POLYGON GROUP LIMITED

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

Directors :	Martin Belcher (Chairman)	
	Edmund Daubeney	
	Amanda Groves	
	Hiren A Patel	
	Alexander Belcher	
	Verienne Belcher	
	Simon Livesey	
	Paul Wright	(Resigned 27 September 2024)
	Joanna Leese	
	Charles McHugh	(Appointed 15 March 2024)
	Nicholas Heys	(Appointed 05 August 2024)
Company Secretary:	Amanda Groves	
Auditor :	Grant Thornton Limited Kensington Chambers 46/50 Kensington Place St Helier Jersey C.I. JE1 1ET	
Registered Office :	Hadsley House Le Febrve Street St Peter Port Guernsey	
Registered Number:	33173	

Financial Statements

The Directors present their annual Report, together with the audited financial statements for Polygon Group Limited ('the Company') for the year ended 30 June 2024.

Principal Activities

The principal activity of the Company is investment holding.

Results and Dividend

The result for the year is shown in the Statement of Comprehensive Income on page 10. No dividend was declared or paid during the year (2023: £Nil).

Going Concern

As of the end of the financial period Polygon Group Limited's ("PGL") is in a net current liability position of £34,8M (2023 £6,3M), and after making enquiries with management and reviewing the forecasts and projection, the Directors have a reasonable expectation that PGL has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of these financial statements. Forecast and projections included reviewing repayment and servicing of maturing external loans and bonds raised, taking account of possible changes in trading performance and stress testing such performance. We have received shareholders confirmation that they will not call amounts due to them, amounting to £1.968M as at 30 June 2024, within 12 months of approval of the financial statements.

PGL immediate cash flow includes further bond raises in this financial year to allow for the investment and expansion in Polygon Serviced Offices Limited, particularly the refurbishment of Mill Place, the most recent addition to their portfolio.

The bond raise has been successful with the support of Ravenscroft, PGL raised £2M of investment by June 2024, and a further £2M after the reporting date. PGL shall be offering re-investment for the £5M of bonds due to mature in June 2025, to date 42% of bondholders have expressed interest to re-invest. The Directors have a reasonable expectation that the uptake will increase in the coming months.

Investec have extended the loan facilities to 30 June 2025 by which time the Directors are expecting to have concluded the refinancing. Butterfield have been approached to refinance the property companies at 65% LTV based on the recent Savills' valuation of £27.355M. The additional £3M of financing will either be provided by Butterfield and secured via a surety bond purchased from Polygon Collective Insurance Company Limited ("PCICL"), or it shall be provided by Reto Finance.

The initial consideration of the Advisa sale was received in March 2025. The remaining consideration is deferred and shall be received over the subsequent three years subject to Advisa achieving revenue above the revenue threshold of £3,25M and target revenue of £4,1M in each of the subsequent three years. The current projections indicate that revenue of £3,35M will be achieved in the each of the subsequent three years.

PGL currently own 2,407,000 shares in PCICL. The intention is for PGL to sell £2.7M worth of shares to external investors, alongside the on-going subscription of shares in PCICL. To date, the Company has commitments to purchase £700,000 of PCICL shares owned by the Company and the remaining £2M to be sold by 30 June 2025.

The matters noted above in relation to the refinance, bond raises and sale of PCILC shares indicate that a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern exists. Notwithstanding this, based on the forecasts and the available information the Directors believe that preparing the financial statements on a going concern basis is appropriate.

Directors

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

Company Secretary

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

Directors' responsibilities statement

The directors are responsible for preparing the annual report of the directors and the financial statements in accordance with applicable law and accounting policies. The financial statements have been prepared in compliance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), in accordance with the provisions of Section 1A "Small Entities" and the Companies (Guernsey) Law 2008.

The directors have a responsibility to file the financial statements of the company on TISE as the company has listed bonds as referred to in note 18.

