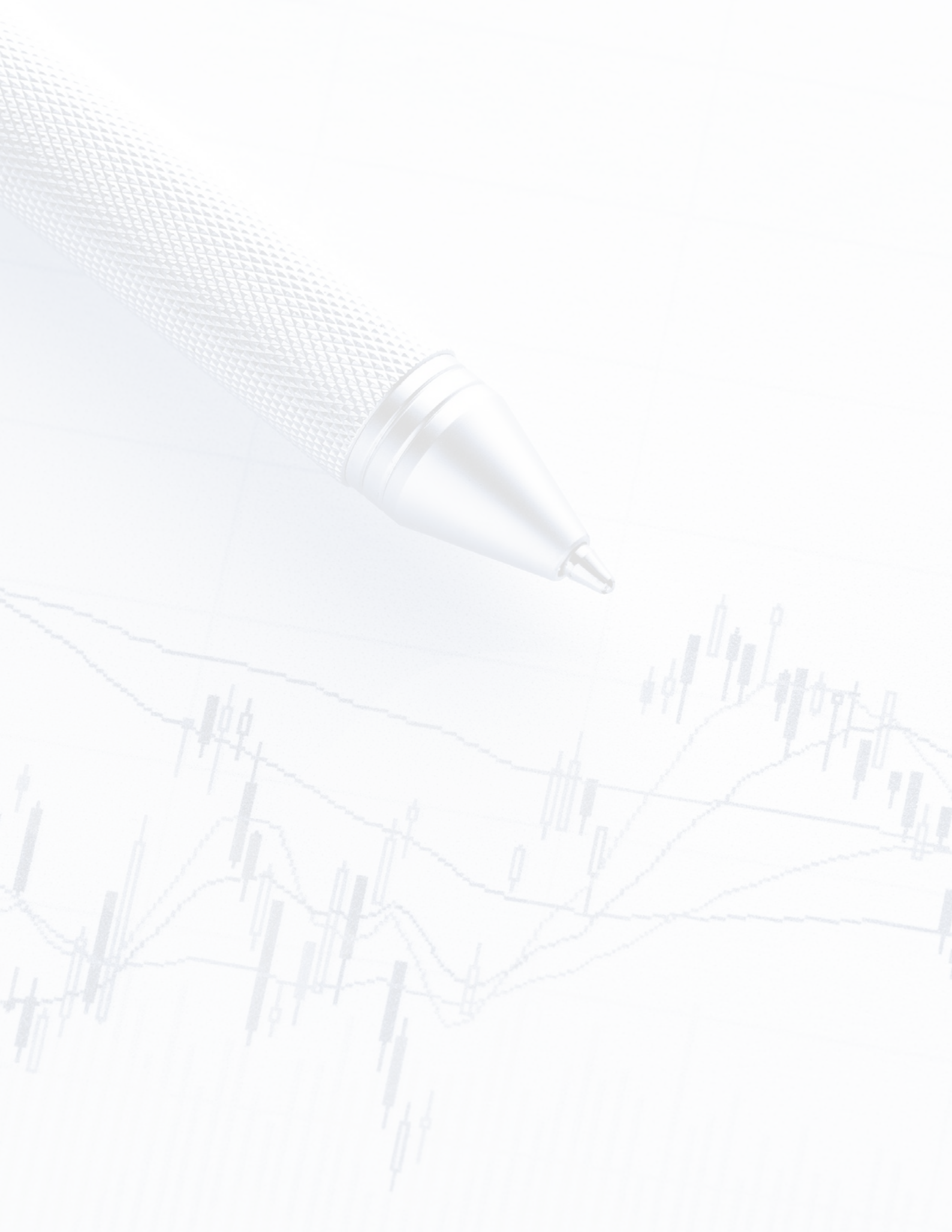
With the importance of these relationships in mind and looking to the future, we have launched a new website which we encourage you to view and utilise. It includes general market insights and reports for you to read and consume which we hope will interest you and from time to time we will publish company specific information ranging from financial reports to general points of interest about the company's progress which we feel will provide regular insight into the operations of the firm and engage you.

We also invite you to "follow" us on social media through both our Twitter and Linked In accounts so that you can be alerted to these updates when we release them throughout the year. We believe it's invaluable to maintain a consistent dialogue with Bondholders and partners alike and feel these mediums will be the most appropriate and practical platforms to deliver the company's communications upon so please do utilise them post launch.

To close, we look forward to building upon our relationship with you over the coming months and years and thank you for your continued support to date.

Trevor Inch
Executive Director

William John (HV) plc. Registered Address: 71-75 Shelton Street, Covent Garden, London WC2H 9JQ
Registered in England and Wales. Registered Number 11760796





Director's Report

Co Founder and Executive Director Trevor Inch shares his reflections and insights on behalf of the William John (HV) plc board in relation to the Company's performance throughout the period February 2021 – July 2022.



Director's Report - Financial period ended 31 July 2022

When reflecting upon the past 18 months of trading it has brought home how this period has been extremely challenging and, equally how positive and rewarding it's been, in the sense that the company has continued to grow the inflow of capital from Bondholders and build its Balance Sheet performance throughout this most difficult of financial periods, February 2021 to July 2022.

In terms of the challenges the firm faced specifically, clearly the COVID 19 pandemic continued to affect the globe and, whilst the pandemic's obvious manifestation of disruption and tragedy were clear on a human level; the world of commerce and finance was also placed under substantial pressure to sustain itself throughout this exceptional period of history.

In addition, as we moved into the Spring of 2022 and began to emerge from the end of the pandemic, a second dramatic event was unfolding in the form of the conflict in the Ukraine. Uncertainty was prevalent in the Markets and investor confidence dented once more. These investors faced a dilemma when deciding upon how best to extract value from the Markets, and many may well

have been required to refocus upon their own fortunes, as this unprecedented period of sustained instability unfolded across the world.

In response, our firm reacted proactively to this sense of uncertainty from investors by ensuring its marketing and distribution partners were constantly engaged and supported, in the same way in which we delivered a similar package of tactical and strategic funding support throughout the previous financial year. This allowed for the maintenance of a consistent and clear approach to Bondholders and prospective investors, delivering them an understanding of how the underlying trading performance was remaining stable, if at times subdued and stifled, in such a difficult and pressurised market.

In doing so it should be made clear, a balance was struck between securing and growing the Bondholder base, therefore providing William John access to capital in such demanding times, versus the underlying cost of distribution. However, we wish to highlight these funds should be treated and viewed as exceptional costs, because of the reasons why they have been introduced,



including COVID 19, and because of the period in which they have been applied over – circa two and half years. In our opinion, once we move further away from the effects of the pandemic, the blanket of protection we provided in the form of additional budgets will diminish and the upside benefits of reducing these exceptional costs will be seen to flow through in the financial period ending July 2023.

Moving to the company's performance, once more the foreign exchange markets were able to remain central to the core mainstay of revenue delivery to the firm,

providing £3.195m of contribution throughout this trading period. Aligned to this performance, the firm has also grown its asset base including unrealised assets of £17.494m and £8.122m of digital assets. With £808,000 revenue contribution coming from the sale of Listed Equities.

Across all asset classes held by the company we have seen an uplift of value, strengthening the Balance Sheet and creating a positive movement of £5.198m of total assets over liabilities since the last audit of the financial period ended January 2021. It is our firm belief that as we

move further into 2023, the company will continue to enjoy further benefit from the realisation of value through the sale of these equities, as the companies they are held in reach their own levels of achievement and associated positive valuations. It is this work, placing the foundations in place to generate greater profits in 2023 whilst in a difficult market, that means the company is well placed to continue its execution of further growth in terms of profitability and building its asset base, bringing further confidence and assurance to the company's Bondholders.



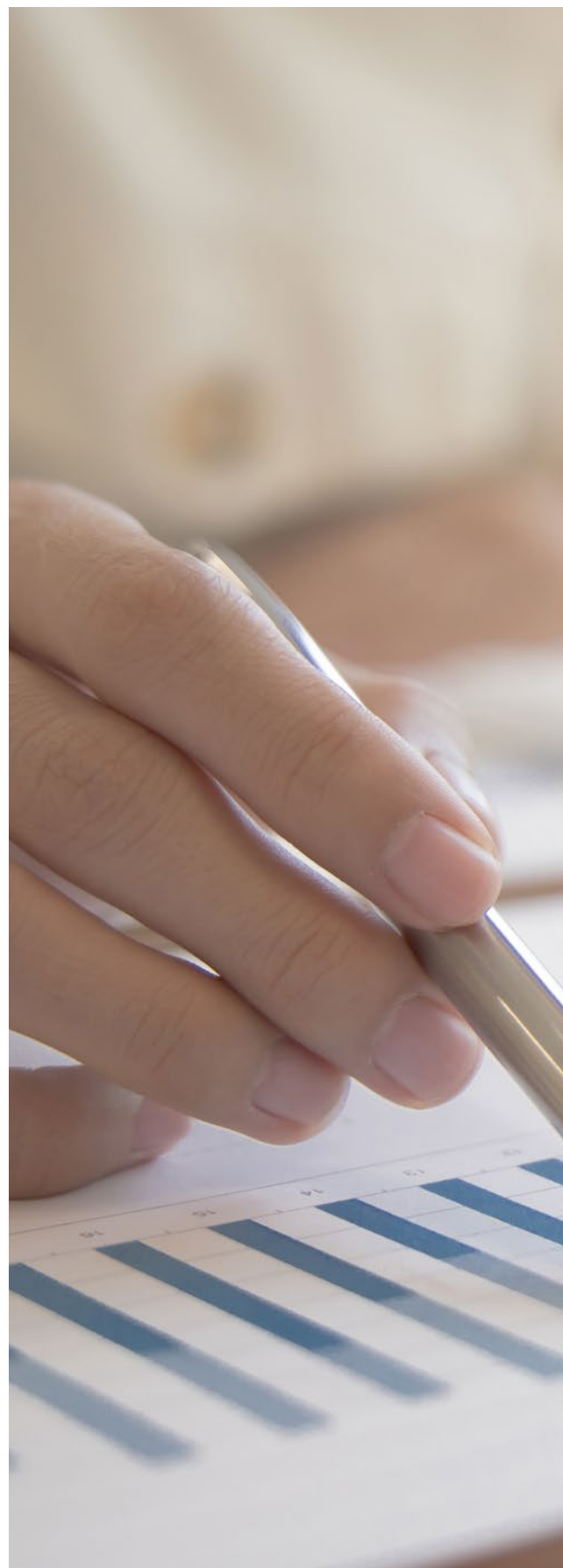
In understanding this track record and proven performance for over 4 years is secured, Bondholders have continued to be supportive of the company's strategy and the way in which it has executed its plans. With several current Bondholders upweighting their respective holdings by adding additional investment and with new Bondholders joining them, the growth and value of Bonds in issue has moved from £9.232m at the end of January 2021 to £20.615m by July 2022. We believe this uplift of gross capital inflow into the firm and positive rate of sale of these Bonds is not only tied to the confidence

derived from the company's performance, but also by the need for investors to find competitive returns within a market that has the backdrop of such a demanding economy. With high rates of inflation in many countries and jurisdictions, finding value from investments that deliver positive nett returns has clearly become much harder.

However, with William John's Bonds, potential investors are able to reference our track record in the knowledge that the firm has consistently maintained interest payments falling due to Bondholders that are of an attractive, and in the

current market, at the required level of return on capital to enable them to outperform inflationary rates. It is interesting to note, throughout this current audited period, the company has serviced £3.34m of interest payments against a total value of Bonds in issue of £20.615m, further underlining the company's capability.

With such a platform in place, delivered particularly by the firm's performance over the past eighteen months, and as the company transitions into its next financial period ending July 2023, the board remain confident that controlled growth can be maintained. With sufficient overarching Bond capacity remaining to be sold, the distribution partners remain positive towards generating consistent inflow to grow the investment base, which in turn, can be deployed within the successful trading strategies adopted by William John. This approach and attitude, equally balanced with the board's commitment to remain mindful and watchful of how the events affecting the global economies may develop, especially given the learnings drawn from the past two and half years, the company is once more well placed to generate positive revenue contributions to its profit and loss account and to continue its successful approach to gathering and building assets as part of its strategic pathway and committed deliverable of maintaining positive nett assets over it liabilities on its Balance Sheet.







Macroeconomic Analyses

The William John Macroeconomic Analyses seeks to analyse the economic environment within which William John operates in. It is of paramount importance to William John to have a sound understanding of the underlying market forces that shape and influence our markets, and second to inform our investors about these circumstances.

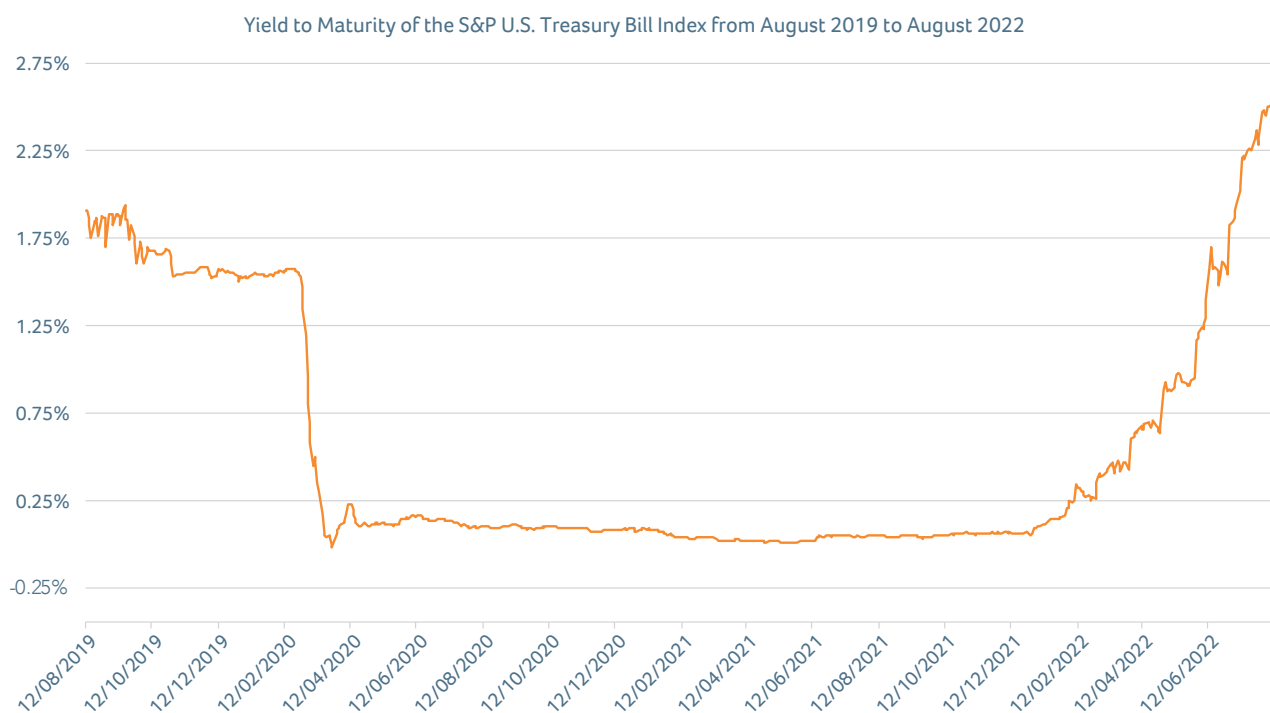
This analysis will focus on three to four key areas: Money Markets, Interest Rates & Central Banking, and Inflation Risk, in the U.S., U.K., and Europe.

