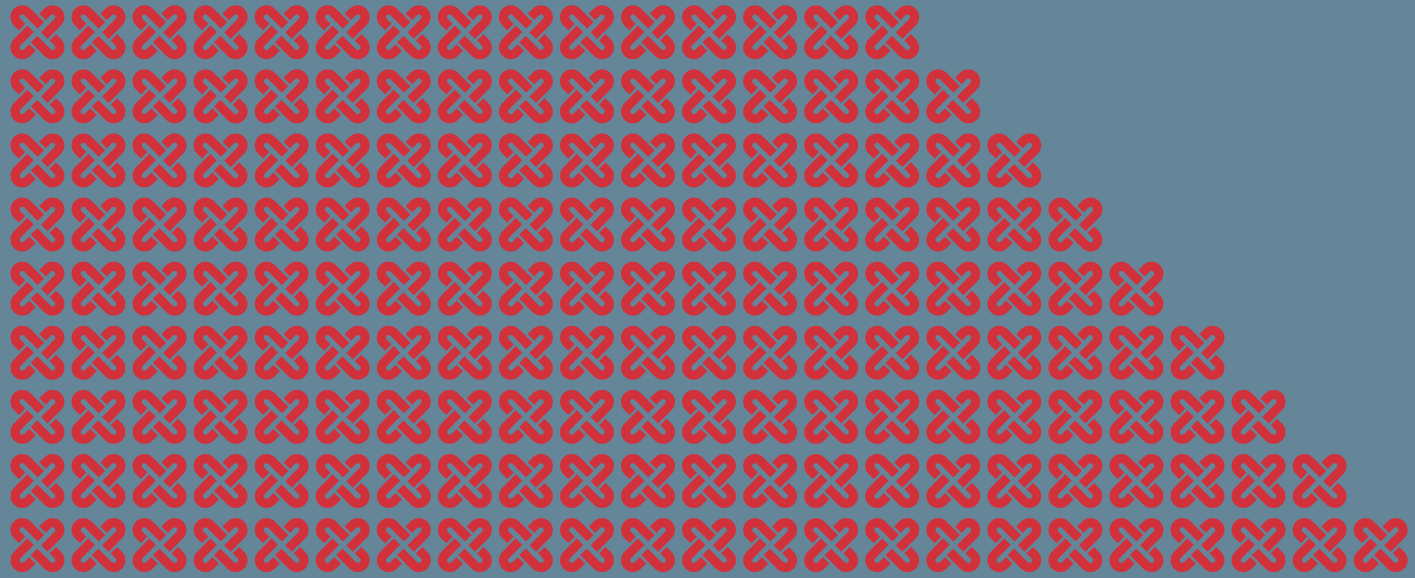




WILLIAM JOHN





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 Year ended
31st January 2021

Auditors

UHY Hacker Young
4 Thomas More Square
London E1W 1YW

Legal Advisors

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5 New Street Square
London EC4A 3TW

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A message from the Board



Given the challenges we have all faced across the Globe over the past 18 months, on behalf of the board, we offer you our very best wishes and hope that you remain in the very best of health and you have managed to navigate yourselves through this torrid time.

Wherever you may be located in the world, not one of us hasn't been touched by the pandemic in some form or other. Whether it be through sacrifice and isolation, or by being exposed to Covid-19 itself, our social and commercial lives have been turned on their heads and we have witnessed the most extreme events and actions take place to combat the impact of this awful disease. Let us hope that the worst has now passed, and we can look forward to a positive return to normal life on all levels.

Moving to the 2020 - 2021 Report and Accounts, we have set out our commentary regarding the strategies and actions we adopted throughout the past financial year to ensure the Company maintained a secure foothold in our market and to allow us to continue to grow our asset base. We have also taken time to review a selective number geographic markets, ones we believe are of most interest and relevance to our Bondholders and commercial partners alike, to provide insight and comparative market data which we hope will inform and provide interest beyond the presentation of our own financial statements and Company information.

We look forward to continuing our relationship with you over the coming months and years and greatly thank you for your support throughout this past year.

Yours sincerely

William John (HV) plc Board of Directors - October 2021





Directors' 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 financial year 2020 - 2021



Directors' Report - Financial year ended 31st January 2021

In May 2020, the firm completed and signed off its audit for the year 2019 – 2020. With a satisfactory financial performance achieved, the directors looked forward to building upon these foundations targeting growth from the foreign exchange strategies it deploys and increasing the capital inflow from Bondholders to continue to develop the capital base of the Company, allowing it to generate positive cashflow and to build and strengthen its Balance Sheet.

At that time, the Covid-19 pandemic was recognised as a potential risk to our trading profile and general commercial activities and in my Directors' Report at the time I wrote:

The Company's general trading and asset positions have not been affected by the impending Covid-19 pandemic throughout the financial year ended 31 January 2020. The effects of Covid-19 are treated as a 'non-adjusting' subsequent event and therefore, no adjustments have been required to be made to the asset position held by the Company nor was there any material effect to the trading of foreign currencies within this period.

Looking forward, an evaluation of risks associated to the Company in relation to the social and economic impact of the pandemic have been undertaken and, at this juncture, the directors are satisfied that due to the nature of foreign exchange trading, this core activity has responded well to the fluctuations and movements within the financial markets. Whilst a diligent approach remains central in these unprecedented times, the pandemic has not impacted dramatically upon the specialised algorithmic trading within the first quarter of the new financial year nor has the Company had to manage staffing disruptions or continuity issues due to furlough, as it does not carry any salaried employees.

Therefore, within the core functions of the business, Covid-19 has had a minimal effect upon the Company. In terms of investment values, the Company will maintain a prudent approach to the valuation of assets throughout the year as there may be a potential that investments could be revalued due to the Covid-19 effect, however, by dynamically managing this process and consulting with our professional partners, the directors believe they will be prepared for this eventuality.



What actually transpired throughout the past last year is now, of course, clearly evident and well documented. It was unprecedented. As the global pandemic took hold, we saw immediate and wide ranging actions taken by Governments throughout the world that have rarely, or indeed never been witnessed before, and today the effect of the pandemic still remains a constant presence in our daily lives.

For William John, the core statements made within this Director's Report of last year broadly played out. Compared to many other companies operating across a plethora of sectors our firm did not, and continues not to have the organisational, logistical or human resources challenges that a great number of companies currently have to contend with. As the report highlighted, our Company does not have a high head count number, therefore, furlough and the management of teams working from home have not been a distraction for the board to manage. Head Office costs were always kept to a minimum pre Covid-19 and have continued in the same vein and the firm has not been required to adapt its in house operation and, significantly, the general internal management and function of the firm has continued as before, allowing the directors to

maintain a sharp focus on trading and the commercial and financial management of the firm, especially in such challenging and rapidly evolving markets.

The great unknown, last year and into this trading year, was how long would the pandemic last. How would the foreign exchange strategies the Company employs be influenced by the core markets and currency pairs it trades and, where the Company holds equity positions, what would be the underlying effect and influence of such wide reaching, dynamic and deeply felt economic change and variation. Moreover, Covid-19 was not the only influencer. Brexit post the final

exit from Europe for the U.K. formed another economic conundrum for markets to consider, with the final twist being the U.S. Presidential transition and the battle for the White House. Combining these three elements together has made for one of the most dramatic and unusual economic "cocktails" ever to be witnessed.

However, it is testimony to the FX markets in particular and the cautious approach deployed within the algorithmic trading platform that positive revenue gains from trading of £1.4m were generated. Although, equally, it should be noted that throughout 2020 there was a greater propensity of transactional events,



whereby, trading was pulled back due to the extreme volatility of the markets and where risk management profiles were applied upon occasions during the year when markets and currency pairs were flexing beyond the norm.

Furthermore, within the year, our technology partner has continued to evolve the trading platform, refining and investing in further development of the platform, the algorithm and the reporting tools associated to it. These developments improve the mapping of trades across the execution points in which trades take place, creating smoother trading profiles and structured profit taking opportunities.

These actions, aligned with the technological developments of the platform, have enabled the firm to continue to benefit from profitable FX trading activity even during the

most complex of times, in probably one of the most challenging of years economically.

“

Our technology partner has continued to evolve the trading platform, refining and investing in further development of the platform, the algorithm and the reporting tools associated to it. These developments improve the mapping of trades across the execution points in which trades take place, creating smoother trading profiles and structured profit taking opportunities.