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

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

The directors are responsible for keeping proper accounting records which are sufficient to show and explain the transactions and are such as to, disclose with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the financial statements have been properly prepared in accordance with the Companies (Guernsey) Law, 2008.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that so far as they are aware, there is no relevant audit information, of which the Company's auditor is unaware and they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of this information.

Independent auditor

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

By Order of the Board

Director

Director

Date: 1 April 2025

Independent auditor's report

To the shareholders of Polygon Group Limited

Opinion

We have audited the financial statements of Polygon Group Limited (the 'Company') which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 30 June 2024 and of its financial performance and its cashflows for the year then ended;
- are in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', Section 1A 'Small Entities' (FRS 102 Section 1A); and
- comply with The Companies (Guernsey) Law, 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw your attention to note 2c in the financial statements which detail that the Company's forecasted cash flow for the next 12 months is reliant on events outside of the Company's control, such as the timing and quantum of further bond raises, refinancing of its third-party bank loans and sales of PCICL shares. These events and conditions, along with other matters as set forth in Note 2c, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the 'Annual Report & Financial Statements', but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

Responsibilities of directors for the financial statements

The directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with FRS 102, Section 1A, and the Companies (Guernsey) Law 2008 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the Company's shareholders as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Matters on which we are required to report by exception

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

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

Grant Thornton Limited

Grant Thornton Limited
Chartered Accountants
St Helier
Jersey

02 April 2025

	Note	Year to 30 June 2024 £	Year to 30 June 2023 £
Income			
Interest income	11	1,960,571	1,920,529
Other income	11	1,629,392	1,572,361
Dividend income	12	85,000	1,147,500
Unrealised (loss) on investments	13	(5,625,030)	(3,891,180)
Realised (loss) on investments	14	(46,494)	(252,345)
Gain on disposal of fixed assets		-	11,189
Total Income		**(1,996,561)**	**508,054**
Expenses			
Management expenses	15	(5,675,012)	(4,714,065)
(Loss) for the year		**(7,671,573)**	**(4,206,011)**
Other Comprehensive Income		-	-
Total Comprehensive (Loss)		(7,671,573)	(4,206,011)

All (losses)/gains derive from continuing activities. The Company has no other items of comprehensive income in the year other than the (losses)/gains above.

The notes on pages 14 to 28 form part of these financial statements.

POLYGON GROUP LIMITED
Statement of Financial Position
As at 30 June 2024

	Note	30 June 2024	30 June 2023 As Restated
FIXED ASSETS		£	£
Investments			
Investments in subsidiaries	3	34,903,358	36,470,819
Other investments	4	5,600,769	9,930,674
Accrued interest Receivable	4	123,174	-
Tangible Fixed Assets	5	36,837	62,165
Intercompany Debtors	7	14,127,540	12,106,967
		54,791,678	58,570,625
CURRENT ASSETS			
Prepayments and other receivables	6	380,294	331,049
Cash at bank	6	39,808	47,331
		420,102	378,380
Total Assets		**55,211,780**	**58,949,005**
LIABILITIES			
Creditors due within one year			
Creditors and Accruals	9	(3,818,334)	(1,233,418)
Investec Bank Loans	10	(21,962,000)	(980,000)
Bonds due for repayment (<1 Year)	18	(5,000,000)	-
Intercompany Creditors	8	(4,505,890)	(4,483,489)
		(35,286,224)	(6,696,907)
Creditors due after one year			
Long term loans	10	-	(21,709,969)
Bonds Issued	18	(6,770,000)	(9,715,000)
		(6,770,000)	(31,424,969)
Total Liabilities		**(42,056,224)**	**(38,121,876)**
Net assets		**13,155,556**	**20,827,129**
SHAREHOLDERS EQUITY			
Share capital	17	2,024,000	2,024,000
Profit and Loss Account		11,131,556	18,803,129
Shareholder's funds		**13,155,556**	**20,827,129**

Approved and authorised for issue by the Directors on 1 April 2025.

Director Director

The notes on pages 14 to 28 form part of these financial statements.
Refer to note 7 for an explanation of the restatement.