Money Markets

The Money Market refers to trading in very short-term (less than one year) debt investments between banks and other financial institutions. It forms an important part of the wider economy since it reflects the short-term financing opportunities available to the financial system and contributes to smoother cash flows and better balance sheets at the institutional level.

Because there is so much depth in the money market and the stakeholders involved are large financial institutions, this market is considered one of the “lowest risk” markets in the world. This in turn means the money market has relatively lower rates of return to the capital markets, and even lower returns relative to private and alternative asset classes.

One of the largest Money Markets is the market for U.S. Treasury Bills. Looking at the S&P U.S. Treasury Bill Index, a market value weighted index that measures 41 different constituent T-Bills with an outstanding market value of \$2.244 Trillion USD and a weighted average maturity of 0.2 years:





The yield to maturity or YTM, measures the rate of return an investor would earn on a publicly traded bond if held to maturity. Taking in the bonds current (trading) price, maturity, and coupon payments into account, the lower the current price is, the greater the rate of return will be and vice versa - since a greater discount (premium) on a bond purchase means an investor will earn relatively greater (lower) interest on the bond. So, YTM and bond prices hold an inverse relationship.

Looking at the S&P index, with the unfolding of the COVID-19 pandemic in March 2020, the YTM on this index of bonds dramatically fell from 1.55% on 24/02/20 to 0.05% on 23/03/20. Throughout much of the pandemic and until recently, yield in the world's largest money market has remained on average approximately 0.08% from March 2020 until January 2022. This reflects expansionary monetary policy, including open market operations such as quantitative easing, implemented by Central Banks to combat the economic fallout of the COVID-19 pandemic. Specifically, cutting interest rates to near zero (making borrowing in money markets effectively free) and buying these bonds themselves has meant that Money Markets have remained cheap and extremely liquid, depressing money market yields to a negligible rate of return.

However, more recently, the YTM on U.S. Treasury Bills has climbed at an aggressive rate. In fact, between February and August 2022, yields have climbed by 2.28% - surpassing yields observed even prior to the pandemic.

William John believes many factors have contributed to the trend reversal observed in the money market. Notably, there has been a reversal in monetary policy undertaken by Central Banks meaning that money markets are no longer being artificially propped up by Central Banking money or low/negligible interest rates which will be discussed in "Interest Rates and Central Banking".

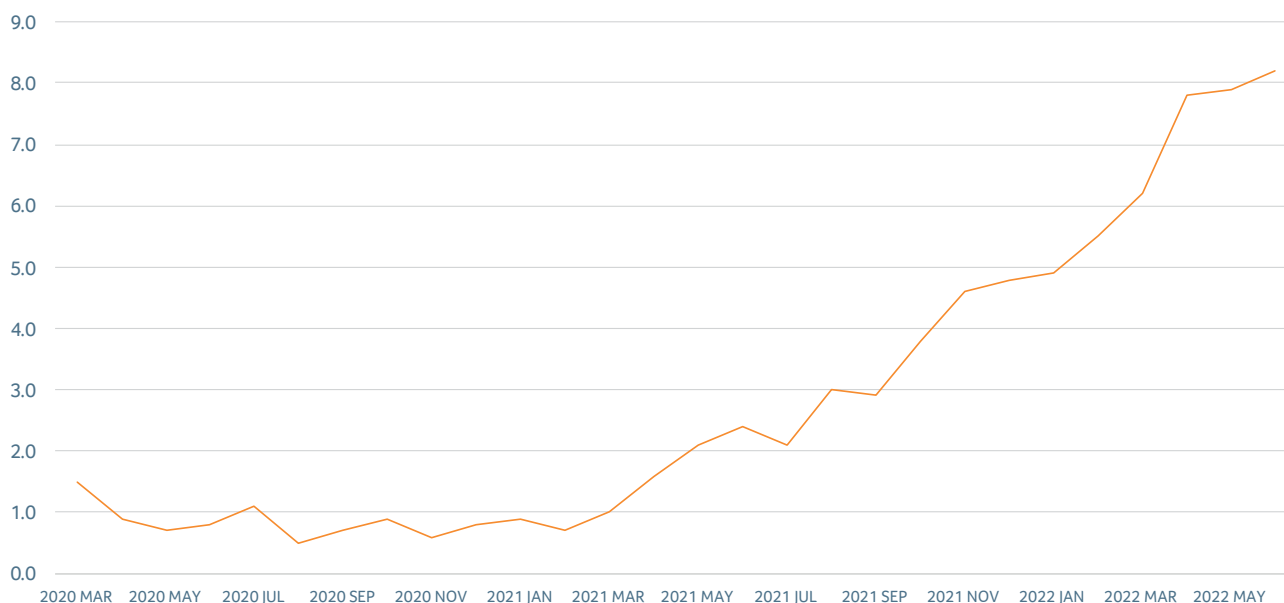
However, logically investors will sell low return securities, included those traded on money markets, if they believe that inflation will outpace the rate of return on their investment since in real terms this would mean they are earning minimal to negative returns on their investment. For example, if an investor buys a 6-month maturity Treasury Bill with a yield to maturity of 1.2%, and inflation during those 6 months is 6%, it is almost certain that rises in the price level will erode the purchasing power of 1.2% profit made on the investment. In other words, the investor may have made 1.2% on the investment, but the price of everything else has risen by 4.8% more, so the purchasing power accrued is eroded.

Hence, William John has determined that a key driving factor behind falling Treasury Bill prices and aggressive yields is spiralling inflation. Until inflation is brought under control, borrowing and financing in the money markets will be costly and expensive and such observations currently point to tightening in the financial markets and wider economic landscape over the foreseeable future.

Inflation Risk

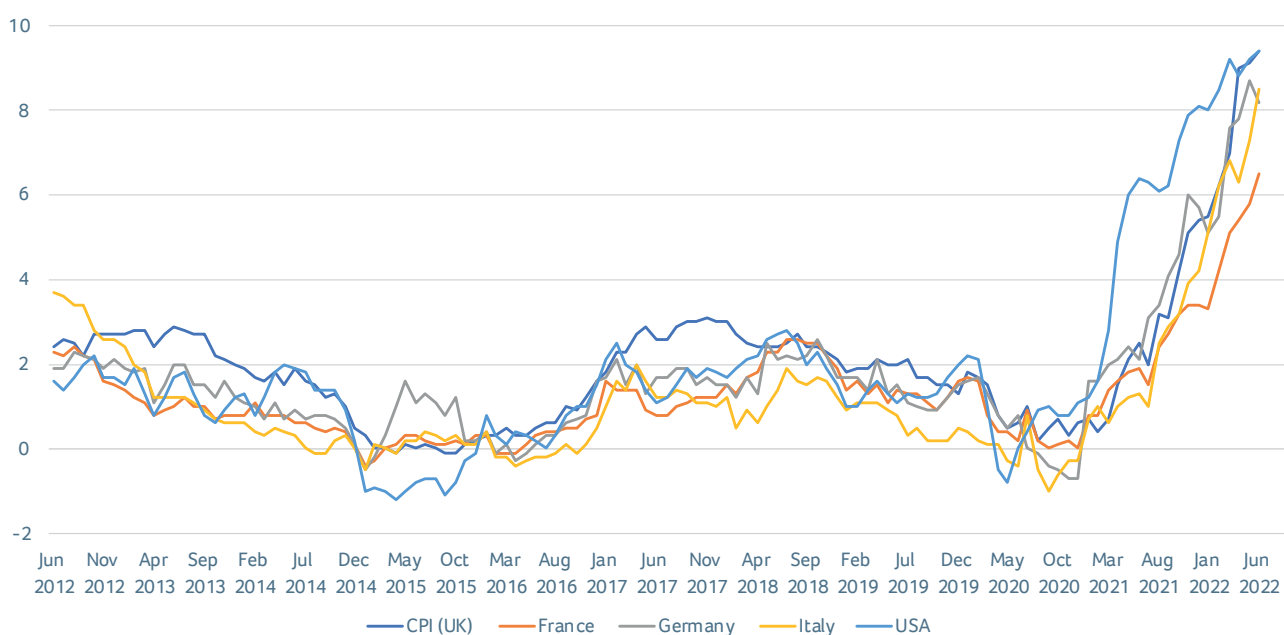
As noted in our report for 2021, several key Central Banks had determined inflation to be “transitory” as economies were released from lockdown, what they could not have predicted was the Russia-Ukraine war and subsequent surge in energy prices. Looking at the inflation rate for the U.K. since March 2020:

% Change in the Consumer Price Index (All Items) from March 2020 to June 2022

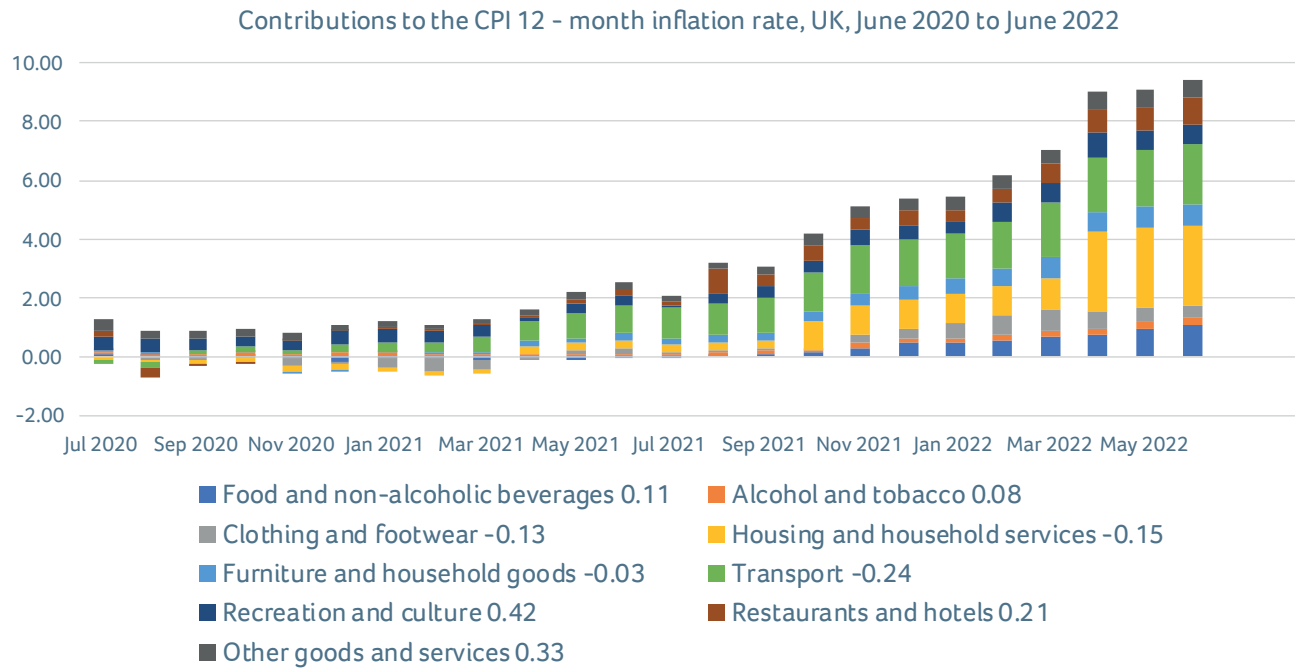


Inflation has certainly not been “transitory”; in fact, it is spiralling out of control. Exceeding 8% as of June 2022, it is likely to surpass 10% by the conclusion of 2022, way beyond the Bank of England’s stable target of 2% per year. Similar levels of inflation have been observed in the U.S. and in the Eurozone, rising 8.5% and 8.6% in the period ending June 2022, and is likely to follow a similar trajectory to the U.K. Looking at rates of inflation for members of the G7:

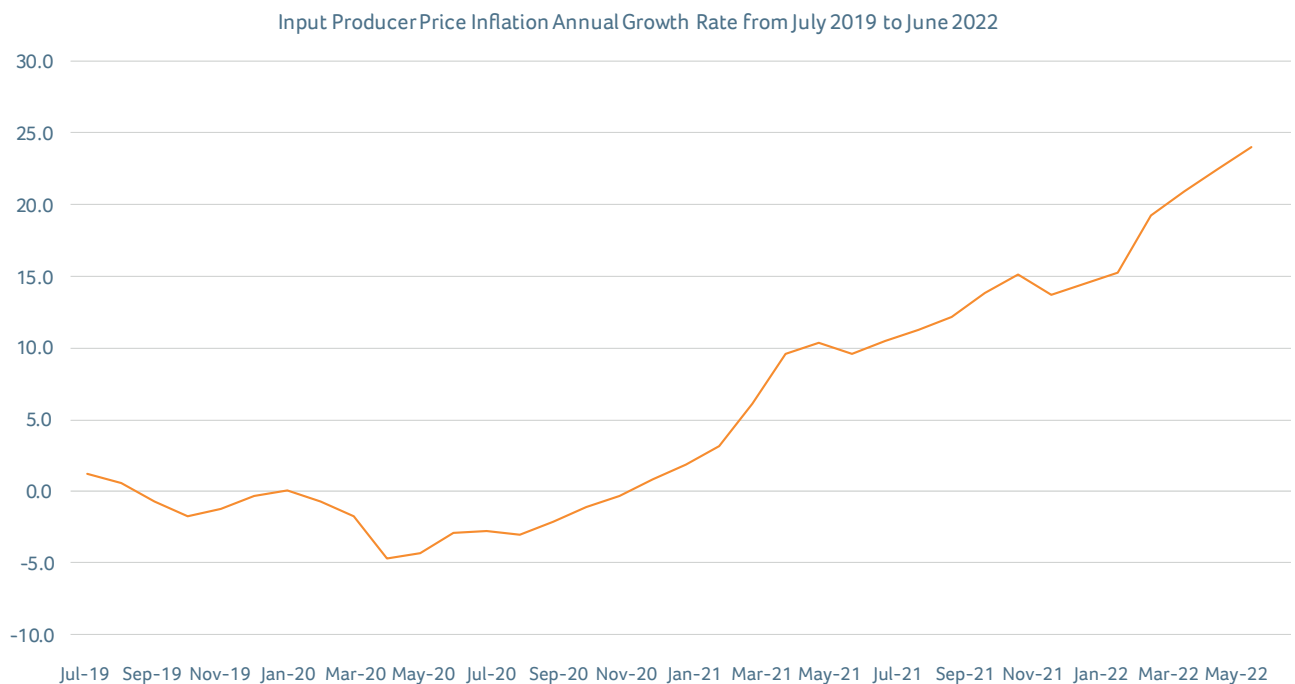
CPI compared with selected G7 12 - month inflation rates from June 2012 to June 2022



Breaking down the inflation rate (using the U.K. as a case study) by different types of consumer goods and services:



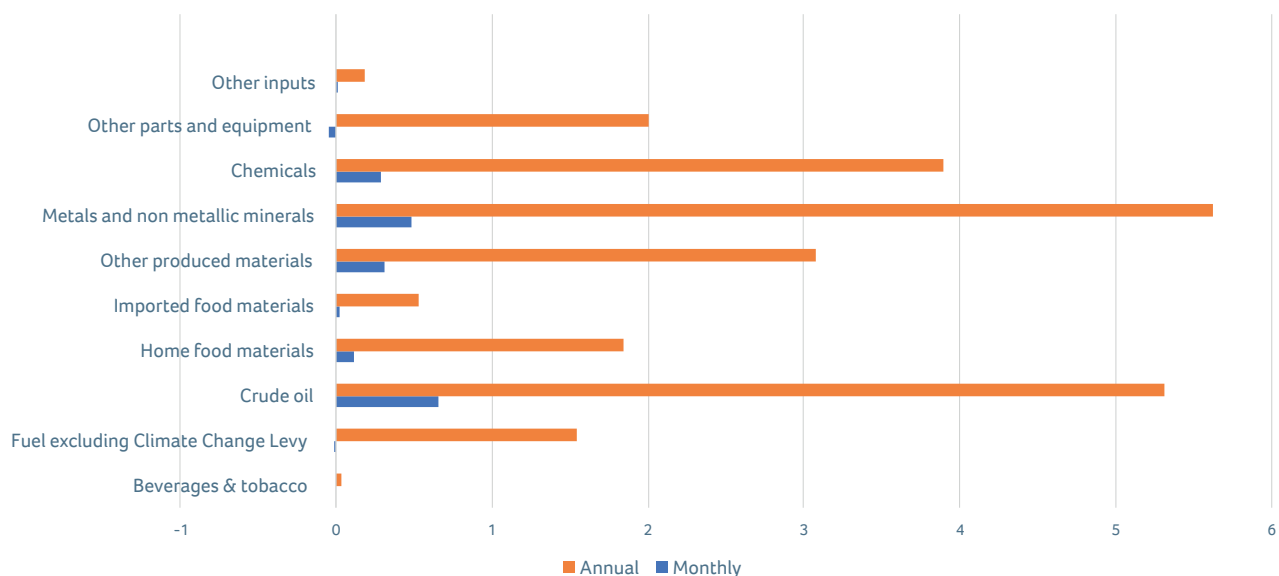
Clearly, the largest contributions to inflation have been both Transport and Housing/Household Services. Looking at Producer Price Inflation (PPI) may explain why:



The input prices for producers in the U.K. have risen by 24.0% in the year to June 2022; the rate has now been positive for 19 consecutive months. Additionally, output prices set by producers have risen by 16.5% in the year to June 2022; this rate has now been positive for 18 consecutive months.