”



Moving to listed stocks the Company holds, these have held firm, with the sectors the invested firms operate in benefitting, rather than being hindered by the Covid-19 challenge. They are well placed to supply products and services to their clients at the point in which those clients need them most. One particular example with one of these invested firms whose goal is to become the leading supplier of sustainable products and services to local communities, is the supply of hand sanitisers, fluids and dispensers to major local retailers in the U.K. This market is growing exponentially, especially during the pandemic, which has driven consumers to more local shopping patterns with strong expectations that these trends will

with each other dramatically change. Traditional forms of engagement with clients and business connections alike being turned upon their heads. As the Bond issuer, we have recognised and responded to the challenges faced by the marketing partners and networks and have looked to support their efforts, both strategically and tactically, by investing in a number of initiatives ensuring our objectives for the financial year were, in the first instance protected and anchored, before embarking on our growth plan. This created additional, unplanned and unbudgeted expenditure within the P and L which has ultimately had a detrimental effect on the P and L performance, delivering a nett loss of £284k for the year.



The longer term plan for the firm is to build a substantial Balance Sheet position and, to this end, our nett current asset position has increased from £3.8m to £9m over the year.

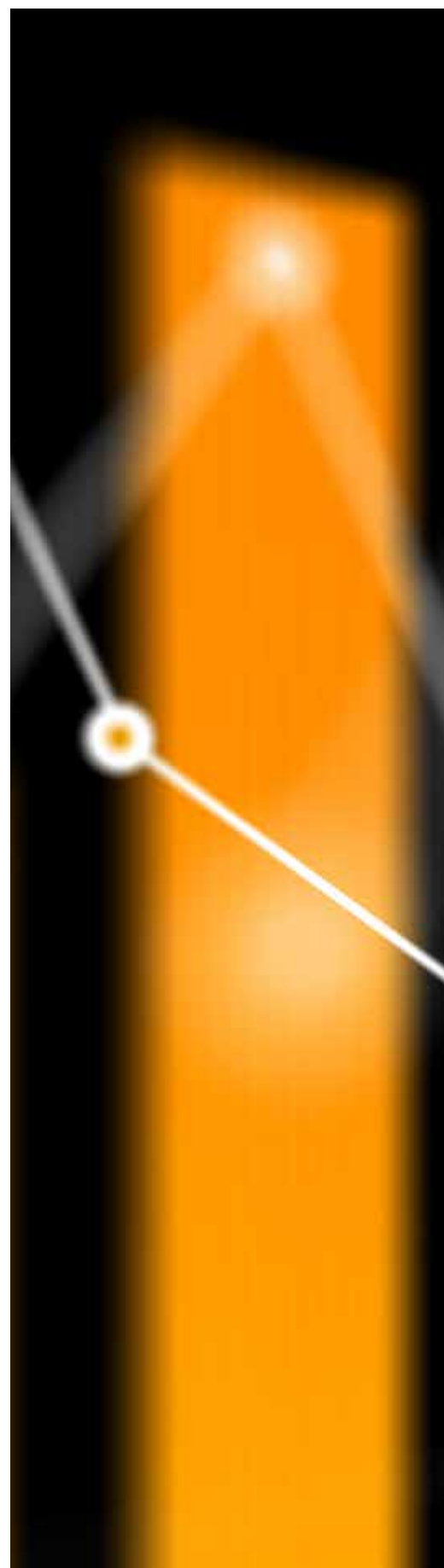


continue so long as local retailers meet the demands for more sustainable and higher quality products. They are fast becoming the 'one stop shop' for challenger brands wishing to access the local retail marketplace.

Having set out our reflections upon the core trading activities of the business, another key area of focus has been placed upon the distributors of the product who have been required to completely revamp and adapt the way in which they communicate with their clients – our Bondholders and potential Bondholders.

The world has seen the way in which we communicate, travel and make contact

Posting a loss is clearly disappointing, however, in the context of the year we have experienced the board has reflected upon the decisions it made in the early part of the last financial year and has satisfied itself that, without this direct action to sanction upweights to expenditure, the firm's performance may have suffered more substantially if little or no action had been taken to support the execution of its commercial strategies. Moreover, despite this disappointment of not delivering net profitability in the year, the longer term plan for the firm is to build a substantial Balance Sheet position and, to this end, our nett current asset position has increased from £3.8m to £9m over the year.







Given this has been such a difficult year, the board remains upbeat with regard to the year end result. With trading profits improving from £1m to £1.4m and with Bondholder's receiving £1.15m in payments, this past year of trading has many highlights as the underlying performance has been maintained. This reaffirms the core trading strategy of the Company remains solid in its ability to generate profits to service the obligations to Bondholders, even in the most unusual and difficult of years.

When reading through the later chapters within the Report and Accounts,

one will note the financial analysis in relation to the geographical regions our Bondholders are mainly drawn from and the comparative data relating to a number of differing asset classes and investments. It is interesting to note the firm's fixed interest Bonds have outperformed the majority of these identified products and continues to deliver, as highlighted within the report, a well formed and balanced "risk and reward" opportunity for current and prospective Bondholders alike.

Looking forward to the financial year 2021 – 2022, the directors continue to be committed to the core FX

strategy and the algorithmic platform it employs to generate income, whilst they have enacted complimentary strategies aligned to trading to create further controlled diversification. Since adapting and adjusting our business plans throughout last year – whilst the pandemic continues to circulate throughout the world – it is our opinion that markets, companies, investors and Governments alike are all rebasing their opinions and strategies relating

to economic matters and adapting and adopting new ways in which they manage their fiscal responsibilities in the future. This, aligned to our belief the initial economic

“ Looking forward to the financial year 2021 – 2022, the directors continue to be committed to the core FX strategy and the algorithmic platform it employs to generate income. ”

“shock” Covid-19 created across the globe is receding, will encourage a return to greater engagement and proactive approach to investment decision making. With this in mind, our sense is that as we move into the 2021-22 trading year, confidence will return across many sectors and markets.



Trevor Inch
Co Founder and Executive Director





Macroeconomic Analyses

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



Low interest rates and quantitative easing is the focus

This report will explain and analyse two essential macroeconomic factors that impact our products: monetary policies by major financial economies and inflation risk. The former impacts interest rates transcendentally, the capital markets we operate in, and the competition we face. The latter impacts the real returns our products generate. Therefore, William John consistently analyses both, and this section will inform the reader on the current status of these factors, our strategic view on assessing these factors and what our conclusions mean for our business.

1 Monetary Policy

Monetary Policy is a tool used by Central Banks and Governments around the world to achieve its economic objectives including: managing its inter-national capital flows, market expectations, money supply and economic growth.

Often classified as 'expansionary' or 'contractionary' policy, Central Banks can alter the money supply in order to determine the base 'interest rate' for the economy within its jurisdiction.

Common base interest rates of conventional familiarity include the U.S. Federal Reserve's 'Federal Funds Rate' and the Bank of England's 'Bank Rate'.

Expansionary measures are aimed at lowering the interest rate and increasing the money supply, and vice versa for contractionary measures. Central Banks have many tools at their disposal to implement its monetary policies. These can be Open Market Operations (OMO), (including contemporary Quantitative Easing/Tightening programmes) which involves purchasing sovereign and highest-grade corporate securities to influence borrowing and lending capabilities in an economy and ultimately adjust the money supply. Other measures include adjusting the base interest rate, altering bank reserve requirements for financial systems that operate under a fractional reserve banking system and in times of economic crises, directly lending to crucial stakeholders.

Monetary Policy is a vital and influential factor in Debt Capital

Markets (DCM) as it directly affects underlying interest rates and borrowing/lending levels in an economy. Hence, William John has provided a brief summary of current Monetary Policies being implemented by credible banks including the European Central Bank (ECB), the Bank of England (BOE) and the Federal Reserve ('the Fed') to provide transparency to its effect on our products.

1.1 U.K. Monetary Policy

With the outbreak of the Covid-19 Pandemic in December 2019 and subsequent escalation of its Public



Monetary Policy is a tool used by Central Banks and Governments around the world to achieve its economic objectives including: managing its inter-national capital flows, market expectations, money supply and economic growth.





A graphical representation of U.K, U.S. and EU commercial and underlying interest rates as well as yields of their respective government bonds

Health and economic devastation, the Bank of England has supported the Treasury and the United Kingdom by adopting expansionary monetary policies.

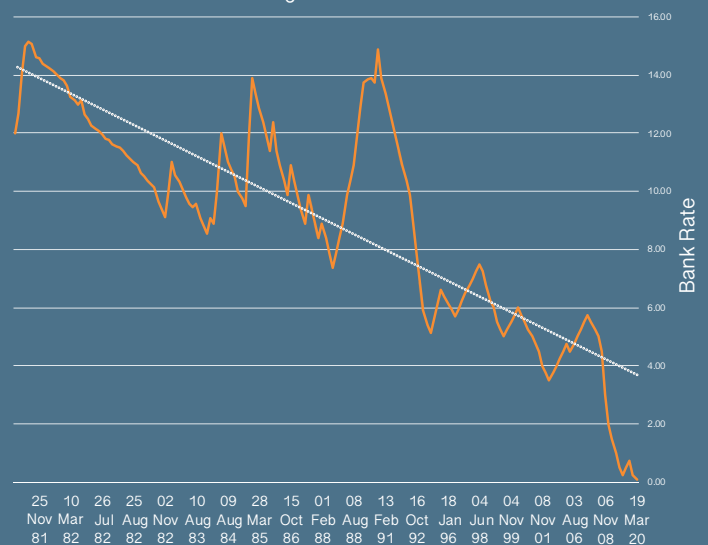
Firstly, the Bank Rate has dropped as close to the zero bound of interest rates as it has ever been in forty years (**Figure A**).