POLYGON GROUP LIMITED
Statement of Cash Flows
As at 30 June 2024

	Year to 30 June 2024	Year to 30 June 2023
Cash Flows from Operating Activities		
Operating (loss) / profit for the year	(7,671,574)	(4,206,011)
Bank interest paid	1,896,081	1,462,799
Bond Interest Paid	679,197	527,276
Dividends received	(85,000)	(297,500)
Accrued Interest	(123,174)	-
Depreciation/Amortisation	26,224	34,422
Loss/(Gain) on revaluation of Subsidiaries	1,567,461	(162,442)
Loss on revaluation of investments	4,104,064	4,305,964
(Loss) on disposal of fixed assets	-	(13,799)
(Increase) in debtors	(2,069,820)	(1,849,322)
Increase/(Decrease) in creditors	2,607,319	583,315
	930,778	**384,701**
Cash Flows from Investing activities		
Payments to acquire investments	(149,159)	(675,721)
Proceeds from sales of investments	375,000	204,191
Proceeds from sales of fixed Assets	-	38,000
Dividends received	85,000	297,500
Payments to acquire tangible fixed assets	(895)	(5,802)
	309,946	**(141,832)**
Cash Flows from Financing activities		
Bank interest paid	(1,896,081)	(1,462,799)
Bond Interest Paid	(679,197)	(527,276)
Repayment of borrowings	(689,000)	(959,000)
Receipt of bond proceeds	2,055,000	1,614,000
Interest element of finance lease rental payments	(5,776)	(10,318)
Capital element of finance lease rental payments	(33,193)	(43,735)
	(1,248,247)	**(1,389,128)**
Net (Decrease)/Increase in cash	(7,523)	(1,146,258)
Cash at the Beginning of the Period	47,331	1,193,589
Cash at the End of the Period	**39,808**	**47,331**

	Reserves	Share Capital	Total
	£	£	£
Balance as at 1 July 2023	**18,803,129**	**2,024,000**	**20,827,129**
Loss for the year	(7,671,573)	-	(7,671,573)
Balance as at 30 June 2024	**11,131,556**	**2,024,000**	**13,155,556**

	Reserves	Share Capital	Total
	£	£	£
Balance as at 1 July 2022	**23,009,140**	**2,024,000**	**25,033,140**
Profit for the year	(4,206,011)	-	(4,206,011)
Balance as at 30 June 2023	**18,803,129**	**2,024,000**	**20,827,129**

The notes on pages 14 to 28 form part of these financial statements.

1. Statutory Information

The Company is a private company limited by shares that was incorporated in Guernsey on 21 October 1997. The company's registered address is Hadsley House, St Peter Port, Guernsey. Registration number 33173.

2. Accounting Policies

(a) Statement of Compliance - The financial statements have been prepared in compliance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102"), in accordance with the provisions of Section 1A "Small Entities" and the Companies (Guernsey) Law 2008.

(b) Basis of Accounting - The financial statements are prepared on a going concern basis, under the historical cost convention as modified by the revaluation of certain fixed asset investments measured at fair value through profit or loss. The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the period unless otherwise stated.

The Company is exempt from the requirement to prepare consolidated financial statements under paragraph 9.3(g) of FRS 102. These financial statements are therefore the Company's separate financial statements as an individual undertaking.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at the reporting date and the amounts reported for income and expenses during the financial reporting period. However, the nature of the estimation means that the actual outcomes could differ from those estimates.

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

As of the end of the financial period Polygon Group Limited's ("PGL") is in a net current liability position of £34,8M (2023 £6,3M), and after making enquiries with management and reviewing the forecasts and projection, the Directors have a reasonable expectation that PGL has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of these financial statements. Forecast and projections included reviewing repayment and servicing of maturing external loans and bonds raised, taking account of possible changes in trading performance and stress testing such performance. We have received shareholders confirmation that they will not call amounts due to them, amounting to £1.968M as at 30 June 2024, within 12 months of approval of the financial statements.