Looking at the contribution to input PPI by type of input as of June 2022:

Input producer price inflation (PPI), % contribution to monthly and annual growth rate, UK, June 2022



Clearly, a rise in energy costs and the production of raw materials is causing a surge in the price of production, which is then being passed on to consumers most proportionally through the rise in prices of transport and household services, all of which require hydrocarbons in some form and the other inputs aforementioned.

Hence, William John is of the opinion that inflation is being driven by “supply-side” factors within economies across Europe and the world, rather than aggregate demand factors such as government spending, investment, or consumer spending. The consequences of this will be discussed in “Interest Rates and Central Banking”.

Conclusively, this information means inflation risk has substantially risen since 2021, that is, many low-risk, low yielding securities simply cannot provide an adequate return for investors when prices are rising so rapidly. This hypothesis in turn reaffirms our confidence in William John bonds which deliver returns to investors that neutralise inflation risk by providing a rate of return far beyond inflationary pressures – even in current conditions.

Interest Rates and Central Banking

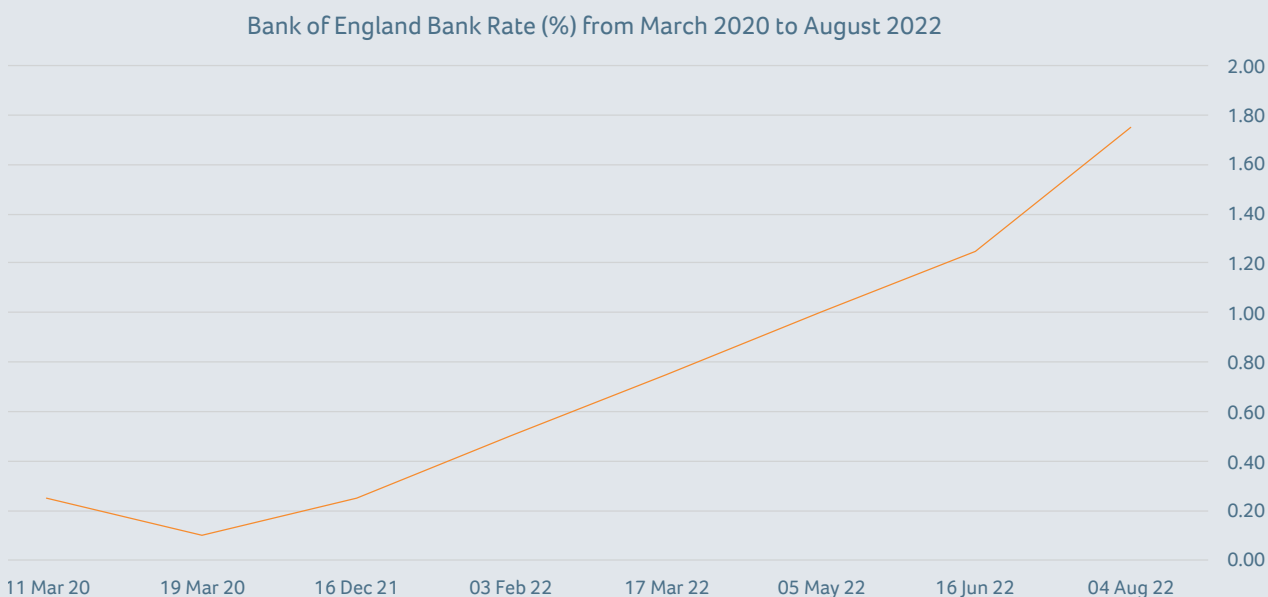
As a consequence of the current inflationary environment, Central Banks around the world have sought to reverse the implementation of an expansionary monetary policy which has kept economies afloat over the past few years.

Looking at the balance sheet of the Bank of England has shown that their open market operations have not yet reversed in trajectory, i.e., quantitative tightening has not been implemented.

However, according to the convening of the Monetary Policy Committee (MPC) on 03/08, the sale of gilts bought through open market operations in the “Asset Purchase Facility” (which forms a large part of quantitative easing) “would begin shortly after

the MPC’s September meeting”. When this happens, whether in September or early 2023, this will signify quantitative tightening which will dry up liquidity and cash flow available to institutions and businesses in the foreseeable future, who have had a license to spend cheap money over the past few years under this policy.

Furthermore, this will contribute to high rates of interest economy wide. Whether or not this manifests itself as a “credit crunch” will depend on the government and bank’s ultimate decision making. What is clear is that rates are rising, which has most evidently been seen with a rise in Central Banking rates around the world. Looking at the Bank of England Bank rate since March 2020:



Rates have risen dramatically, and this is likely to impound into commercial interest rates, again contributing to rising yields and aggravating the cost of borrowing for households.

It should be noted that similar monetary policy measures are being observed internationally. According to the MPC’s August meeting minutes, “a significant number of central banks globally had increased their policy rates over the last six weeks, including more than three quarters of the central banks for which the Bank for International Settlements published data”.

Summary

In summary, the impact of current macroeconomic conditions for households and businesses means that a recession ought to be considered the “base” case as a forecast of the economic outlook. In a recessionary period, lending becomes tighter and investment opportunities are reduced, and there are many difficult challenges to the economy including (traditionally) a rise in unemployment.

From an investment standpoint, current macroeconomic conditions such as spiralling inflation will dramatically impact the yields on traditional assets such as stocks and bonds, making them unattractive investments given inflation is set to erode 10% on income at least on an annual basis.

Given central banks are using demand side policies to counteract absolutely sound evidence that inflationary pressure is being generated from the supply side of the economy, this is likely to create “stagflation” – an economic environment with low to negative economic growth coupled with high inflation, thereby eroding people’s incomes whilst limiting business growth and work opportunities simultaneously.

It is no doubt going to be a challenging time ahead for various economies around the world, and perhaps the global economy. However, what all this analysis points to is that high yield, alternative investments are the only avenues of investment that can offer investors a substantial rate of return in such challenging conditions, especially in this inflationary environment.

On this basis, William John is satisfied its bonds are a value-add to any investor portfolio both now and in the immediate future.





Capital Market Review

A comparative review of equity and debt capital markets in specific geographical regions globally.

Introduction

The William John Capital Market Review performs an assessment of asset classes in public capital markets across regions of interest including the United Kingdom, Latin America, Southeast Asia, Africa, and the Middle East.

The asset classes assessed are bonds, equities, and cryptocurrency. The aims of the Review are to update investors on the aggregate performance of indices in these geography specific markets to inform them on the returns and risks available from these capital market opportunities relative to William John's activities.

To capture "market" performance, that is, the collective performance of many different securities in specified geographical area, indices were analysed. For completeness and standardisation of the analysis, all index data was sourced from the same provider – S&P Global. This company is a world leading provider of financial information and analytics which is publicly accessible. They state "we provide iconic and innovative index solutions backed by unparalleled expertise across the asset class spectrum"¹. Each index will be technically defined in its respective section, however for more information please visit: <https://www.spglobal.com/spdji/en/>.

Following this introduction will be a comparative summary of the performance of different asset classes vs. the performance of William John bonds. After that, an analysis of each specific class of assets will be performed and to conclude the Review, there will be some notes on capital market performance for the period ending July 2022.

¹ S&P Global Google Description.

Summary of Performance vs. William John Bonds

In summary, defined in actual total returns from July 2021 to July 2022, almost every single market was significantly outperformed by William John bonds:

Past performance cannot be relied upon as a guide to future performance.

S&P Index Name	Total Return of S&P Index	Gross Return of WJ Listed Bond	Gross Return of WJ Unlisted Bond	Minimum Excess Return
S&P United Kingdom	-1.51%	14%	17.5%	15.51%
S&P U.K. Investment Grade Corporate Bond Index	-10.87%	14%	17.5%	24.87%
S&P Euro Index	-6.88%	14%	17.5%	20.88%
S&P Eurozone Investment Grade Corporate Bond Index	-20.85%	14%	17.5%	34.85%
S&P All Africa Index	-4.29%	14%	17.5%	18.29%
S&P Emerging Middle East & Africa BMI Index	5.45%	14%	17.5%	8.55%
S&P MENA All Bond Index	-9.86%	14%	17.5%	23.86%
S&P Southeast Asia 40 Index	0.93%	14%	17.5%	13.07%
S&P Pan Asia Corporate Bond Index	-2.07%	14%	17.5%	16.07%
S&P Latin America BMI	-17.94%	14%	17.5%	31.94%
S&P Pacific Alliance Sovereign Inflation Linked Bond Index	-1.68%	14%	17.5%	15.68%
S&P Cryptocurrency Broad Digital Market Index	-50.18%	14%	17.5%	64.18%

Summarising these results in a matrix table:

The average minimum excess return available on William John bonds vs. these indexes by asset type:

	Developed	Emerging	Cryptocurrency
Equity	18.20%	17.96%	-
Bonds	29.86%	18.54%	-
Cryptocurrency	-	-	64.18%

As displayed in the table above, all indices were substantially outperformed, with Cryptocurrency the most outperformed, followed by Developed Bonds, Emerging Bonds, Emerging Equity, and Emerging Bonds in particular order.

Methodology

All the indices used in this analysis have their own specific methodology which can be evaluated by the reader by following the more information links on each subsection. However, this section will provide a brief overview on how indices are calculated and what they represent.

An index is a statistical measure, typically of a price or quantity, calculated from a representative set of underlying data. The three sets of indices that are used in this analysis, at the broad level, are equity, fixed income, and cryptocurrency indices.

Concerning Equity, S&P Dow Jones categorises indices into Market Capitalisation and Non-Market Capitalisation weighted indices. **Market Cap Weighted Indices** attribute the float-adjusted market value of a stock and proportions it to the weight of the stock in the index. Meanwhile, **Non-Market Cap Weighted Indices** apply either equal weighting to included stocks, or factor weighting such as dividend yield or volatility, strategic tilts, thematic weighting, or other alternative weighting schemes to stocks. Then, the sum value depending on the weighting method is divided by an index divisor.

The purpose of the index divisor is to maintain the continuity of an index level following some non-market driven actions, such as an index rebalancing. Moreover, some index valuations are in trillions of dollars (e.g., S&P 500), so the index divisor can help scale the index to a more easily handled number (e.g.) 2,000. For more information on the mathematics of equity index calculations, please visit:

<https://www.spglobal.com/spdji/en/documents/methodologies/methodology-index-math.pdf>

Concerning Fixed Income, most S&P Dow Jones indices are **market value weighted**, where each bond's weight in the index is proportional to its market value. For more information on the mathematics of fixed income index calculations, please visit:

<https://www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-fixed-income-index-math.pdf>

Concerning Cryptocurrency, the index used in this analysis is **market cap weighted**. For more information, please visit:

<https://www.spglobal.com/spdji/en/indices/digital-assets/sp-cryptocurrency-broad-digital-market-index/#overview>

As a result of the calculations performed, all indices are measured on a “points” basis, which is a manifestation of the application of a divisor. As the index level (or points) rise and falls, this reflects a rise or fall in the total value of the constituents in that index, and hence broadly reflects increases and decreases in value across certain asset classes and markets.

Therefore, William John uses these indices as a proxy for the market performance of specific types of assets in certain geographical regions. By assessing the total return as a percentage change in the index level for the period ending July 2022, that is, 01/07/21 to 31/07/22, this allows us to evaluate returns potentially available for an investor with diversified holdings in the constituents of the index if exactly replicated and compare this across asset classes and locations using standardised percentages.

In this sense, they can be viewed as a return “benchmark” of performance since William John has a fiduciary responsibility to assess its own performance against publicly available investment opportunities for its investors and make sure that their opportunity cost of capital is in line with the returns that WJ to William John offers as markets evolve. However, it should be noted that William John does not mandate benchmark returns as key performance indicators, but solely as points of reference.





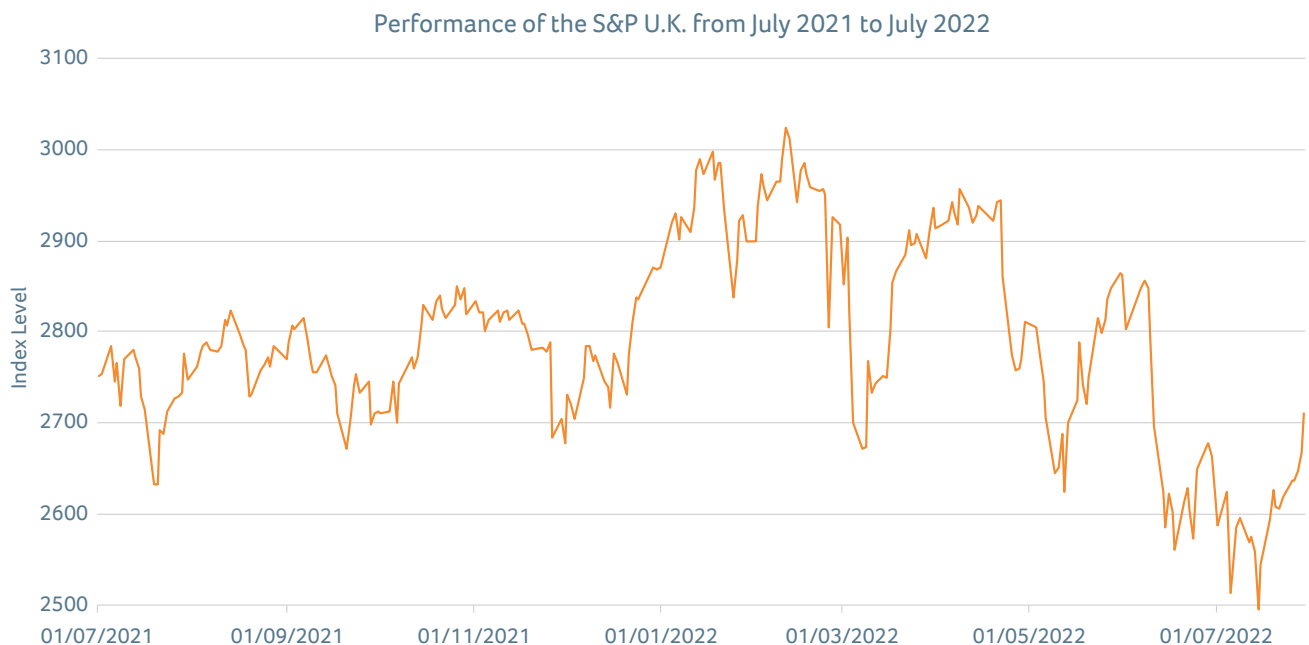
United Kingdom

1.0 Developed Capital Market Analysis

1.1 United Kingdom Equities

William John has selected the S&P United Kingdom – a subindex of the S&P Europe 350 – which includes all U.K. domiciled stocks from the parent index. This index is designed to be reflective of the U.K. public equity market. For more information on the index methodology and “eligibility factors” needed for a stock to be included in this index, please visit: <https://www.spglobal.com/spdji/en/indices/equity/sp-united-kingdom/#overview>.