With the Bank Rate currently at 0.1% as of 19/03/20, it has had a knock-on effect in lowering the interest rates on Bank Deposits and in the DCM.

As seen in **Figure B**, average interest rates of financial institutions have declined steeply since the first quarter of 2020 implying a lower rate of return for deposits and commercial banking activities.

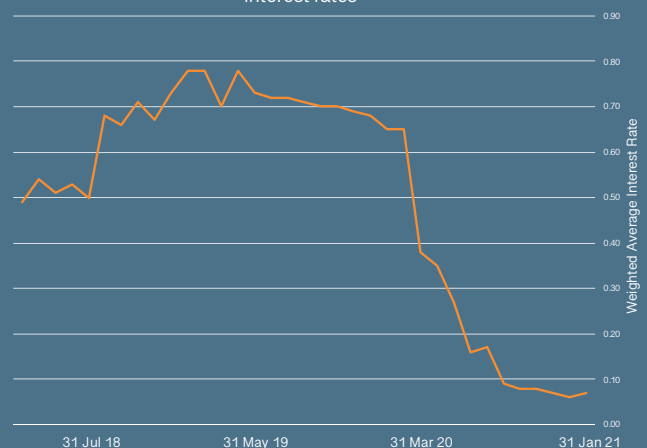
In addition, looking to **Figure C**, which represents the rate of return investors can expect to receive at each maturity classification of government AA accredited bonds, varies underneath 0.5% for short term Gilts and less than 1.5% for medium- and long-term Gilt maturities.

Bank of England Bank Rate since 1981



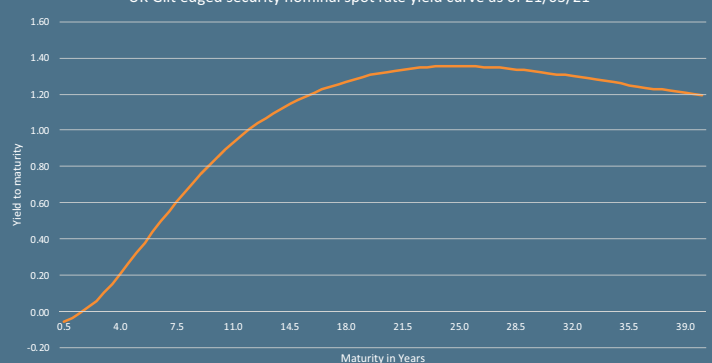
A Figure A - Source: William John, Bank of England Data. (Raw Data Collected)

Monthly average of UK resident monetary financial institutions' (excl. Central Bank) sterling weighted average interest rates



B Figure B - Source: William John, Bank of England Data. (Raw Data Collected)

UK Gilt edged security nominal spot rate yield curve as of 21/03/21



C Figure C - The yield curve of UK Government Gilts (as of 21/02/21)



1.2 U.S. Monetary Policy

The Federal Reserve has also implemented expansionary monetary policies to support the U.S. economy through the Covid-19 pandemic and challenging economic conditions by dropping its Federal Funds Rate from 1.5% - 1.75% at the end of January 2020 to 0.0% - 0.25% by March 15th, 2020 where it has remained:

(Figure D).

This has had parallel effects on commercial interest rates and U.S. Debt Capital Markets.



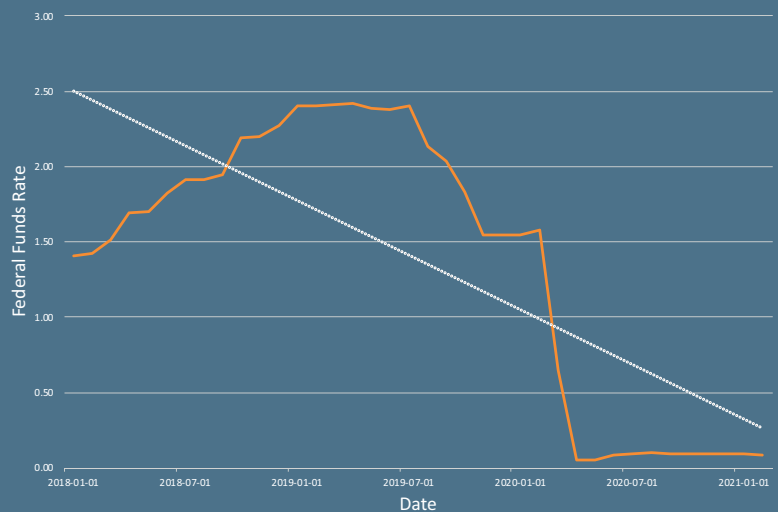
The Bank Prime Loan Rate is the rate that commercial banks charge to their most credit worthy customers and directly influences the rates for mortgages, small business loans, personal loans and depository interest as well as most other interest rates. Its decline is indicative of lower rates of return for creditors.



The Bank Prime Loan Rate has dramatically fallen since February 2020 from 4.75% to 3.25% **(Figure E)** most recently.

The lowering in the Federal Funds interest rate and Prime Loan Rate has been felt in the market for U.S Treasury Bills (U.S. government bonds). The Yield Curve of U.S. Treasury Bills has been hovering close to 0% for short term maturities and no higher than 2.5% decades into the future as of 24/03/21 **(Figure F)**.

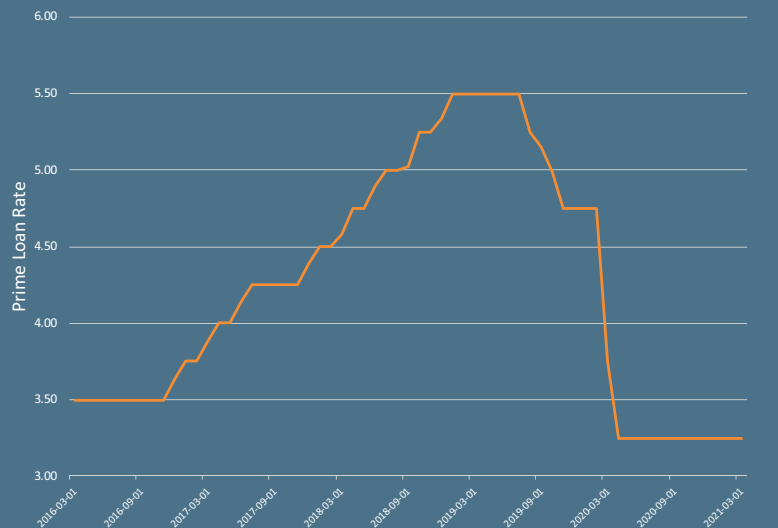
Federal Funds Rate from January 2018 to January 2021



D

Figure D - Source: William John, St. Louis Federal Reserve Data (Raw Data Collected)

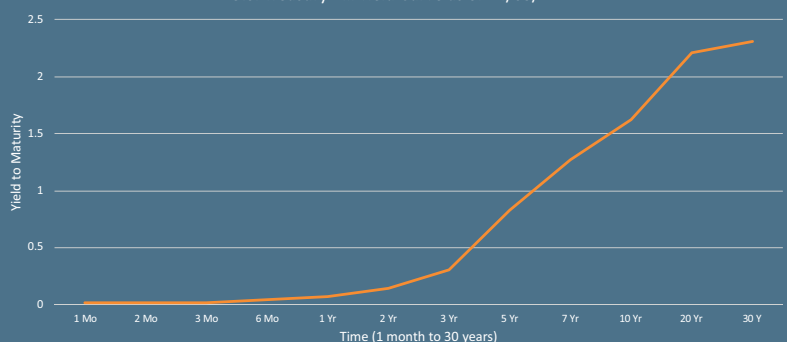
U.S. Bank Prime Loan Rate from March 2016 to March 2021



E

Figure E - Source: William John, St. Louis Federal Reserve Data (Raw Data Collected)