PGL immediate cash flow includes further bond raises in this financial year to allow for the investment and expansion in Polygon Serviced Offices Limited, particularly the refurbishment of Mill Place, the most recent addition to their portfolio.

The bond raise has been successful with the support of Ravenscroft, PGL raised £2M of investment by June 2024, and a further £2M after the reporting date. PGL shall be offering re-investment for the £5M of bonds due to mature in June 2025, to date 42% of bondholders have expressed interest to re-invest. The Directors have a reasonable expectation that the uptake will increase in the coming months.

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The initial consideration of the Advisa sale was received in March 2025. The remaining consideration is deferred and shall be received over the subsequent three years subject to Advisa achieving revenue above the revenue threshold of £3,25M and target revenue of £4,1M in each of the subsequent three years. The current projections indicate that revenue of £3,35M will be achieved in the each of the subsequent three years.

PGL currently own 2,407,000 shares in PCICL. The intention is for PGL to sell £2.7M worth of shares to external investors, alongside the on-going subscription of shares in PCICL. To date, the Company has commitments to purchase £700,000 of PCICL shares owned by the Company and the remaining £2M to be sold by 30 June 2025.

The matters noted above in relation to the refinance, bond raises and sale of PCILC shares indicate that a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern exists. Notwithstanding this, based on the forecasts and the available information the Directors believe that preparing the financial statements on a going concern basis is appropriate.

(d) Income - Income is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered. The Company recognizes revenue when (i) the significant risks and rewards of ownership have been transferred to the buyer, (ii) the company retains no continuing involvement or control over the goods, (iii) the amount of revenue can be measured reliably, (iv) it is probable that future economic benefits will flow to the entity. (iv) when the specific criteria relating to the each of company's sales channels have been met, as described below:

- Dividends receivable from the investee companies are included within income when the Partnerships' right to receive payment is established.
- Interest income is recognised using the effective interest rate method.
- Other income represents fees or intercompany charge on to subsidiaries for Group company services such as directors' fees recovery, management fee, direct costs and other costs directly related to the underlying subsidiaries.

(e) Expenses – Expenses are recognised in the statement of comprehensive income on an accrual basis. The company provides a range of benefits to employees, including short term benefits and a defined contribution plan. Short term benefits are recognised as an expense in the period in which the service is rendered.

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due.

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

(g) Tangible Fixed Assets and Depreciation – Tangible fixed assets are included at cost less depreciation and impairment. Depreciation has been computed to write off the cost of the tangible fixed assets over their expected useful lives.

Depreciation is recognised on a straight-line and the following useful lives are applied:

IT equipment:	3 years
Office equipment:	5 years
Vehicles:	5 years

Gains or losses arising on the disposal of tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(h) Finance leases - At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement. Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

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

A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease, on a basis estimated to represent a constant proportion of the balance of capital repayments outstanding.

(i) Financial Instruments – The Company classifies classifies its financial instruments as basic or other financial instruments in accordance with Sections 11 and 12 of FRS 102. Basic financial instruments include debtors, cash and cash equivalents and creditors. Other financial instruments include unquoted investments in subsidiaries and other investments.

Investments - The Company holds unquoted ordinary shares in the investee companies. Investment in ordinary equity shares are recognised at fair value. These are classified on the statement of financial position as either investments in subsidiaries or other investments (which represent equity investments for shareholding other than subsidiaries). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value is determined annually in accordance with International Private Equity and Venture Capital Valuation guidelines ('IPEV'). The fair value is usually based upon multiple of the earnings or revenue less any debt, or based on the net assets value of the underlying investee company. Movements in fair value of investments at the end of the period are recognised in the statement of comprehensive income.

FRS 102 establishes a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. It is management's opinion that all investments are categorised as Level 3 due to there being no active market and no suitable recent transactions to base the valuation upon. There were no transfers between the fair values levels during the year.