The performance of this index can be assessed from 01/07/21 to 29/07/22 as follows:



As noted from the graph, U.K. stock valuations trended upwards until Q2 of 2022. Since then, that trend has reversed. If an investor was to invest in the U.K. stock market, defined as an exactly replicated diversified portfolio, the total return of this index through the stated period was -1.51%.

Holding Period Return

1.51%

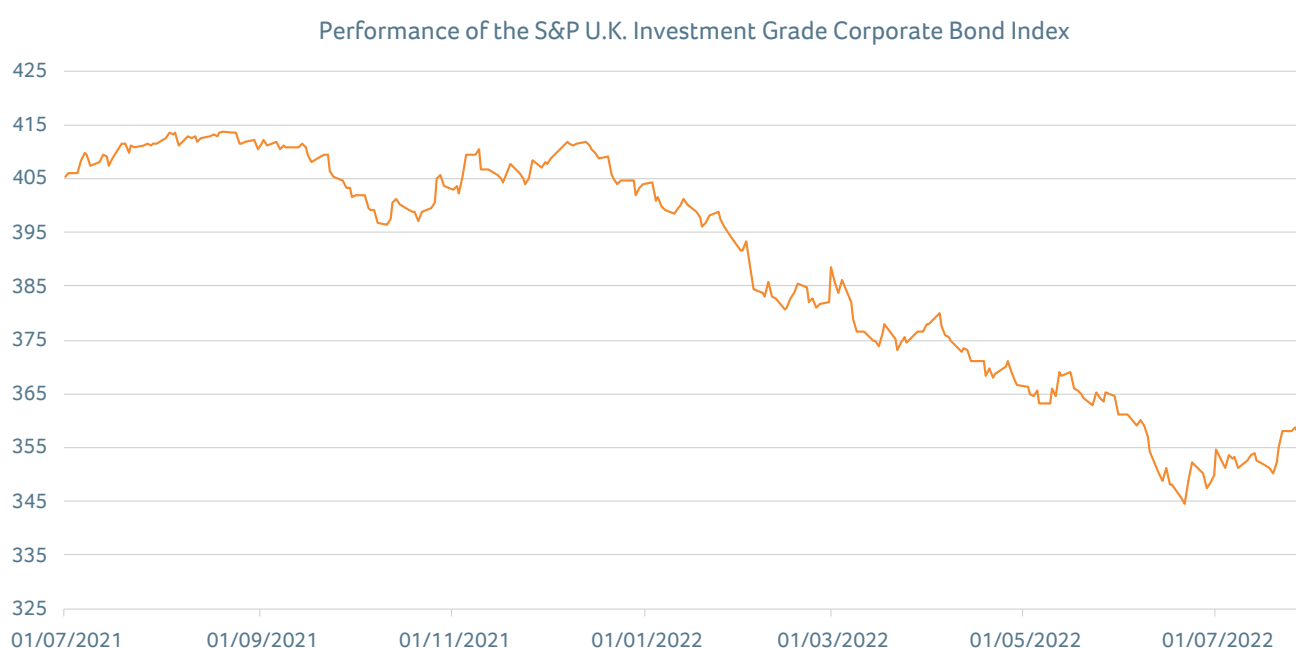


United Kingdom

1.2 United Kingdom Fixed Income

William John selected the S&P U.K. Investment Grade Corporate Bond Index to track the performance of debt issued by any investment-grade corporation denominated in (£) GBP, regardless of domicile and market of issuance. This index reflects the U.K. market performance of relatively low risk (minimum rating of BBB-/Baa3/BBB- for S&P, Moody's, and Fitch respectively) corporate bonds of varying coupon types. It should be noted that some bonds are excluded such as hybrid bonds (convertible, floating rate) and sukuk bonds. For more information, please visit: <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-uk-investment-grade-corporate-bond-index/#overview>.

The performance of this index can be assessed from 01/07/21 to 29/07/22 as follows:



U.K. investment grade corporate bonds have trended downward for the most part of this period, meaning that value of these bonds has depreciated throughout the period and subsequently their returns. As these bonds are publicly traded, the total return is calculated by aggregating the interest return (reflecting returns from paid and accrued interest) and price return (reflecting gains and losses due to changes in the price of the bond and hence its principal repayments). Given this, it is important to note that the decline in value of this index can be source from changes to the interest return and/or the price return. An investor's return in this index, if held over the period, would be -10.87%.

Holding Period Return

-10.87%

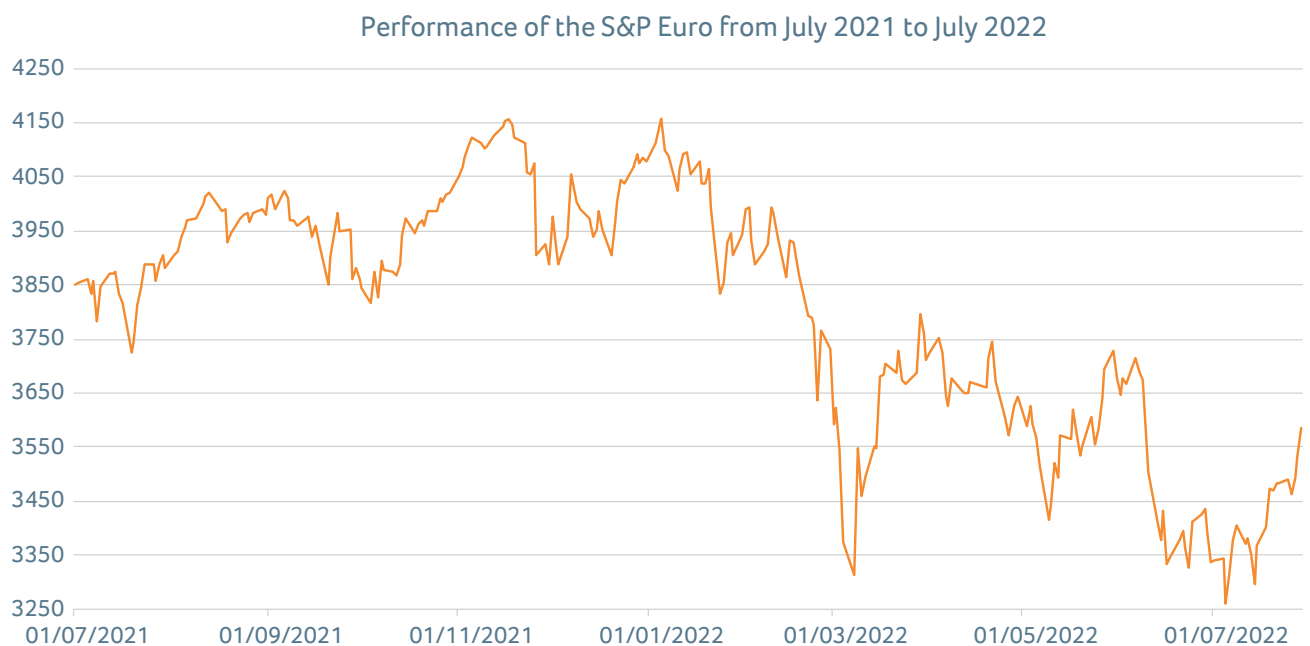


Europe

1.3 European Equities

William John selected the S&P Euro Index – again, a subindex of the S&P Europe 350 – which includes all Eurozone domiciled stocks from the parent index. The index is designed to be reflective of the Eurozone market and includes stocks from countries including Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Netherlands, Portugal, and Spain. For more information on the index methodology and “eligibility factors” needed for a stock to be included in this index, please visit <https://www.spglobal.com/spdji/en/indices/equity/sp-euro/#overview>

The performance of this index can be assessed from 01/07/21 to 29/07/22 as follows:



Since Q1 2022, European stocks have depreciated in value. If an investor were to hold this market portfolio for the duration of the period, the total return generated would be -6.88%.

Holding Period Return

-6.88%



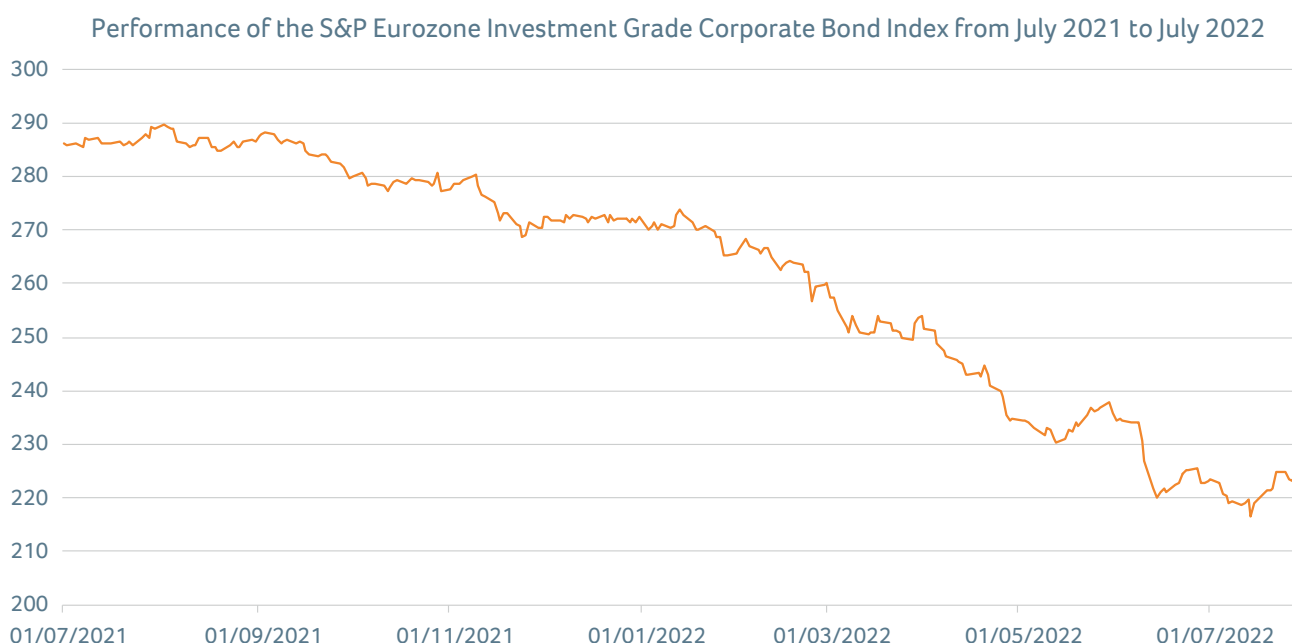
Europe

1.4 European Fixed Income

William John selected the S&P Eurozone Investment Grade Corporate Bond Index to track the performance of debt issued by any investment-grade corporation denominated in (€) Euro, regardless of domicile and market of issuance.

This index reflects the performance of relatively low risk corporate bonds and has identical eligibility criteria (aside from geography) as Section 1.2 and for more information, please visit: <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-eurozone-investment-grade-corporate-bond-index/#overview>.

The performance of this index can be assessed from 01/07/21 to 29/07/22 as follows:



Eurozone investment grade corporate bonds have trended downward for the most part of this period, meaning that value of these bonds has depreciated throughout the period and subsequently their returns. As these bonds are publicly traded, the total return is calculated by aggregating the interest return (reflecting returns from paid and accrued interest) and price return (reflecting gains and losses due to changes in the price of the bond and hence its principal repayments). Given this, it is important to note that the decline in value of this index can be source from changes to the interest return and/or the price return. An investor's return in this index, if held over the period, would be -20.85%.

Holding Period Return

-20.85%



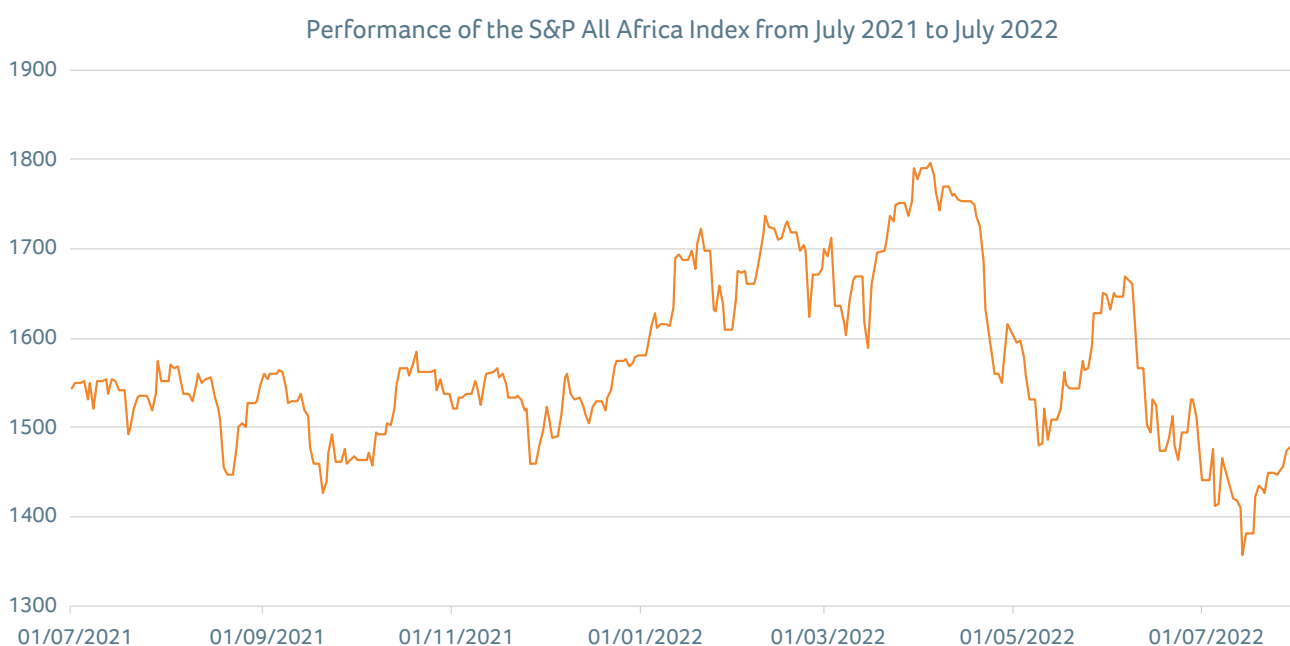
Africa

2.0 Emerging Capital Market Analysis

2.1 African Equities

William John selected the S&P All Africa Index which is designed to be a comprehensive benchmark for the African market, covering companies listed in Botswana, Côte d'Ivoire, Egypt, Ghana, Kenya, Mauritius, Morocco, Namibia, Nigeria, South Africa, Tunisia, Zambia and Zimbabwe as well as companies listed in developed markets that derive the majority of their revenue from the African continent. For more information on the index methodology and "eligibility factors" needed for a stock to be included in this index, please visit: <https://www.spglobal.com/spdji/en/indices/equity/sp-all-africa/#overview>

The performance of this index can be assessed from 01/07/21 to 31/07/22 as follows:



Up until Q2 2022, African equities exhibited a bullish trend, making significant gains across the index. However, since then, the index has depreciated dramatically. An investor's return in this index, if held over the period, would be -4.29%.