U.S. Treasury Bill Yield Curve as of 24/03/21



F

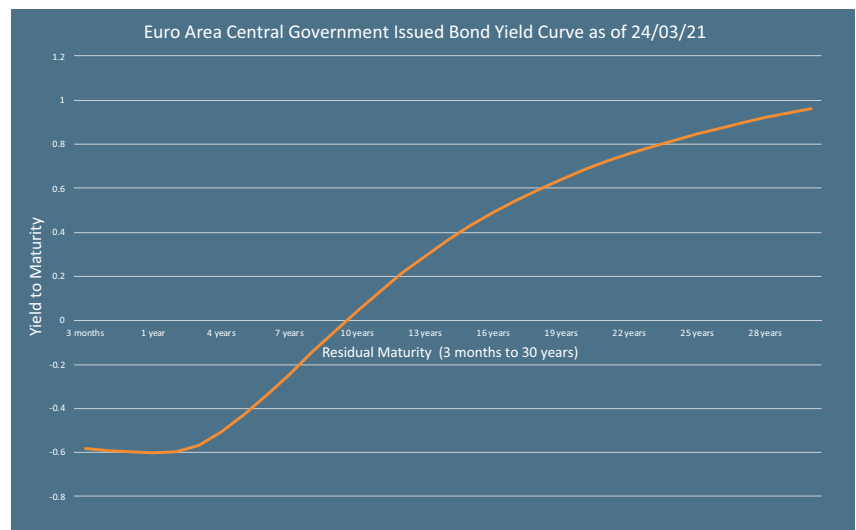
Figure F - Source: William John, U.S. Department of the Treasury (Raw Data Collected)

1.3 European Monetary Policy

Finally, the European Central Bank has implemented expansionary monetary policy. It utilises three key interest rates to encourage commercial interest rates: The Main Refinancing Operations Rate (MRO), The Deposit Facility Rate and the rate on the Marginal Lending Facility. As of 18th November 2019, they stand at the following:

Date (with effect from)	Deposit Facility	Main Refinancing Operations	Marginal Lending Facility
18/11/19	-0.50%	0.00%	0.25%

Having reviewed policy decision making by these Central Banks over the past 12-18 months, William John believe these policies are favourable to the Company and its clients.



Source: William John, European Central Bank (Raw Data Collected)

With the ECB interest rates negative or close to the zero bound, Central Bank issued debt in the Eurozone has negative yields on short- and medium-term bonds including AAA accredited debt. This has been reflected in depressed household and corporate interest rates in the Eurozone as of July 2020. Regarding the composite cost of borrowing for corporations, it stands at 1.51% whilst for households, their composite cost of borrowing stands at 1.2%-1.6% for house purchases and 5.2% for loans for consumption, according to the July 2020 Bank Interest Rate Statistics released by the European Central Bank.

1.4 Summary Assessment of Influential Monetary Policy

Having reviewed policy decision making by these Central Banks over the past 12-18 months, William John believe these policies are favourable to the Company and its clients.

Low interest rates set at the Central Banking level have been transferred into residential, commercial and corporate sectors in the U.K., U.S., European Union and much of the rest of the world, exacerbated by the effects of the pandemic. These low interest rates, designed to encourage further borrowing, is a great opportunity for the borrower but has left creditors with much lower rates of return available to them in the debt capital markets. These lower rates of return have been evident in the sovereign and high investment grade bond markets, exhibiting depressed yield curves on short-, medium- and long-term residual maturity horizons. William John believes these policies have strengthened its return offering against blue chip and sovereign fixed income competition and this represents a fantastic opportunity for our clients to access exceptional rates of return in meagre conditions for debt capital markets.



2 Inflation Risk

The second fundamental macroeconomic factor to William John is inflation. Conventionally measured using a Consumer Price Index (CPI), inflation can erode real returns on investment. For example, paying a \$100 annuity payment after a 2% rise in the price level (or CPI) would represent a \$98 annuity in real terms.

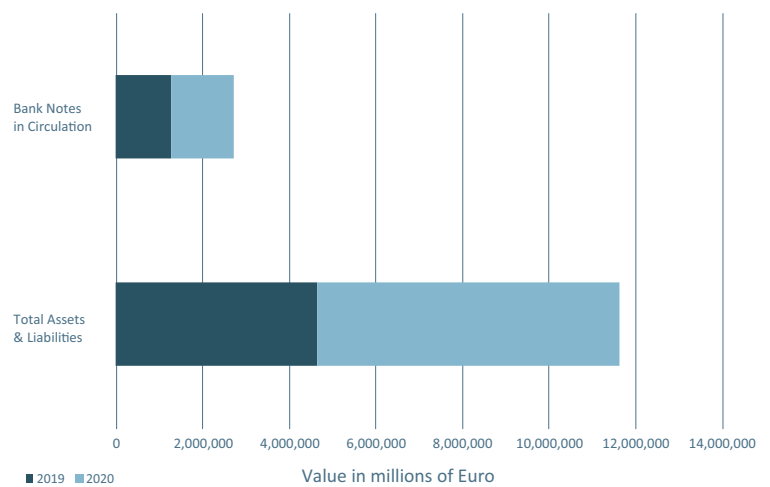
Inflation has been of particular importance to the Company this year given significant expansionary monetary policy tools being

“Inflation has been of particular importance to the Company this year given significant expansionary monetary policy tools being used to combat recession and the fallout of Covid-19.”

used to combat recession and the fallout of Covid-19. In particular, Quantitative Easing programmes conducted by most major Central Banks globally has raised concerns about a growing monetary base through its asset purchases. Looking at the respective balance sheets of the European Central Bank, Federal Reserve and the Bank of England, for example, empirically verifies this: (Figure H, I, J).

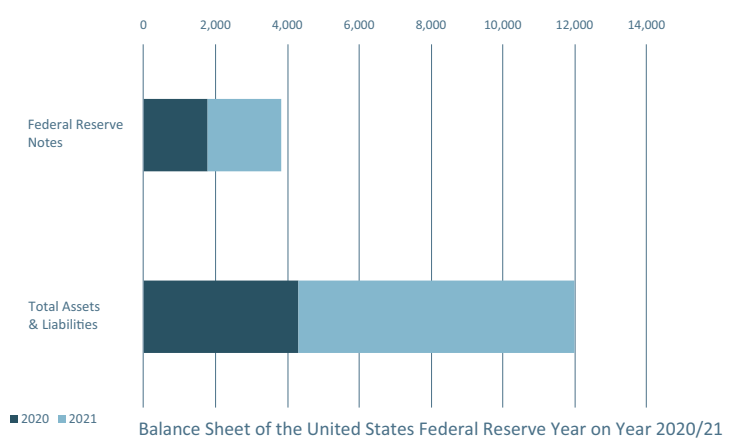
“William John takes meticulous care to track and forecast inflationary pressure as these can affect client’s real returns.”

Balance Sheet of the European Central Bank Year on Year 2019/20



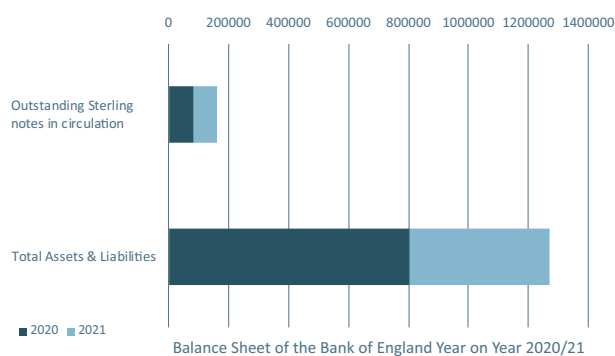
H Source: William John, European Central Bank (Raw Data Collected)

Value in Billions of US Dollars



I Source: William John, board of governors of the Federal Reserve System (Raw Data Collected)

Value in Millions of Pounds



J Source: William John, Bank of England (Raw Data Collected)



All figures identify two things in particular. The first is growth in the monetary base of each currency, and second the growth in the balance sheet of each Central Bank.

The growth of the balance sheet is procyclical. The Central Banks are acquiring securities (increasing their assets) and by doing so are injecting more cash into their respective economies (increasing their liabilities). In other words, one leads to another. The concern for economists and analysts is that an increasing monetary base can lead to rises in the price level, contributing to higher levels of inflation.

William John takes meticulous care to track and forecast inflationary pressure as these can affect client's real returns. Inflation statistics as of the first quarter of 2021 do not indicate an unexpected or rapid rise in the rate of inflation, with consumer price indices in the U.S., U.K. and Eurozone all fluctuating around 1.0%-2.0% this year. It remains to be seen what the consumer price indices shall do for the remaining three quarters of 2021, but with no contractionary measures suggested by Central Banks internationally as they try to put their economies back on their feet, the Company is confident that inflation will remain stable for the foreseeable future and poses no immediate or medium-term threat to client returns.

3 Overall Summary of Macroeconomic Analysis

Having reviewed the two significant areas of the macroeconomy that affect William John, the Company believes that a low-interest rate environment with negative or fundamentally low yields on highly accredited fixed income securities makes our products rate of return exceptional in current debt capital market conditions.