- Level 1 - Instruments with quoted prices for identical items in an active market.
- Level 2 – Instruments with prices determined using prices of recent transactions for identical instruments.
- Level 3 – Instruments with prices determined using valuation techniques utilising observable and unobservable market data.

The valuation of private equity instruments requires significant judgement and interpretation by the Board of Directors due to the absence of quoted market values, inherent lack of liquidity and the long-term nature of such investments. Due to the inherent uncertainty in valuing private equity instruments, these estimated fair values do not necessarily represent the amounts that might ultimately be realised and the differences could be material.

The unrealised gain or loss in the value of the investments is recognised in the statement of comprehensive income.

Financial Assets – The Company's financial assets include intercompany loans receivable from subsidiaries which are initially recognised at transaction price. Such assets are subsequently measured at amortised cost, less any impairment or at the undiscounted amount of cash or other consideration expected to be received if they are receivable within one year.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. The impairment loss is recognised in the statement of Income and Retained Earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated party without imposing additional restrictions.

Financial Liabilities – The Company's financial liabilities are classified, at initial recognition, as loans and bonds, and trade and other payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and bonds, net of directly attributable transaction costs.

These financial liabilities are subsequently measured at amortised cost using the effective interest method.

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.
Offsetting - Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to recognise the assets and settle the liability simultaneously.

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

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

(k) Prepayment and accruals – Prepayments represent expenses that are paid in advance for which the expense will be incurred in the future. Accruals represents the balance for an expense incurred prior to the year end but not yet settled.

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

Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Significant estimates and judgements are outlined below:

Estimation uncertainty – The key source of estimation uncertainty relates specifically to the fair valuation of subsidiaries and other investments. As part of the Directors' fair value process, a degree of inherent subjectivity has been employed, specifically owing to the nature of the underlying investment's business and financial performance in addition to the availability of comparable market evidence. This also involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case, management uses the best information available. A change in assumptions used to determine the investments' fair value, may result in a material movement in the fair value in future periods.

Significant management judgements - The significant judgement made by management in the determination and conclusion of the entity's ability to continue as a going concern are listed in note 2 (c) above.

3. Investments in Subsidiaries

The Company's directly held subsidiaries are as below. These are all 100% owned (excluding Le Marchant Underwriting Management Limited which is 60% owned). Subsidiaries are held at fair value with gains and losses taken to the income statement.

	2024	2023 As Restated
	£	£
Polygon Collective Insurance Company Limited	2,625,000	3,070,000
Le Marchant Underwriting Management Limited	176,044	176,213
Polygon Properties Limited*	16,590,616	22,267,139
Saints Holdings Limited	135,000	104,520
Polygon Serviced Offices Limited	2,783,388	2,941,690
Polymetrix Limited	4,078,919	1,777,288
The Polygon Regulated Companies	8,514,391	6,133,969
	34,903,358	**36,470,819**

Polygon Collective Insurance Company Limited is held at net asset value.

Le Marchant Underwriting Management is valued at 60% of the net asset value in line with the Company's 60% share holding.

Polygon Properties Limited is the consolidated net asset value of Polygon Properties Limited (Guernsey registered company) and its Jersey registered subsidiary, Polygon Properties Limited, and Kencroft Limited. These companies hold properties which have a combined market value of £30.4M. The value of the properties is derived from a Savills valuation of £27.4M based on the head leases and a potential additional £3M valuation based on the end leases of the serviced offices tenants, after allowing for relevant costs. The directors conducted a further assessment of the end leases and relevant costs and concluded that it was appropriate to include the additional £3M valuation.

*As at the reporting date, Polygon Properties Limited was valued at the net asset value adjusted for the portion of the intercompany debtor relating to the Investec Loan which the Company borrowed to fund the acquisition of the properties by Polygon Properties Limited (Guernsey) and Polygon Properties Limited (Jersey). See note 7 for the restatement of the prior year carrying amount.