Holding Period Return

-4.29%

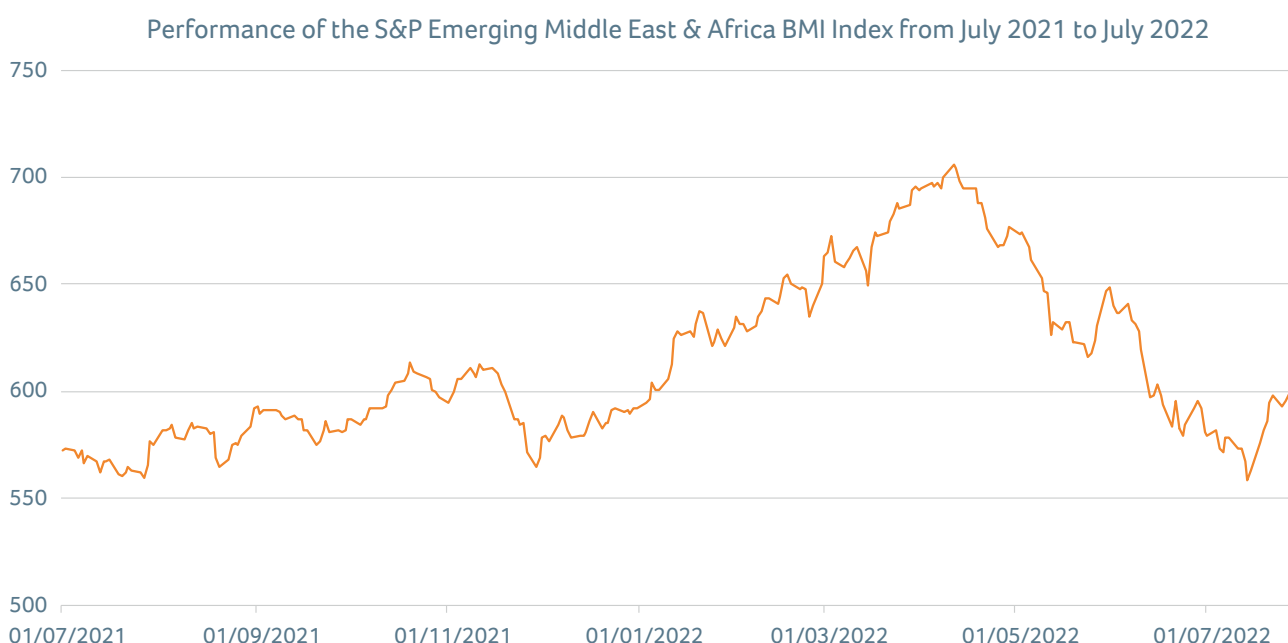


Middle East & North Africa

2.2 Middle Eastern and Additional African Equities

William John chose the S&P Emerging Middle East & Africa BMI Index – a regional subindex of the S&P Global BMI, their leading global equity index series – which provides exposure to Egypt, Qatar, Saudi Arabia, South Africa, and the UAE. For more information on the index methodology and “eligibility factors” needed for a stock to be included in this index, please visit: <https://www.spglobal.com/spdji/en/indices/equity/sp-emerging-middle-east-africa-bmi/#overview>

The performance of this index can be assessed from 01/07/21 to 29/07/22 as follows:



These stocks rallied until Q2 2022 and have experienced a reversal in gains since. Despite this, an investor's return in this index, if held over the period, would be 5.45%.

Holding Period Return

5.45%

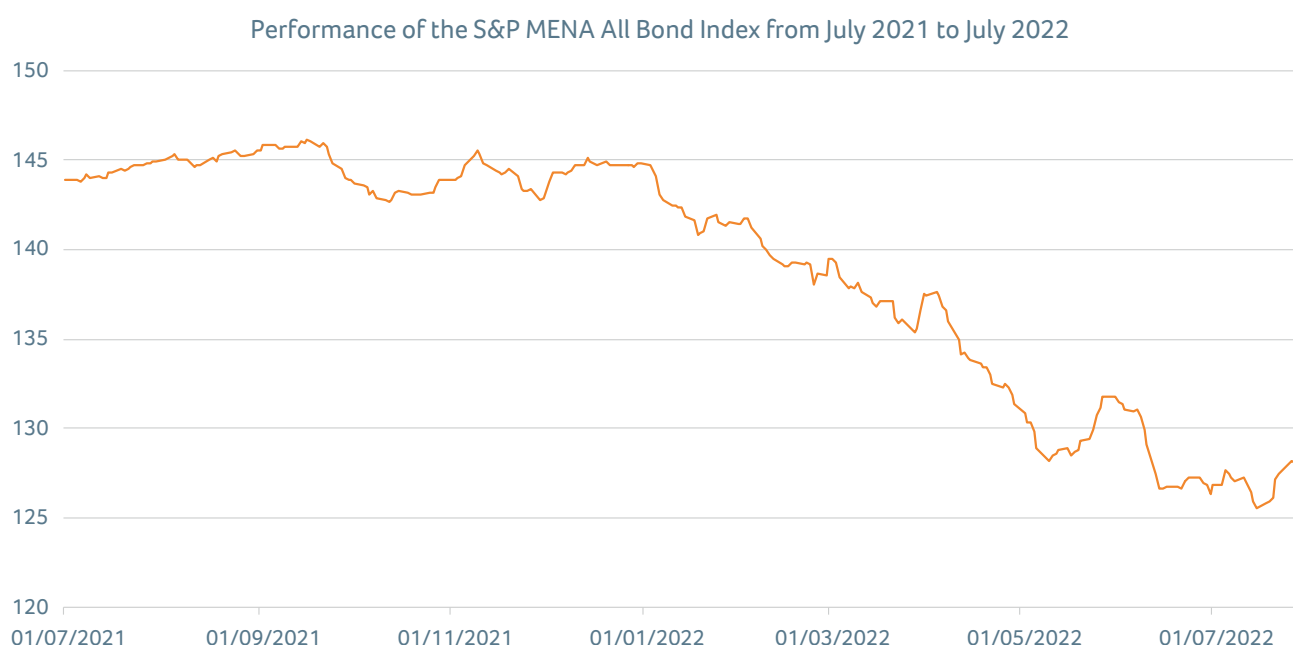


Middle East & North Africa

2.3 African and Middle Eastern Fixed Income

William John identified the S&P MENA All Bond Index, which comprises a universe of U.S. dollar denominated debentures that seeks to measure the performance of bonds issued by companies domiciled in the Middle East and Africa. These countries include Algeria, Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Syria, Tunisia, the UAE, and Yemen. The index focuses on investment and speculative grade (minimum rating of BB+/Ba1 by Fitch, Moody's, or S&P) corporate bonds with a maturity greater than one year. For more information on the eligibility criteria of bonds and debentures to be included in this index, such as coupon, settlement and derivative criterions required, please visit: <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-mena-all-bond-index/#overview>

The performance of this index can be assessed from 01/07/21 to 29/07/22 as follows:



This index has depreciated in value throughout the period. An investor's return in this index, if held over the period, would be -9.86%.

Holding Period Return

-9.86%

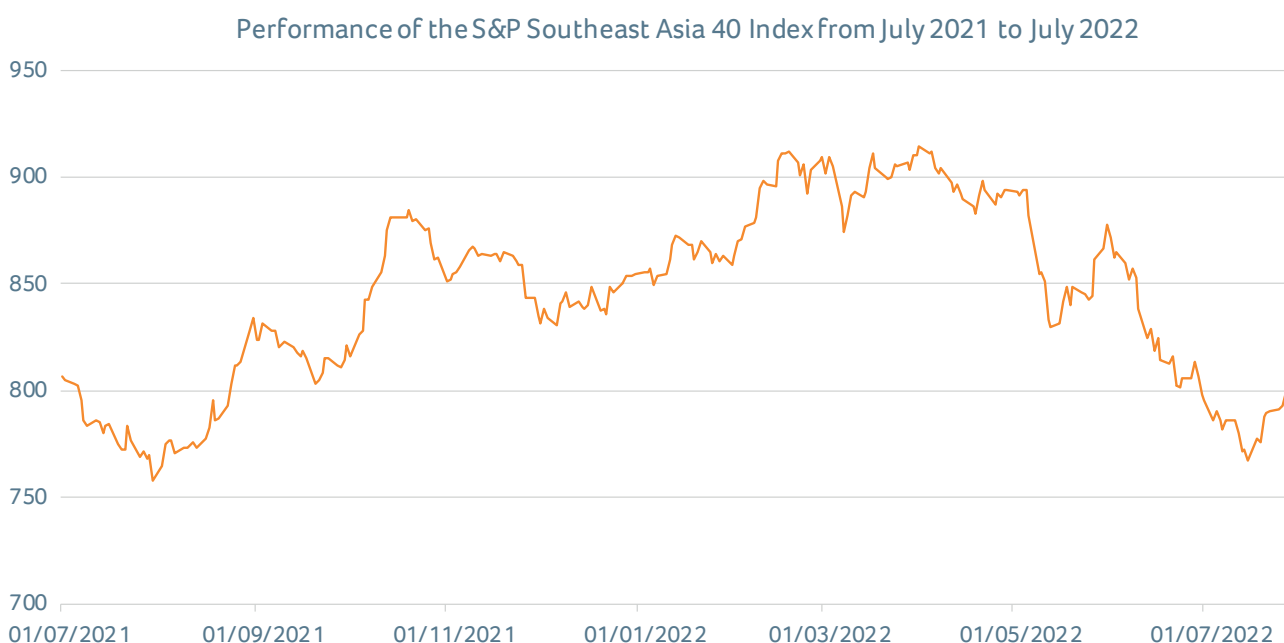


South East Asia

2.4 Southeast Asian Equities

William John analysed the S&P Southeast Asia 40 Index, which provides exposure to the 40 leading companies from the emerging markets of Indonesia, Malaysia, the Philippines, and Thailand that have liquid stock trading on primary exchanges in those countries. For more information on the index methodology and “eligibility factors” needed for a stock to be included in this index, please visit: <https://www.spglobal.com/spdji/en/indices/equity/sp-southeast-asia-40-index/#overview>

The performance of this index can be assessed from 01/07/21 to 29/07/22 as follows:



This index climbed to a high of 914.49 points on 01/04/22, and since has dropped back to around 800 points at the end of July. An investor's return in this index if held over the period would be 0.93%.

Holding Period Return

0.93%

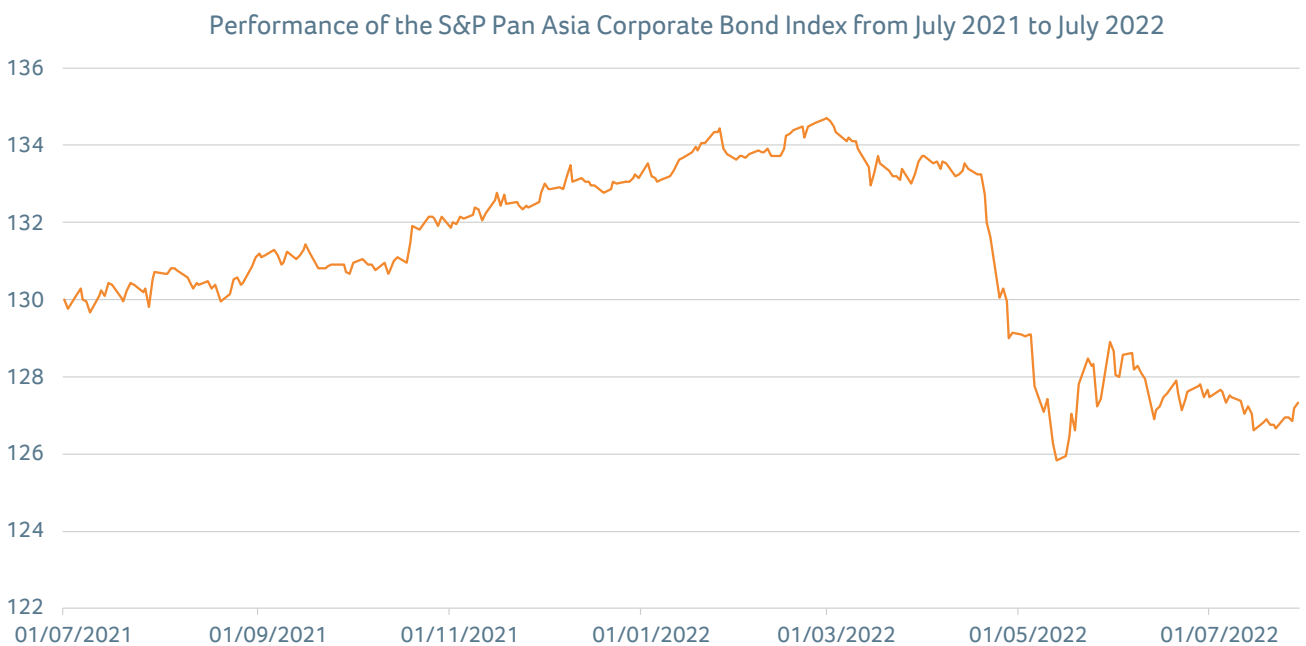


Pan Asia

2.5 Asian Fixed Income

William John observed the S&P Pan Asia Corporate Bond Index which tracks the performance of local currency denominated corporate bonds from China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, and Thailand. For more information on the eligibility criteria of bonds to be included in this index, such as coupon, credit, settlement and derivative criterions required, please visit: <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-pan-asia-corporate-bond-index/#overview>

The performance of this index can be assessed from 01/07/21 to 29/07/22 as follows:



This index climbed steadily from 01/07/21 until 20/04/2022. Since then, the index has experienced a decline in value. An investor's return in this index, if held over the period, would be -2.07%.