This environment, which has been generated by Central Bank monetary policy and some

unorthodox but essential fiscal policies by various State treasuries, has led to concerns by analysts of increased inflation, however current analysis suggests the contrary as the majority of the global economy remains out of action and output in many sectors critically low. With the risk of inflation not currently considered an imminent threat, William John is looking to take advantage of its unique opportunity to access new markets of potential creditors and develop its capital base in favourable market conditions.







Capital Market Review

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



A look at financial performance indices of equities and bonds in specific markets

1. Introduction, Summary and Methodology

1.1 Introduction & Summary

There are four aims set out in the William John Capital Market Review.

First, to provide a brief explanation of risk & return and riskless investments. Second, to update our clients on the performance of our products and services relative to the performance of bond indices in the Middle Eastern, Emerging and Western markets where the majority of our clientele are based. Third, to review specific market conditions and potential risks to investors broken down by region. Fourth and finally, to assess performances on equity indices in the region as a proxy measure for economic performance that can impact capital market opportunities for investors.

In summary, William John on a risk-adjusted basis has outperformed every index it has measured its performance against based on the Sharpe Ratio of the cumulative return for the time period less a risk-free return of 1.5% divided by the standard deviation (proxy for risk) of the returns during the time period. Equity capital markets have significantly outperformed the rate of return of William John products however all with substantially higher levels of risk involved. In the bond markets studied, they have been more volatile and generated less cumulative return over the time periods measured.

“William John on a risk-adjusted basis has outperformed every index it has measured its performance against”

1.2 Methodology

The methodology of this analysis is to compare the rate of return of William John products to indices in the following geographical areas: The United Kingdom, European Union, South East Asia, Middle East and Africa. The return on William John Bonds for standardised statistical purposes is 14%. This represents the net return for the unlisted debenture and the gross return for our listed products on the Vienna Exchange. Comparing returns as a percentage ensures that returns can be compared in a standardised manner. This is to ensure that the fluctuating exchange rates between currency pairs during measured time periods do not affect the analysis.

Equity returns have been measured for the year 30/03/20 to 30/03/21 to provide an annual outlook on the equity capital markets. For fixed income returns, they have been measured over the past five years in order to look at comparative statistics for the maximum maturity of our products.

To compare William John's returns, the Company has identified several key indices in the selected markets of which to draw its data from.

An index is a statistical measure, typically of a price or quantity, calculated from a representative set of underlying data. William John uses these indices used as a proxy for the market performance of specific types of bonds and equities in the specified region. By analysing index statistics, William John's rate of return can be contextualised for clients relative to what they could achieve in these markets.

The majority of equity indices used are “Capitalisation Weighted Indices” from S&P Global's S&P Dow Jones

Indices. In short, S&P calculate the price of an equity and multiplies it by the number of shares used in the calculation. The larger the Company is, the more shares it uses, creating a 'weighted' effect favouring larger companies that issue more shares. It then sums up the value of these calculations for each equity and divides it by a 'divisor'. A 'divisor' determines the index level and accounts for changes being made to the index such as, for example, an equity exiting the index, and another being added. If the sum of the value of the market capitalisations in an index is US\$ 20 trillion and the divisor is US\$ 10 billion, the index level would be 2000. As the index level changes over time, analysts can then assess the standard percentage returns on investing in this market over a period of time, or use the index return as a 'benchmark' for its own return performance, the latter of which is the objective of William John. For more information on Capitalisation Weighted Indices and a more detailed explanation of their methodology, please visit: <https://www.spglobal.com/spdji/en/>.

As a final note on indices, it must be stressed these are not financial securities themselves. However, they are used as approximate measures for the 'market performance' for a particular universe of securities such that if a portfolio was to hold its constituents in an exact replication of the index, it should provide a benchmark market return.

2. Risk Free Market Analysis & Risk/Return insight

2.1 Explanation of riskless securities

The term "risk-free" applies to very specific type of securities: highly accredited sovereign bonds or financial assets. The most commonly known risk-free financial asset is the U.S Treasury Bill. It is often cited as risk free due to the credit rating of the United States as rated by Standard & Poor's and Moody's which are, amongst others, the world's leading credit rating agencies.

However, it should be noted that other stable economic nations apart from the United States have strong credit

ratings such as the U.K (AA), European Union (AA) and Abu Dhabi (AA), all rated using the S&P long term issue credit rating system. The securities issued by these governments are therefore likely to be considered minimal risk or riskless. The reasoning behind these high credit ratings and low risk profiles for their assets is a calculated probability. For example, if the United States was to default on its debentures, the Government could pass emergency legislation and charge higher tax revenues to the populace to finance them. That populace specifically being the wealthiest constituent population in the world. In practice, this is so unlikely to ever happen that the risk of the United States defaulting is considered close to zero, so there is no risk when acquiring securities from the U.S. government and other highly accredited nations.

2.2 Risk versus Return

Risk as a financial term is the probability that something will differ from its expected outcome or return. Risk is

constantly assessed at William John in association with our analysts and partners. It is often noted in financial academia that risk and return represent two sides of a coin.

“On one side of the coin, William John offers its clients a rate of return that the Company feels compensates its clientele exceptionally well for the debenture. On the other side of the coin, the creditor has an opportunity cost of lending the money to the Company and not investing it in the capital markets.”

On one side of the coin, William John offers its clients a rate of return that the Company feels compensates its clientele exceptionally well for the debenture. On the other side of the coin, the creditor has an opportunity cost of lending the

money to the Company and not investing it in the capital markets. The transaction of business only functions if the debtor and creditor feel they are getting the capital and return on invested capital (ROIC) they need, respectively. Hence, risk and return are inherently linked concepts.

This is an important note in financial analysis as risk can often perceived as a draconian measure that an investor ought to avoid. On the contrary, higher risk investments are correlated with higher returns and minimal risk investments with lower returns. Modern efficient portfolio theory encourages investors to look at the return-given-risk, rather than just one or the other. At William John, evaluating the money gained given money risked is central to our philosophy and throughout the Report, return/risk ratios are assessed for the clients' privilege.

14%

William John Return

>2%

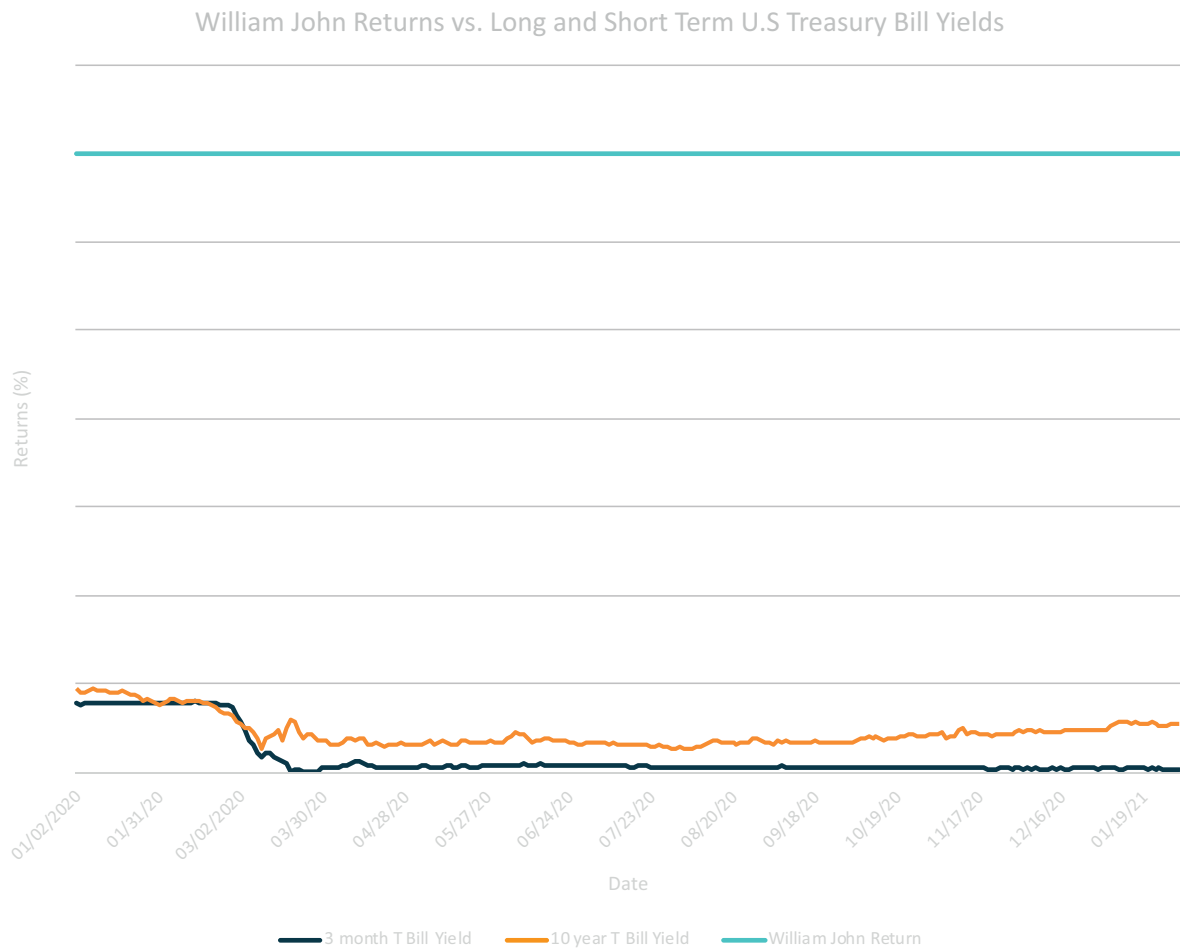
Risk Free Return
10 yr Treasury Bill

>1.5%

Risk Free Return
3 month Treasury Bill



America



2.3 Risk free returns vs. William John returns

To compare the return on a risk-free investment to William John's Bonds, William John has used the yield on a 3-month U.S. Treasury Bill (short term return) and a 10-year U.S. Treasury Bill (long term return) as a proxy measure for the risk-free rate of return between January 2020 and February 2021.