Savills PLC have conducted an extensive review of all the properties in Jersey and Guernsey. This report has a valuation date of 16 December 2024. The directors have reviewed this report and have concluded that, due to the lack of movement in the market during 2024, that the valuations within the report are relevant for June 2024.

Following a review of the performance of the below subsidiaries and the market EBITDA averages, the multiples were set as follows:

Polygon Serviced Offices Limited - 12 X EBITDA
Polymetrix Limited – 17 X EBITDA
Polygon Insurance Brokers Limited (Jsy) – 10 X EBITDA
Polygon Pension Trustees Limited – 12.5 X EBITDA

Polygon Insurance Brokers Limited (Gsy), although still in the startup phase, has significant traction to warrant a valuation. The usual valuation method of multiples of EBITDA are not appropriate for a startup so the directors have used 'The Risk Summation Method'.

There were no additions or disposals of subsidiaries in the year.

4. Other Investments

The following investments are held at fair value. The valuations are based on entity performance, recent transactions and market comparables.

	2024	Fair Value gain/(loss)	Additions	Disposals	2023
	£	£	£	£	£
Advisa	3,154,518	(2,505,420)	-	-	5,659,938
CarPlanner	978,054	310,630	-	-	667,424
Faction Skis	29,863	(787,748)	12,666	-	804,945
Olly Limited	14,000	-	-	-	14,000
Bluefin	-	(46,493)	46,493	-	-
Solascure	140,000	(110,000)	-	-	250,000
Quale.it	-	(27,738)	-	-	27,738
Vauxlaurens	-	-	-	(375,000)	375,000
BookingTek	1,094,334	(437,295)	-	-	1,531,629
BT Loan Notes	190,000	-	90,000		100,000
M J Hudson	-	(500,000)	-	-	500,000
	5,600,769	**(4,104,064)**	**149,159**	**(375,000)**	**9,930,674**

	2024	Fair Value gain/(loss)	Additions	Disposals	2023
	£	£	£	£	£
Accrued Interest	123,174	-	123,174	-	-
	123,174	**-**	**123,174**	**-**	**-**

The BookingTek loan notes are made up of £80,000 2022 loan notes with a maturity date of 5 December 2026 and £110,000 2023 loan notes with a maturity date of 5 December 2008.

The accrued interest on the BookingTek loan notes at the reporting date is £26,624 on the 2022 loan notes and £93,550 on the 2023 loan notes.

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

5. Tangible Fixed Assets

	Office Equipment	Motor Vehicles	Total
	£	£	£
Cost			
1 July 2023	20,681	134,286	154,967
Additions	895	-	895
Disposals	(964)	(25,870)	(26,834)
30 June 2024	20,612	108,416	129,028
Depreciation			
1 July 2023	9,531	83,271	92,802
Adjustment for disposal	(964)	(25,870)	(26,834)
Depreciation	4,540	21,683	26,223
30 June 2024	13,107	79,084	92,191
Net Book Value			
30 June 2024	7,505	29,332	36,837
30 June 2023	11,150	51,015	62,165

6. Current Assets

Prepayments and other receivables

	2024	2023
	£	£
Prepayments	120,073	214,041
Other Receivables	260,221	117,008
	380,294	**331,049**

Cash at Bank

RBSI holds £28,964 which is the balance at year end, in the deposit account as security for the provision of the company credit cards

7. Intercompany Debtors

	2024	2023
	£	£
		As Restated
Due to PGL from subsidiary companies	**14,127,540**	**12,106,968**

The loans are interest bearing at 3% above the bank of England base rate on a rolling 12 month term. If repayment was required by PGL, assets within the property companies would need to be sold in order to settle the debt. The sale of buildings is not the current intention and there is no intention to recall the loans within 12 months of financial statements approval.

The intercompany loans due from Polygon Properties Limited in Guernsey and Polygon Properties Limited in Jersey have been restated to move the amount of the original Investec debt when the buildings were acquired from intercompany debtor to investment in subsidiary, as in the opinion of the Directors this reflects the long term nature of the investment. This has been restated as a prior year adjustment to give comparability in the 2024 financial statements. The restatement did not have an effect on the Company's financial performance and net assets position.