Holding Period Return

-2.07%

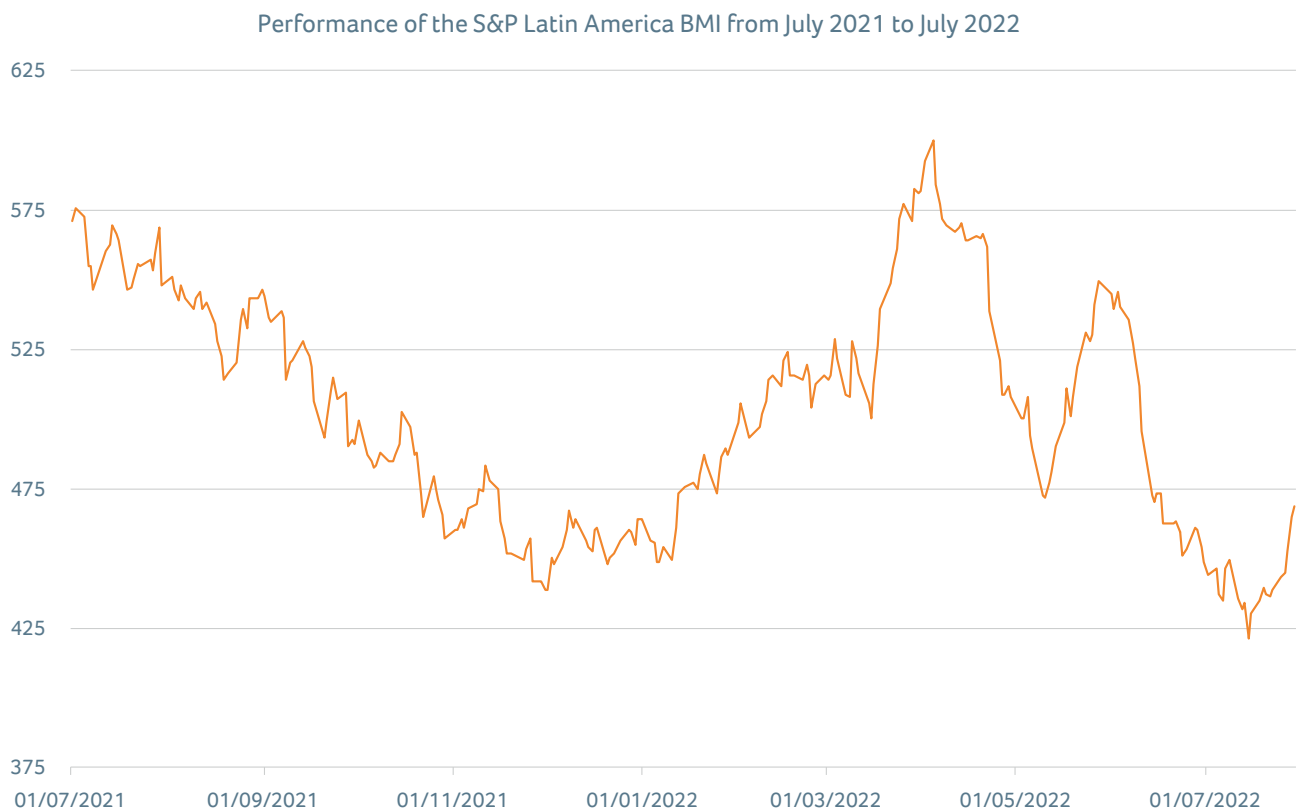


Latin America

2.6 Latin American Equities

William John used the S&P Latin America BMI – a subset of the S&P Global BMI – which is designed to serve as the Latin American benchmark for equity performance. It tracks the performance of 354 constituent stocks, with a mean market capitalisation of \$3.8 billion USD, from Brazil, Mexico, Chile, Colombia, and Peru. For more information on the index methodology and “eligibility factors” needed for a stock to be included in this index, please visit: <https://www.spglobal.com/spdji/en/indices/equity/sp-latin-america-bmi/#overview>

The performance of this index can be assessed from 01/07/21 to 29/07/22 as follows:



Since hitting an index high of 599.83 points on 04/04/22, this index has declined in value to a level of 468.71 at the end of July 2022. An investor's return in this index, if held over the period, would be -17.94%.

Holding Period Return

-17.94%



Latin America

2.7 Latin American Fixed Income

William John chose the S&P Pacific Alliance Sovereign Inflation Linked Bond Index, which tracks the performance of inflation-linked securities publicly issued by Chile, Colombia, Mexico, and Peru. Fixed income tracking indices in Latin America are scarce, and so this index was selected as the most appropriate index that contains “investable” securities. For more information on the eligibility criteria of bonds to be included in this index, such as coupon, credit, settlement and derivative criterions required, please visit: <https://www.spglobal.com/spdji/en/indices/fixed-income/sp-pacific-alliance-sovereign-inflation-linked-bond-index/#overview>

The performance of this index can be assessed from 01/07/21 to 29/07/22 as follows:

Performance of the S&P Pacific Alliance Sovereign Inflation Linked Bond Index from July 2021 to July 2022



This index sharply declined in value since around 09/06/22 but more recently has rebounded. An investor's return in this index, if held over the period, would be -1.68%.

Holding Period Return

-1.66%

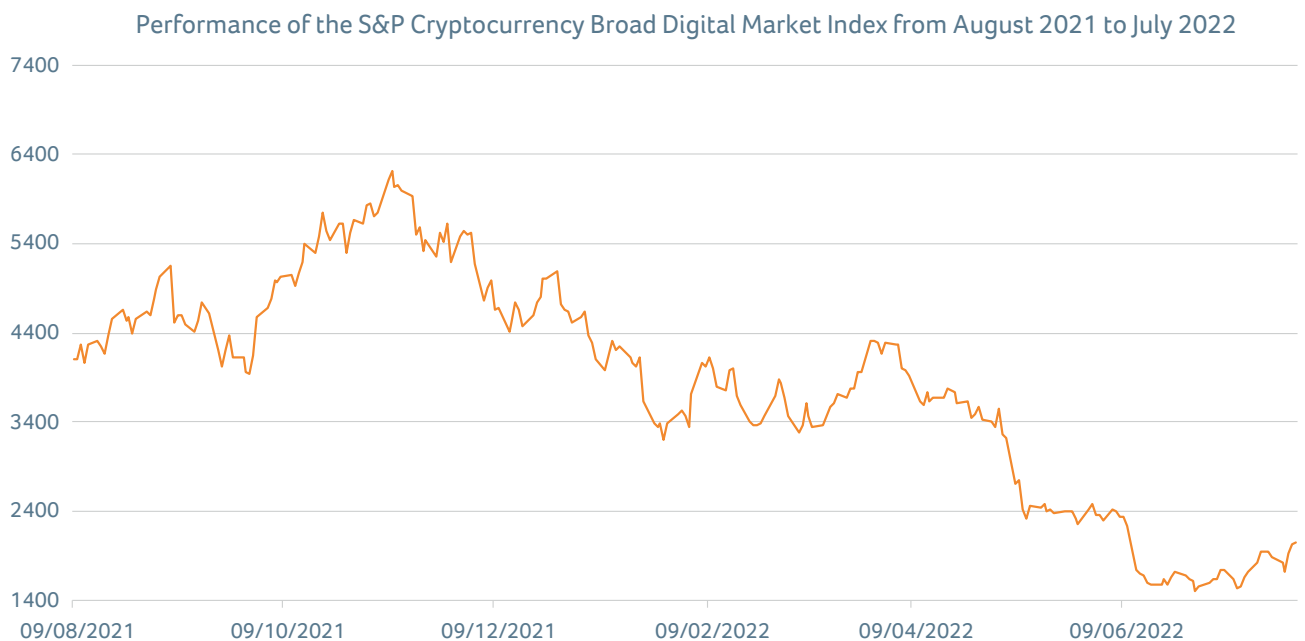


Crypto Market

3.0 Cryptocurrency Market

To assess the Cryptocurrency market, the S&P Cryptocurrency Broad Digital Market Index was selected, which is designed to track the performance of digital assets listed on recognised open digital exchanges that meet specific minimum liquidity and market capitalisation criteria. This index is meant to reflect a broad investable universe of cryptocurrencies. For more information about this index, please visit: <https://www.spglobal.com/spdji/en/indices/digital-assets/sp-cryptocurrency-broad-digital-market-index/#overview>

The performance of this index can be assessed from 09/08/21 to 29/07/22 as follows:



This index has steeply declined since its inception on the 9th of August 2021. An investor's return in this index, if held over the period, would be -50.18%.

Holding Period Return

-50.18%

Notes on Capital Market Performance

This review has conducted an analysis of thousands of equities, cryptocurrencies, and bonds across four continents and 30+ countries. Almost all these indexes have substantially declined in value in the period ending July 2022, indicating without question from this data that many capital markets around the world are on track for a bear market, given the complementary economic backdrop which William John assesses in its “Macroeconomic Analyses”.

Given the collapse of the cryptocurrency market over the past few months, there is very little (to no) value available for investors to capture in public capital markets, whether equity or fixed income, developed or emerging, or even on high-risk bets on volatility such as cryptocurrency.

Conclusively then, William John is satisfied that its bond offering is miles separated from traditional and digitalised assets available to investors, demonstrated by strong excess returns on our bond yields relative to indices analysed in current capital market conditions.

We look forward to updating our investors in the next edition.

William John Analytics









Management Team

Meet the Management Team of William John (HV) plc.

Meet The Team



Trevor Inch

Over the past 39 years Trevor has had a successful career both as a business owner and as an executive in the corporate world holding senior board level positions in firms drawn from several commercial sectors including leisure, advertising and financial.

Having previously worked on successful projects with Rob Holgate, in 2017 he co-founded William John with him and jointly they have developed the strategies relating to the firms trading presence within Capital Markets.

Over the past 4 years they have managed and delivered the structuring of the Company's Bond issuance programme, which is now established in a number of markets globally.



Rob Holgate

Rob has spent 37 years in Financial Services both as an entrepreneur, and Chief Executive/Owner. He grew his previous Company from a sub £1m turnover to in excess of £60m with 45,000 clients and 150 staff before selling in 2007.

More recently in 2017 Rob co-founded William John with Trevor to further develop successful trading strategies within the capital markets. To date they have over £25m invested into trading strategies and continue to expand the business.

Rob's experience covers both the client and corporate side of business and he therefore understands how to look after the needs of both. He is an experienced trader in his own right.



Sue Cole

Sue is a compliance and regulatory professional with decades of relevant industry experience. She started her career with a life and pension broker which was taken over and subsequently bought out in 1995 with Sue continuing her employment with them, latterly as head of compliance and money laundering.

Sue qualified in regulation and compliance with the Securities Institute and was a chartered fellow of the Chartered Institute for Securities & Investment and has dealt with all aspects of investments and has held control functions registered with the FSA (now FCA).

As Head of Compliance and Internal Audit at William John, Sue reports directly to the board.



Ian Cole

In 2020 Ian joined William John as Head of Administration, overseeing the company's day-to-day dealings with agents, distributors, and their clients, and acting as a central contact point for company communications.

Ian works diligently with the organisation's banking partners, investment platforms and regulatory bodies to help provide a seamless experience for William John bondholders. His understanding of global banking policies and AML procedures helps deliver answers and solutions to agents and investors promptly and efficiently.





Accounts

**Full audited financial statements for the period ended
31 July 2022 prepared by the company and audited by
UHY Hacker Young.**

**WILLIAM JOHN (HV) PLC
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2022**



CONTENTS OF THE FINANCIAL STATEMENTS **For The Year Ended 31 July 2022**

DIRECTORS: T W Inch
N Parfrement (appointed 17 March 2021)

SECRETARY: C H Lovell

REGISTERED OFFICE: 71-75 Shelton Street
Covent Garden
London
WC2H 9JQ

REGISTERED NUMBER: 11760796 (England and Wales)

AUDITORS: UHY Hacker Young (S.E.) Limited
168 Church Road
Hove
Brighton
BN3 2DL

LEGAL ADVISERS: Taylor Wessing
5 New Street Square
London
EC4A 3TW

STRATEGIC REPORT For The Period Ended 31 JULY 2022

The directors present their strategic report for William John (HV) plc (the “Company”) for the period ended 31 July 2022.

Principal Activities

When the Company commenced operations in April 2019, its focus was on algorithmic foreign exchange currency trading. Since 2019, the Company’s trading model has evolved such that it uses both algorithmic and manual methods of foreign exchange currency trading. Whilst foreign exchange currency trading is the primary asset class in which the Company invests, the Company also trades in other investments, such as digital assets, digital currencies, derivatives, and listed and unlisted equities. The Company’s trading activity is either carried out in relation to non-regulated investments, or is exempt from being classed as a regulated activity. Therefore, the Company is not required to be authorised by the Financial Conduct Authority.

Review of Business

The Company has issued bonds with a par value of £13,584,490 (£5,563,841 to 31 January 2021) and redeemed bonds with a par value of £1,678,683 in the period to 31 July 2022 and has utilised these funds to introduce capital into the various investment categories set out above. At the period end the Company had a total of 237 bondholders and the bonds have an average maturity of 22 months.

The Company made a net profit after tax of £5,197,877 for the period ended 31 July 2022 and had net assets of £5,511,200 at the period end.

When reflecting upon the past 18 months of trading it has brought home how this period has been extremely challenging and, equally how positive and rewarding it’s been, in the sense that the company has continued to grow the inflow of capital from Bondholders and build its Balance Sheet performance throughout this most difficult of financial periods, February 2021 to July 2022.

In terms of the challenges the firm faced specifically, clearly the COVID 19 pandemic continued to affect the globe and, whilst the pandemic’s obvious manifestation of disruption and tragedy were clear on a human level; the world of commerce and finance was also placed under substantial pressure to sustain itself throughout this exceptional period of history.

In addition, as we moved into the Spring of 2022 and began to emerge from the end of the pandemic, a second dramatic event was unfolding in the form of the conflict in the Ukraine. Uncertainty was prevalent in the Markets and investor confidence dented once more. These investors faced a dilemma when deciding upon how best to extract value from the Markets, and many may well have been required to refocus upon their own fortunes, as this unprecedented period of sustained instability unfolded across the world.

In response, our firm reacted proactively to this sense of uncertainty from investors by ensuring its marketing and distribution partners were constantly engaged and supported, in the same way in which we delivered a similar package of tactical and strategic funding support throughout the previous financial year. This allowed for the maintenance of a consistent and clear approach to Bondholders and prospective investors, delivering them an understanding of how the underlying trading performance was remaining stable, if at times subdued and stifled, in such a difficult and pressurised market.

In doing so it should be made clear, a balance was struck between securing and growing the Bondholder base, therefore providing William John access to capital in such demanding times, versus the underlying cost of distribution. However, we wish to highlight these funds should be treated and viewed as exceptional costs, because of the reasons why they have been introduced, including COVID 19, and because of the period in which they have been applied over – circa two and half years. In our opinion, once we move further away from the effects of the pandemic, the blanket of protection we provided in the form of additional budgets will diminish and the upside benefits of reducing these exceptional costs will be seen to flow through in the financial period ending July 2023.

Moving to the company’s performance, once more the foreign exchange markets were able to remain central to the core mainstay of revenue delivery to the firm, providing £3,195,052 of contribution throughout this trading period. Aligned to this performance, the firm has also grown its asset base including unrealised assets of £17,494,052 and £8,122,375 of digital assets with £1,089,197 revenue contribution coming from the sale of Listed Equities.

Across all asset classes held by the company we have seen an uplift of value, strengthening the Balance Sheet and creating a positive movement of £5,197,877 of total assets over liabilities since the last audit of the financial period ending January 2021. It is our firm belief that as we move further into 2023, the company will continue to enjoy further benefit from the realisation of value through the sale of these equities, as the companies they are held in reach their own levels of achievement

and associated positive valuations. It is this work, placing the foundations in place to generate greater profits in 2023 whilst in a difficult market, that means the company is well placed to continue its execution of further growth in terms of profitability and building its asset base, bringing further confidence and assurance to the company's Bondholders.

In understanding this track record and proven performance for over 4 years is secured, Bondholders have continued to be supportive of the company's strategy and the way in which it has executed its plans. With several current Bondholders upweighting their respective holdings by adding additional investment and with new Bondholders joining them, the growth and value of Bonds in issue has moved from £9,232,299 at the end of January 2021 to £20,615,558 by July 2022. We believe this uplift of gross capital inflow into the firm and positive rate of sale of these Bonds is not only tied to the confidence derived from the company's performance, but also by the need for investors to find competitive returns within a market that has the backdrop of such a demanding economy. With high rates of inflation in many countries and jurisdictions, finding value from investments that deliver positive nett returns has clearly become much harder.

However, with William John's Bonds, potential investors are able to reference our track record in the knowledge that the firm has consistently maintained interest payments falling due to Bondholders that are of an attractive and, in the current market, the required level of return on capital to enable them to outperform inflationary rates. It is interesting to note, throughout this current audited period, the company has serviced £3,340,450 of interest payments against a total value of Bonds in issue of £20,615,558, further underlining the company's capability.