The analysis shows that the immediate risk-free rate of lending for clients is close to zero and a 10-year yield on a risk-free government bond fluctuates below 2%. Comparative to William John Bonds, these returns are negligible and given the dip in the rate around 03/03/2020 as Central Banks adjusted their policies to combat unfavourable economic conditions given the Covid-19 Pandemic, represents the consistent and robust returns of our products relative to publicly traded sovereign and corporate products, which shall be analysed further in specific capital markets throughout this report.



61.79%

Cumulative Return

3.73

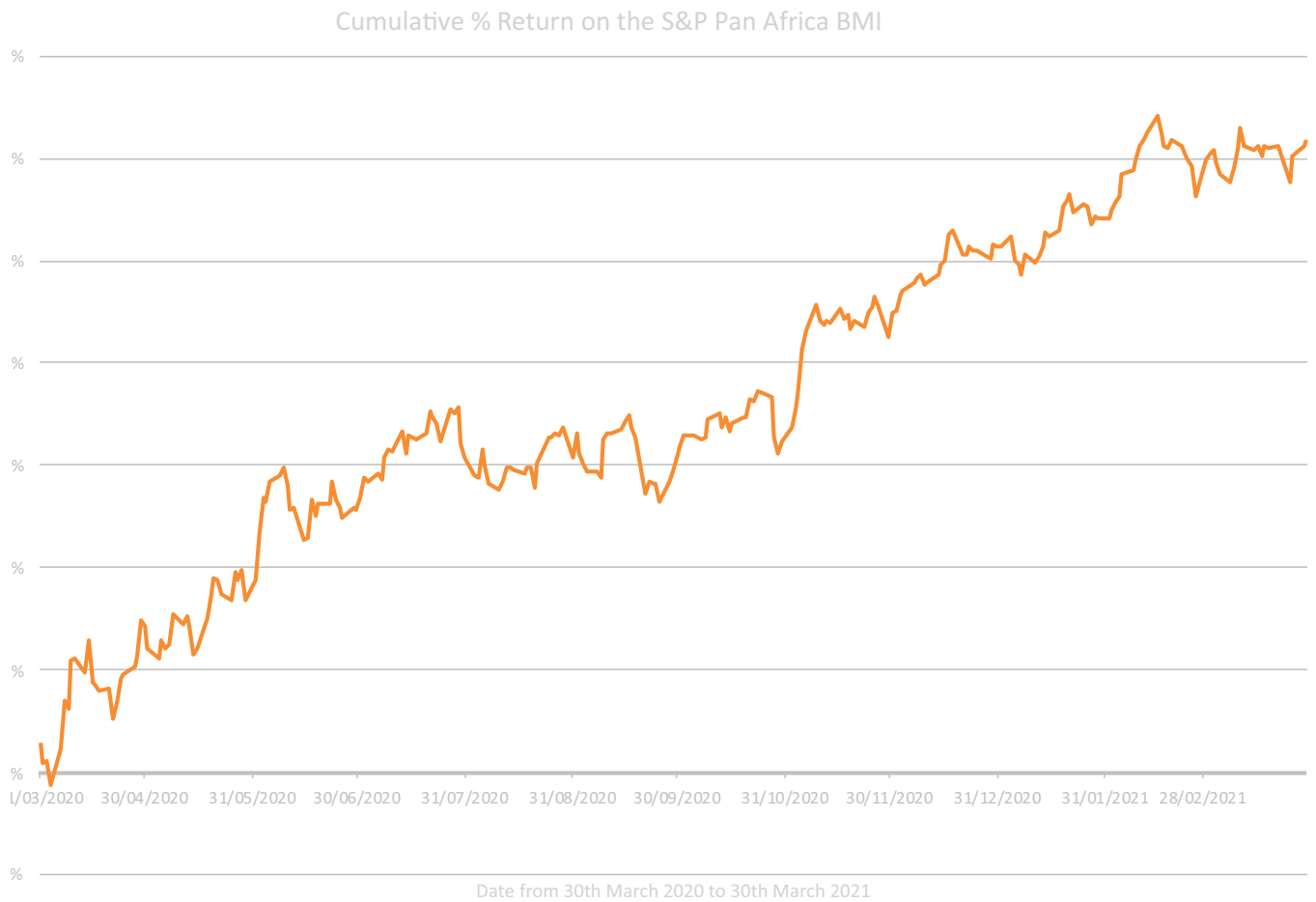
Risk adjusted
performance

327

Number of stocks
analysed in index



Africa



3 Emerging Market Capital Market Analysis

3.1 African Equities

William John has selected the Standard & Poor's Pan Africa BMI Index. This index is a float adjusted market capitalisation weighted index. The Pan Africa BMI is a comprehensive benchmark including 327 stocks from 12 African emerging and frontier markets: Botswana, Cote d'Ivoire, Egypt, Ghana, Mauritius, Morocco, Namibia, Nigeria, South Africa, Tunisia and Zambia. The performance between March 2020 and 2021 for this index shows steady gains with a total cumulative return of 61.79% between 30/03/2020 and 30/03/2021.

The annualised risk for the constituents of this index has been measured at 16.16% based on the standard deviation of the cumulative return for the period. On a risk-adjusted basis, this is an average equity performance of 3.73081683 for every USD invested in this index portfolio, the investor could expect to receive \$3.70 back on an approximate basis.



29.25%

Cumulative Return

2.50

Risk adjusted
performance

13

Number of
Sovereign Bonds



Africa

Total % Return on S&P African Sovereign Bond Index between
March 2016 and March 2021



3.2 William John Returns vs. S&P African Sovereign Bond Index (USD)

The S&P African Sovereign Bond Index is a market value weighted index that tracks the performance of sovereign bonds from 13 countries within Africa: Botswana, Egypt, Ghana, Kenya, Mauritius, Morocco, Namibia, Nigeria, South Africa, Tanzania, Tunisia, Uganda, Zambia.

Assessing returns over the past five years, these bonds have climbed in an upward trajectory despite experiencing a decline in value towards the end of 2016 and throughout 2017. Summing the cumulative returns from this index represents a 29.25% total return, annualised at 5.85%.

The annualised risk for the constituents of this index has been measured at 11.09% based on the standard deviation of the cumulative return for the period. On a risk-adjusted basis, the return for the period was 2.50225428.

32.11%

Cumulative Return

2.93

Risk adjusted
performance

40

Number of stocks
analysed in index



East Asia



3.3 South East Asian Equities

William John has selected the South East Asia 40 index. This index is a modified market capitalisation weighted index which provides exposure to the performance of the 40 leading companies based in Indonesia, Malaysia, the Philippines, and Thailand.

The performance between March 2020 and 2021 for this index shows large gains during the second quarter of 2020 and during the fourth quarter of 2020 with a total cumulative return of 32.11% between 30/03/2020 and 30/03/2021.

The annualised risk for the constituents of this index has been measured at 10.45% based on the standard deviation of the cumulative return for the period. On a risk-adjusted basis, the return for the period was 2.9291866.



14.63%

Cumulative Return

0.29

Risk adjusted
performance

327

Corporate bonds
analysed from 10
countries



Pan Asia



3.4 William John Returns vs. S&P Pan Asia Corporate Bond Index (USD)

The S&P Pan Asia Corporate Bond Index is a market value weighted index that tracks the performance of corporate debt issued from one of the following countries: China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand.

Assessing returns over the past five years, these bonds have climbed in an upward trajectory. Throughout 2016, the index suffered from mostly negative performance carrying through the first half of 2017. Since then, the Index has seen positive gains in performance, dipping in the third and fourth quarters of 2018 and then climbing into the first quarter of 2021. Summing the cumulative returns from this index represents a 14.63% total return, annualised at 2.926%.