The table below shows effects of the adjustment which reflect the impact on the prior year on the Statement of Financial Position:

	As Previously Stated	Adjustment	As Restated
Investments in Subsidiaries	19,155,005	17,315,814	36,470,819
Intercompany Debtors	29,422,782	(17,315,814)	12,106,968

8. Intercompany Creditors

	2024	2023
	£	£
Due to subsidiary companies	**4,505,890**	**4,483,489**

The funds owed to subsidiary companies by PGL are on a monthly rolling term, and are non-interest bearing.

9. Creditors and Accruals

	2024	2023
	£	£
Creditors	1,196,775	471,571
Amounts due under finance leases (<1 Year)	44,532	23,860
Accruals	434,527	342,987
Other Loans	2,142,500	395,000
	3,818,334	**1,233,418**

The other loans consist of interest bearing shareholder loans which are payable within one year or as otherwise agreed. £50,000 of the other loans are at 11% interest with the remainder at 10% interest.

10. Long Term Loans

Current Liability

	2024	2023
	£	£
Bank Loan - Investec	19,587,500	-
Revolving Facility - Investec	980,000	980,000
Revolving Facility - Investec	1,394,500	-
	21,962,000	**980,000**

Non Current Liability

	2024	2023
	£	£
Bank Loan - Investec	-	20,062,500
Revolving Facility - Investec	-	1,608,500
Amounts due under finance leases (>1 Year)	-	38,969
	-	**21,709,969**

Revolving Facility – Investec £980,000 was provided at an interest rate of 4% plus base rate, payable quarterly. The loan is repayable 30 April 2025.

Bank Loan – Investec £20,062,500 had a principle amount of £20,000,000 in Nov 2019 which was increased to £23,072,500 in May 2022. The interest on this loan is 3% plus base rate, payable quarterly with capital repayments of £118,750 also payable quarterly. The loan is repayable 30 June 2025 and has therefore been reclassified as a current liability.

Bank Loan – Investec £1,608,500 was provided at an interest rate of 3.25% plus base rate, payable quarterly with capital repayments of £53,500 also repayable quarterly. The facility is repayable 30 June 2025 and has therefore been reclassified as a current liability.

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

The original covenant for the long term loans was interest cover of 175% from property rentals. Due to the increase in interest rates the covenant was waived from January 2023.

The company is currently negotiating terms with Butterfield Bank for the refinancing of the Investec loans due for repayment on 30 June 2025. If refinancing is not finalised by 30 June 2025, a further extension request will be made to Investec.

11. Income

	2024	2023
	£	£
Interest income	1,837,397	1,920,529
Interest Income from BookingTek Loan Notes	123,174	-
Subsidiary recharges	1,510,791	1,274,429
Monitoring fees	28,058	28,681
Rental Income	90,543	79,251
Write-down of Shareholder Loan	-	190,000
Dividend Income	85,000	1,147,500
	3,674,963	**4,640,390**

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

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

12. Dividends received from Subsidiaries and Investments

	2024	2023
	£	£
Polygon Collective Insurance Company Limited	-	850,000
Advisa Group Limited	85,000	297,500
	85,000	**1,147,500**

13. Unrealised (loss) on investments

	2024	2023
	£	£
Advisa Group Limited	(2,505,419)	(290,063)
CarPlanner	310,630	382,051
Faction Skis	(787,748)	-
Polygon Properties Limited	(5,676,523)	(716,702)
Polygon Serviced Offices Limited	(158,301)	767,119
Polymetrix Limited	2,301,631	58,560
The Polygon Regulated Companies	2,380,422	455,043
Polygon Leasing Limited	-	(54,913)
Polygon Insurance Company Limited	(445,000)	(348,000)
Solascure	(110,000)	130,000
UN Limited	-	(487,936)
Le Marchant Underwriting Management Limited	(169)	1,333
Bookingtek Limited	(437,295)	(159,287)
Quale.it	(27,738)	(104,269)
Saints Holdings	30,480	-
Vauxlauren	-	(954,250)
Bluefin	-	(417,000)
M J Hudson	(500,000)	(2,152,866)
	(5,625,030)	**(3,891,180)**