Future Outlook

With such a platform in place, delivered particularly by the firm's performance over the past eighteen months, and as the company transitions into its next financial period ending July 2023, the board remain confident that controlled growth can be maintained. With sufficient overarching Bond capacity remaining to be sold, the distribution partners remain positive towards generating consistent inflow to grow the investment base, which in turn, can be deployed within the successful trading strategies adopted by William John. This approach and attitude, equally balanced with the board's commitment to remain mindful and watchful of how the events affecting the global economies may develop, especially given the learnings drawn from the past two and half years, the company is once more well placed to generate positive revenue contributions to its profit and loss account and to continue its successful approach to gathering and building assets as part of its strategic pathway and committed deliverable of maintaining positive nett assets over its liabilities on its Balance Sheet.

Principal Risks and Uncertainties

The principal risks and uncertainties affecting the Company are that the value of the investments go down or fail to produce sufficient profit and capital available in order to service the bondholder profit payments and to meet the Company's obligations to its bondholders. Other risks exist as a result of the foreign exchange positions and bank accounts being held by non-U.K. institutions. Further details on risks and uncertainties are included in the report of the Directors'.

Accounting policies and key performance indicators

Foreign Exchange assets are valued at the net value of the trading accounts having taken into account profits and losses. Profits are based on the difference between funds invested and present values.

Financial investments are recognised as 'basic financial instruments' and are either measured at their fair value, with unrealised gains and losses recognised in profit and loss in the income statement, if there is an active trading market for the securities or if their fair values can be estimated, or at cost less impairment if there is no active trading market or the fair values cannot be estimated.

Digital currency included in the WJHV balance sheet is not accounted for as cash despite the fact that it is a form of digital money. There is currently no standard for the treatment of digital currency, however, the Directors take the same view as that taken by the ICAEW because they cannot readily be exchanged for any goods or services.

The digital currencies included in the WJHV balance sheet, in the opinion of the Directors, meet the definition of an intangible asset. The WJHV digital currency holdings can be traded.

STRATEGIC REPORT For The Period Ended 31 JULY 2022

FRS 102 allows intangible assets to be measured at cost or revaluation. Using the revaluation model, the WJHV digital currency assets are carried at a revalued amount. The Directors of WJHV have determined that there is a sufficiently active market in the digital currency in order to apply the revaluation model. The revaluation increase has been recognised in the Income Statement.

Events subsequent to the Period End have verified the price of the digital assets carried in the accounts. More information of the estimates of the fair values of the investments is set out in notes 2, 7 and 8.

The terms relating to unlisted bonds is three years. The listed bond has a term until 28 February 2025. Interest payments are made quarterly to bondholders and taken into the income statement as bondholder interest payable when due.

The directors continually monitor the positive net asset position of the Company and the trading performance. These two elements form the key performance indicators of the Company.

Future developments, performance and position

The results for the period are set out on the Income Statement. The directors do not recommend a dividend for the period ended 31 July 2022 (2021: Nil).

Internal control

The Board is responsible for the Company's system of internal control and for reviewing the effectiveness of the system of internal control. Internal control systems are designed to meet the particular needs of a business and manage the risks but not to eliminate the risk of failure to achieve the business objectives. By its nature, any system of internal control can only provide reasonable, and not absolute, assurance against material misstatement or loss.

Companies Act s172 Statement

This section serves as our s172 statement and should be read in conjunction with the whole Strategic Report. s172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making.

The directors continue to have regard to the interests of the Company's stakeholders including the impact of its activities on the community, the environment and the Company's reputation when making decisions. Acting in good faith and fairly between members the directors consider what is most likely to promote the success of the Company for its members long term.

Within the Strategic Report we describe how the Board operates and the culture of the business. Our principle stakeholders are engaged with on a regular basis. With regards to our shareholders this includes face to face meetings at least once a year, and we engage in constant dialogue with our bondholders, investors and our suppliers.

Approved by the board on 12th of April 2023 and signed on its behalf by:



Trevor Inch
Director

REPORT OF THE DIRECTORS For The Period Ended 31 JULY 2022

The directors present their report with the financial statements of the Company for the period ended 31 July 2022.

Directors

The Company directors who served during the period and up to the date of this report are listed on page 1.

Financial risk management

Risk management objectives and policies

The directors acknowledge their responsibility for establishing and maintaining a sound system of internal control and for reviewing its effectiveness. The directors are obliged to prepare and submit quarterly management accounts to the appointed Security Trustee for review. In addition to this the directors monitor the asset position on a daily basis to ensure that they are meeting the stated objectives.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives, and to provide reasonable and not absolute assurance against material misstatement or loss.

The Company monitors its ability to meet on-going capital and interest payment commitments to bondholders.

Interest rate risk and hedging

As at 31 July 2022 100% of the Company debt was on fixed rate terms. There is no intention to repay any debt prior to maturity and, therefore, any changes to market interest rates are deemed immaterial to the Company.

Liquidity risk

The Company invests in an algorithmic foreign exchange trading programme. In addition, the balance sheet is made up of listed equity investments, non-listed equity investments, digital assets, and cash. The ability to liquidate assets is dependent on the Company's ability to draw down from the foreign exchange trading programme or sell some or all of its equity and non-equity holdings in the market. Bondholders are able to give 90 days' notice prior to the anniversary of their bond. Any redemptions would be serviced as a result of the part liquidation of the Company's assets and as such would be dependent on the Company's ability to liquidate such assets.

The Company's foreign exchange positions of £10,081,245 are held at a non-U.K. institution based in the British Virgin Islands and the Company's bank accounts of £261,225 are held at non-U.K. traditional banks, thereby resulting in a risk to the Company and its bondholders.

Credit risk

As at 31 July 2022 the Company was fully invested. The Company's bondholders are protected under a Security Trust Deed held by the Security Trustee with a debenture over the assets of the Company. The main risk relates to liquidity as detailed above and the directors consider that all assets are recoverable and, therefore, no impairment of such assets is considered necessary.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the report of the directors 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 the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the U.K. and Republic of Ireland" 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 of the profit and loss of the Company for that period.

REPORT OF THE DIRECTORS For The Period Ended 31 JULY 2022

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 U.K. Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Going Concern

The accounts have been prepared on a going concern basis on the basis that the Directors believe that the company would be able to liquidate sufficient assets in order to cover liabilities. In the Directors opinion there are no material uncertainties related to events or conditions that may cast doubt about the ability of the company to continue as a going concern.

Matters presented in the Strategic Report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report. These matters relate to:

- Information regarding the future developments of the Company

Statement as to disclosure of information to the auditor

So far as each person who is a director is aware, there is no relevant audit information of which the Company's auditor is unaware. Each director has taken all steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

UHY Hacker Young (S.E.) Limited were appointed as auditors on 21 September 2022 and will be proposed for re-appointment at the forthcoming AGM.

Approved by the board on 12th of April 2023 and signed on its behalf by:



Trevor Inch
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAM JOHN HV PLC

Period From 1 FEBRUARY 2021 To 31 JULY 2022

Qualified opinion

We have audited the financial statements of William John HV Plc (the 'company') for the period ended 31 July 2022 which comprise the statement of income and retained earnings, statement of financial position, 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 U.K. and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2022 and of its profit for the period 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAM JOHN HV PLC *(continued)*

Period From 1 FEBRUARY 2021 To 31 JULY 2022

Basis for qualified opinion

The company's intangible fixed assets are valued in the accounts at £8,122,375 based on directors estimates of fair value at the year end. Fair value gains in the year were £8,035,319 and are recognised in the income statement. Notes 2 and 7 of the financial statements describe the valuation approach of the company's Intangibles. The directors have undertaken a review of the valuation of the Intangibles and have considered whether there are any indicators of impairment in value. Cryptocurrency assets are however notoriously volatile and as a result, we believe that there is a material uncertainty which may cast doubt over the value of the Intangibles shown in these financial statements at 31 July 2022. In addition, in accounting for the fair value gain within the income statement rather than within a revaluation reserve, the company are not following the policy for revaluation of Intangible Assets prescribed within FRS102 paragraph 18.18 under the revaluation model and therefore we believe the accounting treatment leads to material error in the accounts in this respect. In following FRS102, the profit in the accounts of £5,197,877 would be reduced by £8,035,319 leading to a loss for the period of £2,837,442.

The company's equity investments are carried in the balance sheet at £7,362,807 (Jan 2021 £3,922,903), based on directors' estimate of fair value at the year end. Fair value gains in the period were £2,145,822 (Year ended Jan 2021 £399,223) and are recognised in the income statement. Notes 2 and 8 of the financial statements describe the valuation approach of the company's investments. The directors have undertaken a review of the investment valuations and have considered whether there are any indicators of impairment in value. The investment assets include investments in equity shares of three companies which are currently listed, or can be traded, on certain share trading platforms. These investments are valued in these financial statements based on their quoted share prices at the year end or other valuations obtained as appropriate. Whilst there has been active trading in two of the companies in the year under review, and subsequently, the quoted prices of the other one has not been recently tested by the markets.

These conditions indicate the absence of an active market for some of the listed investments and a material uncertainty that may cast doubt over the value of the Investments shown in these financial statements at 31 July 2022 and 31 January 2021 as the fair values do not include adjustments that would result if the company tried to, and were unable to, sell their investments at the quoted prices. Under FRS102 where an active market does not exist and a reliable measure of fair value is not available the assets should be carried at cost, less any impairment, until a reliable measure of fair value becomes available. The directors believe that fair value investments used are based on their experiences and other assumptions that they consider to be reasonable. If the equity investments were not revalued in the period ended 31 July 2022 and the year ended 31 January 2021, the carrying value of the investment in the balance sheet would be reduced by £2,545,045 at 31 July 2022 and £399,023 at 31 January 2021. In addition, a fall in the quoted share price when trading in the shares occur may indicate that an impairment provision is required, which would further reduce the carrying value of the equity investments.

Whilst the company has diversified its operations since the year end, as described in note 18 to the accounts, we believe that the going concern of the company is dependent upon the new asset class. Whilst we have obtained some limited assurances that the other party has the financial resources to fulfil against its obligations as set out in the agreement between the parties, in light of insufficient audit evidence to support preparing accounts on the going concern basis, there is an inherent uncertainty in this respect.

We conducted our audit in accordance with International Standards on Auditing (U.K.) (ISAs (U.K.)) 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 U.K., 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 qualified opinion.

Material uncertainty related to going concern

Please refer to the Basis for qualified audit opinion paragraph for our conclusions in respect of going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAM JOHN HV PLC *(continued)*

Period From 1 FEBRUARY 2021 To 31 JULY 2022

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 director is 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 director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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 (U.K.) 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAM JOHN HV PLC *(continued)*

Period From 1 FEBRUARY 2021 To 31 JULY 2022

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inflated revenue and profit.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with legal advisors, enquiries of management and review of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

As part of an audit in accordance with ISAs (U.K.), 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WILLIAM JOHN HV PLC *(continued)*
Period From 1 FEBRUARY 2021 To 31 JULY 2022

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.



Charles Homan FCA (Senior Statutory Auditor)

For and on behalf of
UHY Hacker Young (S.E.) Limited
Chartered accountants & statutory auditor
168 Church Road
Hove
East Sussex
BN3 2DL

12 April 2023

STRATEGIC REPORT For The Period Ended 31 JULY 2022

	Notes	Period 1.2.21 to 31.7.22 £	Year End 31.7.21 £
TURNOVER		3,235,977	1,484,998
Bond distribution and commission costs		(4,964,746)	(348,338)
Administrative expenses		(229,628)	(94,557)
Marketing and Covid-19 support costs		(1,653,383)	(862,724)
Other operating income		70,136	112,588
OPERATING (LOSS)/PROFIT	4	(3,541,644)	291,967
Profit/(loss) on sale of investments		808,234	-
Fair value changes in intangibles		8,035,319	-
Fair value changes of investments		1,956,940	399,223
Finance costs and similar expenses	5	(3,357,175)	(1,154,340)
(LOSS)/PROFIT BEFORE TAXATION		3,901,674	(463,150)
Tax credit/(charge) on (loss)/profit	6	1,296,203	178,424
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		5,197,877	(284,726)

The income statement has been prepared on the basis that all operations are continuing operations.

The accompanying notes form an integral part of these financial statements.

STRATEGIC REPORT For The Period Ended 31 JULY 2022

	Period 1.2.21 to 31.7.22	Year End 31.7.21
	£	£
PROFIT/(LOSS) FOR THE PERIOD	5,197,877	(284,726)
OTHER COMPREHENSIVE INCOME		
Revaluation in period	-	-
Income tax relating to other comprehensive income	-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX	-	-
TOTAL COMPREHENSIVE INCOME	5,197,877	(284,726)

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET For The Period Ended 31 JULY 2022

		31.7.22	31.1.21
	Notes	£	£
FIXED ASSETS			
Intangible assets	7	8,122,375	-
Investments	8	17,494,052	9,085,871
		25,616,427	9,085,871
CURRENT ASSETS			
Debtors	9	1,435,994	139,791
Cash at bank		267,663	240,339
Amounts falling due within one year		1,703,657	380,130
CREDITORS			
Amounts falling due within one year	10	(7,345,407)	(399,238)
NET CURRENT LIABILITIES		(5,641,750)	(19,108)
TOTAL ASSETS LESS CURRENT LIABILITIES		19,974,677	9,066,763
CREDITORS			
Amounts falling due after more than one year	11	(14,463,477)	(8,753,440)
NET (LIABILITIES)/ASSETS		5,511,200	313,323
CAPITAL AND RESERVES			
Called up share capital	13	50,000	50,000
Retained earnings	14	5,461,200	263,323
SHAREHOLDERS' FUNDS		5,511,200	313,323

The financial statements were approved by the Board of Directors on 12th of April 2023 and were signed on its behalf by:



Trevor Inch
Director

The accompanying notes form an integral part of these financial statements.