Annualised risk over the five-year period was calculated to be 4.88% valuing the risk-adjusted return at 0.29221311.



39.16%

Cumulative Return

3.77

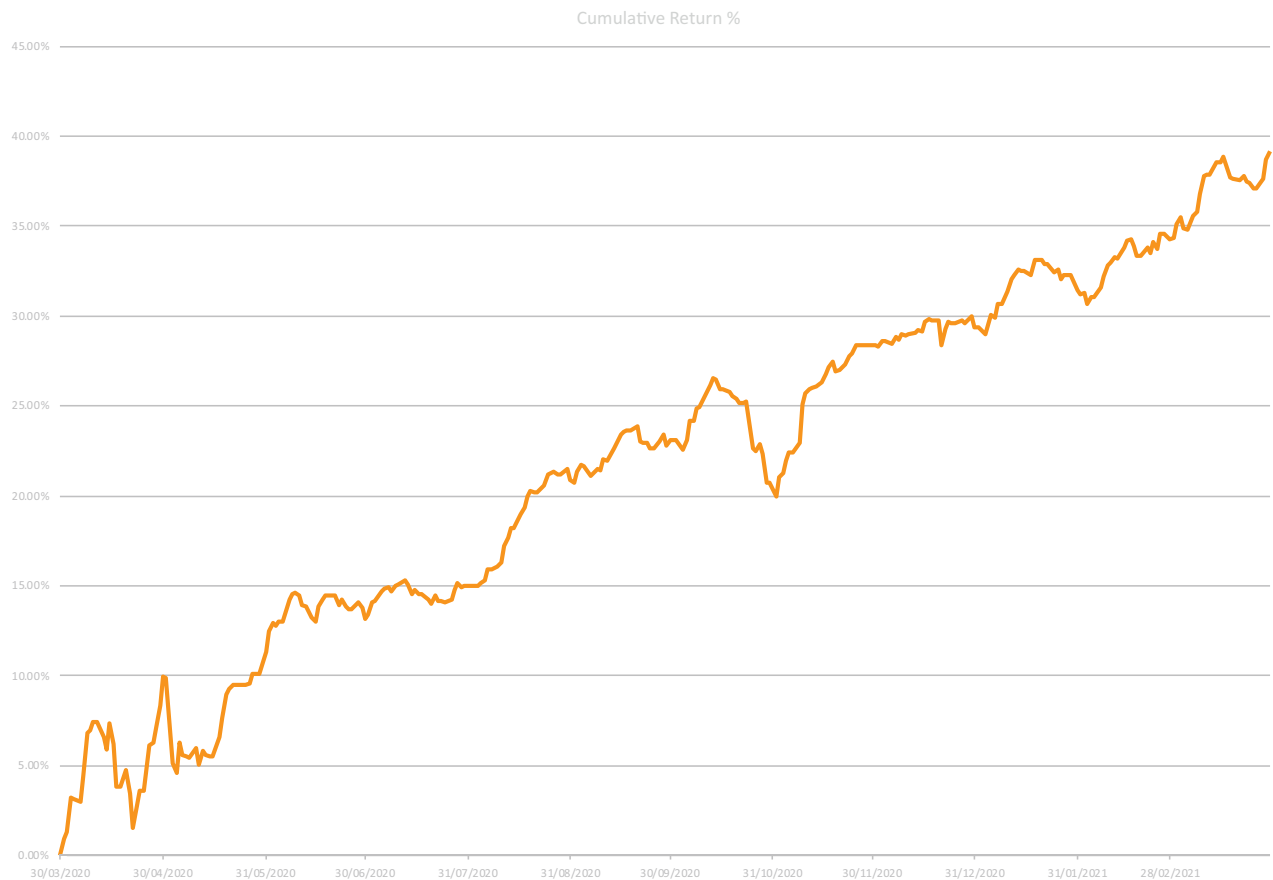
Risk adjusted
performance

357

Number of stocks
analysed in index



Middle East



4 Middle Eastern Capital Market Analysis

4.1 Middle Eastern Equities

William John has selected the S&P Pan Arab Composite Index. This index is a float-adjusted market capitalisation weighted index which provides exposure to 357 equities from: Saudi Arabia, Qatar, United Arab Emirates, Kuwait, Morocco, Egypt, Bahrain, Jordan, Oman, Lebanon and Tunisia.

The performance between March 2020 and 2021 for this index shows steady gains throughout the entire period with a total cumulative return of 39.16% between 30/03/2020 and 30/03/2021.

The annualised risk for the constituents of this index has been measured at 9.98% based on the standard deviation of the cumulative return for the period. On a risk-adjusted basis, the return/risk ratio for the period was 3.77354709.

A woman wearing a blue hijab and a striped shirt is sitting at a desk, looking at a laptop. The image is overlaid with a blue tint and contains several data points and a map of the Middle East & North Africa region.

25.85%

Cumulative Return

0.38

Risk adjusted
performance

327

Corporate
debentures analysed
from 18 countries



Middle East & North Africa



4.2 William John Returns vs. the S&P MENA Bond Index

The S&P MENA (Middle East North Africa) Bond Index is a market value weighted index that tracks the performance of corporate debentures issued from companies domiciled in: Algeria, Bahrain, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Syria, Tunisia, the United Arab Emirates, and Yemen.

Assessing returns over the past five years, these bonds have climbed in an upward trajectory. Between 2016 the fourth quarter of 2018, the index saw steady positive performance. Since then, the index has produced positive strong returns at an aggressive rate, discounting a large drop during the first quarter of 2020 that swiftly recovered going into 2021. Summing the cumulative returns from this index represents a 25.85% total return, annualised at 5.17%.

The annualised risk for the constituents of this index has been measured at 9.55% based on the standard deviation of the cumulative return for the period. On a risk-adjusted basis, the return/risk ratio for the period was 0.38429319.



31.48%

Cumulative Return

3.03

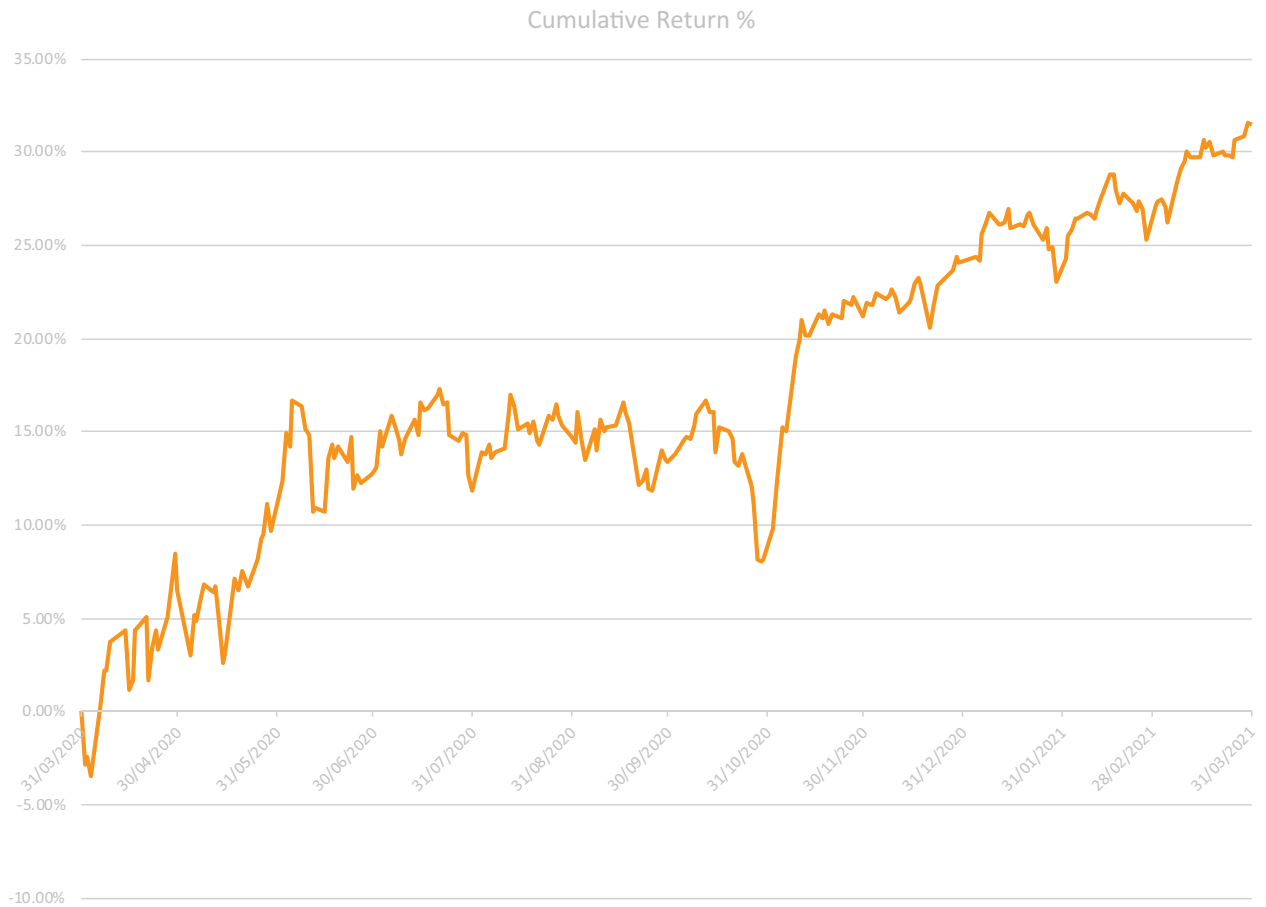
Risk adjusted
performance

600

Stocks analysed
from 17 countries



Europe



5 Developed Capital Market Analysis

5.1 European Capital Markets

5.1.1 European Equities

William John has selected the STOXX Europe 600 Index. This index is a float-adjusted market capitalisation weighted index which provides exposure to 600 equities from: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