14. Realised (loss) on investment

	2024	2023
	£	£
Bluefin	(46,494)	
JewelStreet	-	(252,345)
	(46,494)	**(252,345)**

15. Management Expenses

	2024	2023
	£	£
Marketing and General Administration Expenses	1,212,771	1,036,320
Salary & Wages Costs	1,490,702	1,282,547
Facility Costs	170,117	170,994
Non Executive Director Fees	141,249	115,000
Audit & Accountancy	24,289	30,600
Legal & Professional	91,586	62,642
Finance Cost	2,544,298	2,015,962
	5,675,012	**4,714,065**

16. Taxation

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

17. Share Capital

	2024	2023
	£	£
Authorised Shares of £1.00 each:		
As at 1 July	2,024,000	2,024,000
As at 30 June	**2,024,000**	**2,024,000**
Shares issued at par:		
As at 1 July	2,024,000	2,024,000
As at 30 June	**2,024,000**	**2,024,000**

18. Bonds Issued

Current Liability

	2024	Issued	2023
	£	£	£
2020 PGL Bond 6%	5,000,000	-	5,000,000
	5,000,000	**-**	**5,000,000**

Non Current Liability

	2024	Issued	2023
	£	£	£
2022 PGL Bond 6%	4,805,000	90,000	4,715,000
2023 PGL Bond 8.75%	1,965,000	1,965,000	-
	6,770,000	**2,055,000**	**4,715,000**

During the year a further £90,000 2022 bonds were issued and £1,965,000 2023 bonds were issued (2023: £1,614,000 2022 bonds issued) These are all interest bearing.

Of the total £11,770,000 bonds in issue (2023: £9,715,000):

£5,000,000 (2023: £5,000,000) 2020 bonds were issued on the International Stock Exchange with an annual interest rate of 6%, the bonds mature on the fifth anniversary of the date of issue, 12 June 2025.

£4,805,000 (2023: £4,715,000) 2022 bonds were issued on the International Stock Exchange with an annual interest rate of 6%, the bonds mature on the fifth anniversary of the date of issue, 12 May 2027.

£1,965,000 (2023: £Nil) 2023 bonds were issued on the International Stock Exchange with an annual interest rate of 8.75%, the bonds mature on the fifth anniversary of the date of issue, 19 December 2028.

19. Ultimate Controlling Party

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

20. Related Party Transactions

Income Statement
Other than bond interest expense and payable, bank interest and charges, audit, professional and consultancy fees payable and external sponsorship, all transactions are with related parties.

Balance Sheet
Other than prepayments and other receivables, cash at bank, bonds issued and bond interest payable all balance sheet items are with related parties at market rates. The exception is the intercompany payables which is non-interest bearing.

The company has applied the exemption in paragraph 1AC.35 as the transactions are with the wholly-owned subsidiaries of the company.

21. Subsequent Events

On 16 September 2024 Polygon Collective Insurance Company Limited issued shares in order to raise funds to purchase run-offs. £2.5M was raised at a share price of £3.12, increasing the value of Polygon Group Limited's holding to £7.5M. The first round of the £2.5M fund raise has now closed and further shares have been issued for a second round of a £5M fund raise has opened.

On 14 January 2025 Polygon Group Limited signed a share purchase agreement between the shareholders of Advisa Group Limited and Titan Wealth Services Limited in relation to the sale of Advisa Group Limited. The initial consideration of £1.5M was received on 3 March 2025.

The Investec loan refinancing that was due in November 2024 was initially extended to 31 March 2025 and has since been extended to 30 June 2025.