BALANCE SHEET For The Period Ended 31 JULY 2022

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 February 2020	50,000	548,049	598,049
Changes in equity			
Total comprehensive income for period	-	(284,726)	(284,726)
Balance at 31 January 2021	50,5000	263,323	313,323
Changes in equity			
Total comprehensive income for period	-	5,197,877	5,197,877
Balance at 31 July 2022	50,000	5,461,200	5,511,200

STRATEGIC REPORT For The Period Ended 31 JULY 2022

	Notes	Period 1.2.21 to 31.7.22 £	Year End 31.1.21 £
Cash flows from operating activities			
Cash (used in)/generated from operations	1	(1,423,445)	422,281
Bondholder interest paid		(3,340,450)	(1,153,507)
Tax paid		-	-
		<hr/>	<hr/>
Net cash (used in)/from operating activities		(4,763,895)	(731,226)
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of intangible fixed assets		(87,056)	-
Purchase of fixed asset investments		(238,883)	-
Purchase of equity investments		(2,383,279)	(750,000)
Increase in foreign exchange positions (net)		(4,918,277)	(2,053,148)
Sale of fixed asset investments		1,089,197	32,000
		<hr/>	<hr/>
Net cash used in investing activities		(6,538,298)	(2,771,148)
		<hr/>	<hr/>
Cash flows from financing activities			
Inflows from bond issues (net)		11,334,192	3,461,002
Loan in period		(11,114)	50,000
Shares issue		-	-
		<hr/>	<hr/>
Net cash from financing activities		11,323,078	3,511,002
		<hr/>	<hr/>
Increase in cash and cash equivalents		20,885	8,628
Cash and cash equivalents at beginning of period	2	240,339	231,711
		<hr/>	<hr/>
Cash and cash equivalents at end of period	2	261,224	240,339
		<hr/>	<hr/>

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 1.2.21 to 31.7.22	Year End 31.1.21
	£	£
Profit/(Loss) before taxation	3,901,674	(463,150)
Gain on revaluation in intangibles	(8,035,319)	-
Gain on revaluation of investments	(1,956,940)	(399,223)
Finance costs and similar expenses	3,340,450	1,153,507
Bank loan interest	16,725	833
	(2,733,410)	291,967
Increase in trade and other creditors	1,309,965	130,314
Cash (used in)/generated from operations	(1,423,445)	422,281

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 July 2022	31.7.22	1.2.21
	£	£
Cash and cash equivalents	267,663	240,339
Bank overdrafts	(6,439)	-
	261,224	240,339
Finance costs and similar expenses		
Year ended 31 January 2021	31.1.21	1.2.20
	£	£
Cash and cash equivalents	240,339	231,711

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.2.21	Cash flow	At 31.7.22
	£	£	£
Net cash			
Cash at bank	240,339	27,324	267,663
Bank overdrafts	-	(6,439)	(6,439)
	240,339	20,885	261,224
Debt			
Debts falling due within 1 year	(6,311)	(3,477)	(9,788)
Debts falling due after 1 year	(43,689)	14,592	(29,097)
	(50,000)	11,115	(38,885)
Total	190,339	32,000	222,339

STRATEGIC REPORT For The Period Ended 31 JULY 2022

1. STATUTORY INFORMATION

Basis of preparing the financial statements

William John (HV) plc is a public company limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The Company's principal business is the proprietary spot trading of foreign currency. Other additional investment assets are currently and will continue to be held by the Company. The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the U.K. and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover primarily related to net profits earned on deals from the Company's foreign exchange trading. Included in the turnover for the period ended 31 July 2022 is approximately £732,000 of exchange gains in translating the foreign exchange positions.

Going Concern

The accounts have been prepared on a going concern basis on the basis that the Directors believe that the company would be able to liquidate sufficient assets in order to cover liabilities. In the Directors opinion there are no material uncertainties related to events or conditions that may cast doubt about the ability of the company to continue as a going concern.

Intangible assets

Digital currency is initially measured at cost. After initial recognition, and because there is an active market, digital currency is carried at its fair value at the revaluation date less accumulated amortisation less any accumulated loss.

Financial assets

Financial assets are recognised on the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets. At initial recognition, financial assets classified as fair value through profit and loss (including the Company's listed investments where the shares are traded on an active market or where the values can be estimated) are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at cost plus transaction costs and are then carried at cost less impairment.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are recognised initially at transaction price and any transaction costs are recognised in profit or loss when incurred. A subsequent gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the income statement for the reporting period in which it arises.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and bondholder interest based on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

An equity instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to retained earnings when the equity instrument is derecognised or its fair value substantially decreased. Dividends are recognised as finance income in profit or loss.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or 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 of the investment have been affected.

De-recognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities – including bonds

Financial liabilities are initially measured at the transaction price, including the deduction of any transaction costs, and are subsequently measured at amortised cost using the effective interest method. Transaction costs are written off to the income statement over the life of the related financial liabilities.

Amounts that are payable within one year are measured at the undiscounted amount expected to be payable.

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currency translation

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Balances at the period end denominated in a foreign currency are translated into sterling at the rate of exchange ruling at the balance sheet date.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for both foreign exchange trading, and commissions, net of returns, discounts and rebates allowed by the company and value added taxes.

The company recognises foreign exchange trading revenue on the spot date, and commissions receivable when the right to receive payment is established.

Judgements and key sources of estimation uncertainty

In the application of the company'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.

STRATEGIC REPORT For The Period Ended 31 JULY 2022

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

Impairment of Investments

Determining whether investments are impaired requires an estimation of the recoverable amounts of estimated future cash flows expected to arise from the investments. Estimates and assumptions mainly relate to the fair valuation of the investments, particularly the equity investments, all of which are now admitted to stock exchanges or share trading platforms. Where the trading in those equity shares is not active the directors have used the quoted price and expected future fund raising transactions to estimate the fair values of the equity investments. The directors believe the estimates used are based on their experiences and other assumptions that they consider to be reasonable. The directors will keep the estimates and assumptions under continuous review with attention paid to the carrying value of the investments.

Although the directors believe that the assumptions and estimates of the fair values of the investments are appropriate, changes in estimates and assumptions could result in changes in the stated values in these financial statements in the future, including both downwards and upward valuation adjustments.

The financial statements do not include any valuation adjustments that would result (such as impairment of the investments) if the company tried to, and were unable to, sell the investments at their quoted prices.

Deferred tax

The company estimates future profitability in arriving at the fair value of the deferred tax assets and liabilities. If the final outcome is different to the estimated deferred tax amount the resulting changes will be reflected in the statement of comprehensive income, unless the tax relates to an item charged to equity in which case the changes in tax estimates will also be reflected in equity.

The directors have recognised deferred tax assets for tax losses at the period end as the company is expected to be profitable in the foreseeable future.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the period ended 31 July 2022 nor for the year ended 31 January 2021.

The average number of employees during the period was NIL (2021 NIL).

	Period 1.2.21 to 31.7.22	Year Ended 31.1.21
	£	£
Directors' remuneration	-	-

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Period 1.2.21 to 31.7.22	Year Ended 31.1.21
	£	£
Auditors' remuneration	3,000	17,500
Marketing and Covid-19 support costs	1,653,383	862,724
Foreign exchange differences	(69,719)	(111,755)

5. FINANCE COSTS AND SIMILAR EXPENSES

	Period 1.2.21 to 31.7.22	Year Ended 31.1.21
	£	£
Bondholder interest payable on bonds	3,340,450	1,153,507
Bank loan interest	16,725	833
	<u>3,357,175</u>	<u>1,154,340</u>

6. TAXATION

	Period 1.2.21 to 31.7.22	Year Ended 31.1.21
	£	£
Corporation tax – current period (credit)/charge	<u>(1,296,203)</u>	<u>(178,424)</u>

The effective tax rate differs from the statutory tax rate as a result of the differences shown below:

	£	£
Profit/(loss) before taxation	<u>3,901,674</u>	<u>(463,150)</u>
Corporation tax calculated at 19%	741,318	(87,998)
Effects of:		
Profit on sale of investments	(153,564)	-
Fair value changes of investments	(357,246)	(90,426)
Fair value changes of intangible fixed assets	<u>(1,526,711)</u>	<u>-</u>
Total corporation taxation (credit)/charge for the period	<u>(1,296,203)</u>	<u>(178,424)</u>

STRATEGIC REPORT For The Period Ended 31 JULY 2022

7. INTANGIBLE FIXED ASSETS

Digital currencies £

COST OR VALUATION

At 1 February 2021	-
Additions	87,056
Revaluations	8,035,319
	<hr/>
At 31 July 2022	8,122,375
	<hr/>

Cost or valuation at 31 July 2022 is represented by:

	£
Valuation in 2022	8,035,319
Cost	87,056
	<hr/>
At 31 July 2022	8,122,375
	<hr/>

Digital currencies have been revalued at the balance sheet date based on their valuation on backters.com.

8. INVESTMENTS

Financial assets

	31.7.22	31.1.21
	£	£
Balance brought forward	9,085,871	5,915,500
Additions in the period – unlisted equities	2,000,000	750,000
Additions in the period – listed equities	383,279	-
Additions in the period – other investments	238,883	-
Increases in foreign exchange positions	4,918,277	2,053,148
Disposals in the period	(1,089,197)	(32,000)
Revaluations to fair value	1,956,939	399,223
	<hr/>	<hr/>
	17,494,052	9,085,871
	<hr/>	<hr/>

Investments includes Listed Equity Securities, which are listed on the Vienna Borse denominated in Euros, Nasdaq First North denominated in Euros, Euronext denominated in GBP, and also Unlisted Equity Securities, denominated in GBP.

STRATEGIC REPORT For The Period Ended 31 JULY 2022

	£	£
FX positions	10,081,245	5,162,968
Equity Securities	7,362,807	3,922,903
Other investments	50,000	-
	<u>17,494,052</u>	<u>9,085,871</u>

Investments have been revalued at the balance sheet date based on their valuation on the Vienna Borse denominated in Euros, Nasdaq First North denominated in Euros, and Euronext denominated in GBP.

Financial assets are recognised as 'basic financial instruments' and are either measured at their fair value, with unrealised gains and losses recognised in profit and loss in the income statement, if there is an active trading market for the securities or if their fair values can be estimated, or at cost less impairment if there is no active trading market or the fair values cannot be estimated. The unlisted equity investment was purchased from the parent company during the period (note 15) at a value below the estimated fair value. Subsequent to the period end the unlisted investment was admitted to trading on the Euronext platform. The directors have assessed whether there is any objective evidence that the investments are impaired and in their opinion no provision for impairment is currently considered necessary, however in their opinion the fair value of Other investments purchased at a cost of £238,883 in the period is £50,000. More information of the estimates of the fair values of the investments is set out in note 2 under 'Judgements and key sources of estimation uncertainty'.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.22	31.1.21
	£	£
Deferred tax asset	<u>1,435,994</u>	<u>139,791</u>

The company expects the deferred tax asset to start being reversed, more than one year after the balance sheet date, based on projections of future taxable profits.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.22	31.1.21
	£	£
Bank loans and overdraft (see note 12)	16,227	6,311
Amounts owed to parent company	328,876	18,330
Tax payable – corporation and withholding tax	967,780	299,690
Bonds – payable in less than one year	5,609,563	-
Distribution costs creditor	404,961	49,143
Accrued expenses	18,000	25,764
	<u>7,345,407</u>	<u>399,238</u>

STRATEGIC REPORT For The Period Ended 31 JULY 2022

Bonds falling due within one year are detailed as follows:

	£	£
Bonds issued and payable within one year	5,735,053	-
Less: Transaction costs	(683,222)	-
	<u>5,051,831</u>	<u>-</u>
Net debt on issue	5,051,831	-
Write back of commissions in period	557,732	-
	<u>5,609,563</u>	<u>-</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.7.22	31.1.21
	£	£
Bank loans (see note 12)	29,097	43,688
Bonds – payable in more than one year	14,434,380	8,709,752
	<u>14,463,477</u>	<u>8,753,440</u>

Bonds falling due after more than one year are detailed as follows:

	£	£
Bonds issued and payable in more than one year	14,880,505	9,232,399
Less: Unamortised transaction costs	(966,351)	(802,890)
	<u>13,914,154</u>	<u>8,429,509</u>
Net debt on issue	13,914,154	8,429,509
Write back of commissions at 31 January	520,226	280,243
	<u>14,434,380</u>	<u>8,709,752</u>

The Company has an overarching Bond Instrument to the value of \$150m (US dollars) under which it issues individual bonds in monthly series. During the period the minimum investment into the unlisted bond was \$50,000 (or currency equivalent), and into the listed bond was \$125,000 (or currency equivalent).

The returns paid to investors under the bonds have been a maximum of 17.5% gross (14% net after deduction of withholding tax). These returns are paid quarterly in arrears to the bondholders.

Up until July 2019 the term of the unlisted bonds issued was for a period of 12 months and subsequently for a period of 36 months. The term of the listed bond is up to 28 February 2025.

No bonds have been issued at a discount to face value.

Distribution costs have been expensed through the income statement, over the life of the relevant bond series.

The Company has received the full value of all bonds issued.

12. LOANS

An analysis of the maturity of loans is given below:

	31.7.22	31.1.21
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	6,439	-
Bank loans	9,788	6,311
	<u>16,227</u>	<u>6,311</u>
Amounts falling due between one and two years:		
Bank loans	<u>10,035</u>	<u>9,666</u>
Amounts falling due between two and five years:		
Bank loans 2-5 years	<u>19,062</u>	<u>30,491</u>
Amounts falling due in more than five years:		
Bank loans more than 5 years	<u>-</u>	<u>3,532</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value:	31.7.22	31.1.21
			£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

William John Holdings Limited is the Company's parent company as it owns 100% of the Company's issued share

14. RESERVES

	Retained earnings
	£
At 1 February 2021	263,323
Profit for the period	<u>5,197,877</u>
At 31 July 2022	<u>5,461,200</u>

STRATEGIC REPORT For The Period Ended 31 JULY 2022

15. RELATED PARTY TRANSACTIONS

During the period the following transactions took place with William John Holdings Limited (WJHL), the Company's parent company:

- Costs totalling £136,383 (2021: £14,220) were paid on behalf of the Company by WJHL.
- Investments totalling £2,000,000 (2021: £750,000) were purchased by the Company from WJHL, at a price less than their market values at the date of purchase.
- Net funds totalling £1,837,457 (2021: £759,886) were transferred from the Company to WJHL, as part settlement of amounts due.
- Net foreign exchange rate losses totalling £11,620 (2021: £46 gains) were made by the Company on their transactions.

16. ULTIMATE PARENT COMPANY

William John Holdings Ltd is regarded by the directors as being the Company's ultimate parent company.

17. ULTIMATE CONTROLLING PARTY

The controlling party is William John Holdings Limited.

18. SUBSEQUENT EVENTS

Post the period ending July 2022, the company has continued to analyse a number of strategies that complement the profile of the current asset classes it holds. Managed diversification of the asset base, given the quantum of the Bonds in issuance continues to maintain a healthy and positive growth curve is important, and the board recognises it can strengthen its asset base by making some additions to its portfolio. One particular area has been identified and brought in as an asset. The characteristics of this new asset class, which have been secured through the structured procurement of third party Bonds, include having an underlying insurance protecting the principle capital, improved internal rates of return vs other asset classes, contracted profit share against performance criteria and access to trade finance partnerships. It is foreseen that throughout the forthcoming year, the Company will balance its portfolio furthermore by making purchases of these Bonds as this new asset class develops.

STRATEGIC REPORT For The Period Ended 31 JULY 2022

	Period 1.2.21 to 31.7.22		Year Ended 31.1.21	
	£	£	£	£
Turnover				
FX trading revenue		3,195,052		1,484,998
Commissions receivable		40,925		-
		<u>3,235,977</u>		<u>1,484,998</u>
Cost of sales				
Bond distribution and commission costs		4,964,746		348,338
GROSS (LOSS)/PROFIT		<u>(1,728,769)</u>		<u>1,136,660</u>
Other income				
Government grants		417		833
Exchange gains		69,719		111,755
		<u>70,136</u>		<u>112,588</u>
		<u>(1,658,633)</u>		<u>1,249,248</u>
Administrative expenses				
IT costs		15,000		560
Sundry expenses		11,793		-
Accountancy fees		16,650		20,184
Legal fees		101,172		9,150
Auditors' remuneration		3,000		15,000
Bank charges		81,305		20,759
Bank interest		708		-
Payment provider fees		-		28,904
		<u>229,628</u>		<u>94,557</u>
Marketing and Covid-19 support costs				
Marketing costs		-		387,718
Covid-19 support		1,653,383		475,006
		<u>1,653,383</u>		<u>862,724</u>
Finance costs				
Bank loan interest		16,725		833
Bondholder interest payable		3,340,450		1,153,507
		<u>3,357,175</u>		<u>1,154,340</u>
		<u>(6,898,819)</u>		<u>(862,373)</u>
Profit/(loss) on sale of investments		808,234		-
Fair value changes of investments		9,992,259		399,223
NET PROFIT/(LOSS)		<u>3,901,674</u>		<u>(463,150)</u>

William John (HV) plc

71-75 Shelton Street, Covent Garden
London WC2H 9JQ
United Kingdom

info@williamjohn.co.uk
www.williamjohn.co.uk