The performance between March 2020 and 2021 for this index shows steady gains throughout the majority of the period with a total cumulative return of 31.48% between 31/03/2020 and 31/03/2021.

The annualised risk for the constituents of this index has been measured at 7.95% based on the standard deviation of the cumulative return for the period. On a risk-adjusted basis, the return/risk ratio for the period was 3.77106918.



13.57%

Cumulative Return

0.15

**Risk adjusted
performance**



**Investment Grade
Bonds denominated
in EUR**



Europe



5.1.2 William John Returns vs. S&P Eurozone Investment Grade Corporate Bond Index

The S&P Eurozone Investment Grade Corporate Bond Index is a currency methodology-based index that tracks the performance of corporate debt issued in Euro's regardless of domicile and market of issuance by investment-grade corporations.

Assessing returns over the past five years, the performance of these bonds has climbed in an upward trajectory. Throughout 2016, the index suffered from mostly negative performance carrying through the first half of 2017. Since then, the Index has seen positive gains in performance, dipping in the third and fourth quarters of 2018 and then climbing into the first quarter of 2021. Summing the cumulative returns from this index represents a 13.57% total return, annualised at 2.714%.

Annualised risk over the five-year period was calculated to be 7.96% valuing the risk-adjusted return at 0.15251256.



19.73%

Cumulative Return

3.03

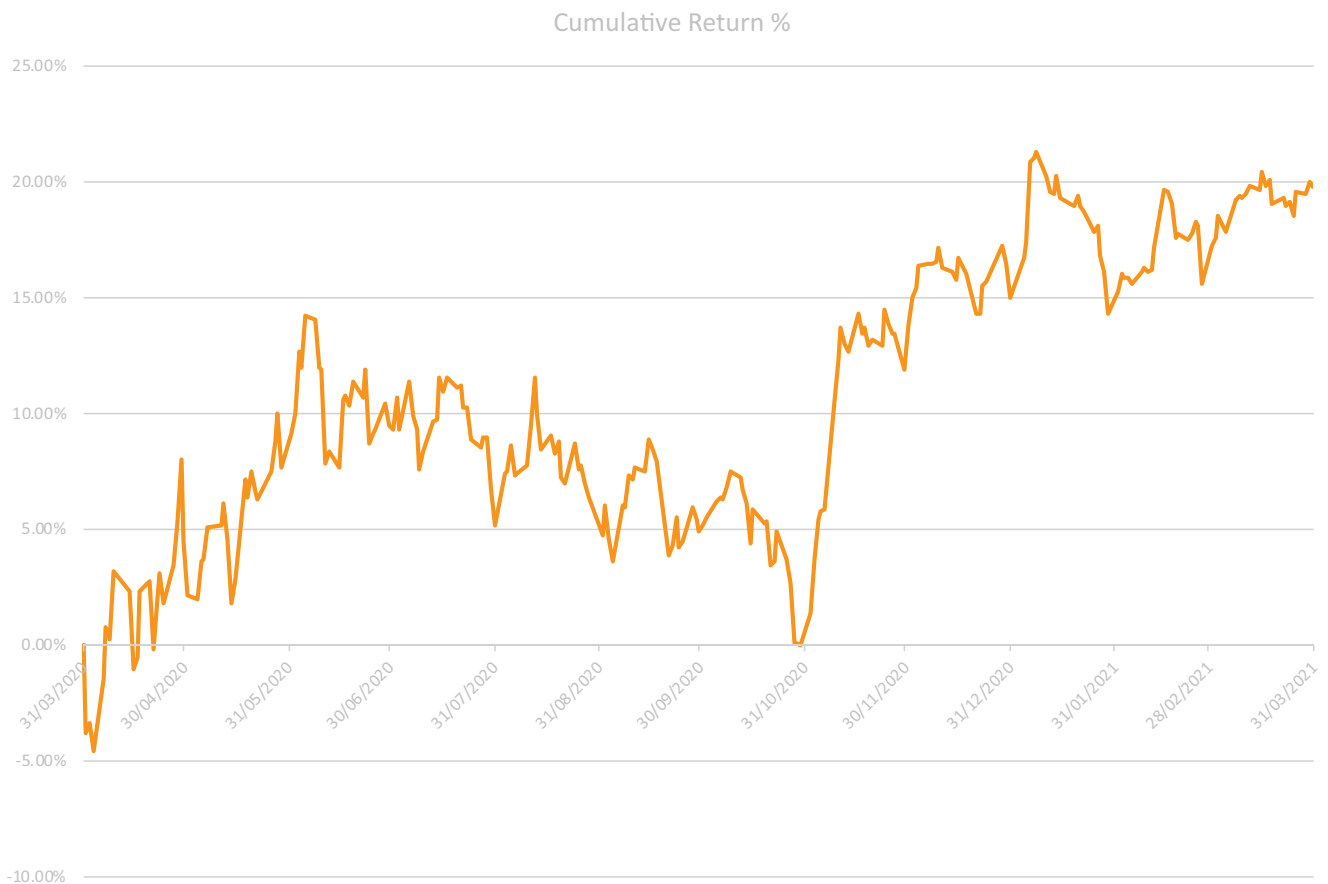
Risk adjusted
performance

100

Number of stocks
analysed in index



United Kingdom



5.2 British Capital Markets

5.2.1 British Equities

William John has selected the FTSE 100 index. The FTSE 100 is a float-adjusted market capitalisation weighted index which provides exposure to 100 equities from the United Kingdom.

The performance between March 2020 and 2021 for this index shows steady gains throughout the majority of the period with a total cumulative return of 19.73% between 31/03/2020 and 31/03/2021.

The annualised risk for the constituents of this index has been measured at 6.02% based on the standard deviation of the cumulative return for the period. On a risk-adjusted basis, the return/risk ratio for the period was 3.0282392.



29.95%

Cumulative Return

0.51

Risk adjusted
performance

£

Investment Grade
Bonds denominated
in GBP



United Kingdom



5.2.2 William John returns vs. the S&P U.K. Investment Grade Corporate Bond Index returns

The S&P U.K. Investment Grade Corporate Bond Index returns is a market value weighted index that tracks the performance of corporate debt issued in the U.K.

Assessing returns over the past five years, these bonds have seen positive gains in performance aside from a significant dip during the first quarter of 2020. Summing the cumulative returns from this index represents a 25.95% total return, annualised at 5.19%.

Annualised risk over the five-year period was calculated to be 7.25% valuing the risk-adjusted return at 0.50896552.



6 Summarised Results

6.1 Summarised Comparative Performance in Equity Markets

	William John	S&P Africa BMI	Southeast Asia 40 Index	S&P Pan Arab Composite Index	STOXX 600	FTSE 100
Annualised Return	14%	61.79%	31.11%	39.16%	31.48%	19.73%
Risk	2.26%	16.16%	10.45%	9.98%	7.95%	6.02%
Sharpe Ratio	5.53	3.73	2.93	3.77	3.77	3.03

6.2 Summarised Comparative Performance in Bond Markets

	William John	S&P Africa Sovereign Bond Index	S&P Pan Asia Corporate Bond Index	S&P MENA Bond Index	S&P Eurozone Investment Grade Corporate Bond Index	S&P UK investment Grade Corporate Bond Index
Annualised Return	14%	5.85%	2.93%	5.17%	2.71%	5.19%
Risk	2.26%	11.09%	4.88%	9.55%	7.96%	7.25%
Sharpe Ratio	5.53	2.50	0.29	0.38	0.15	0.50







Management Team

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



Meet The Team



Trevor Inch

Over the past 35 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.

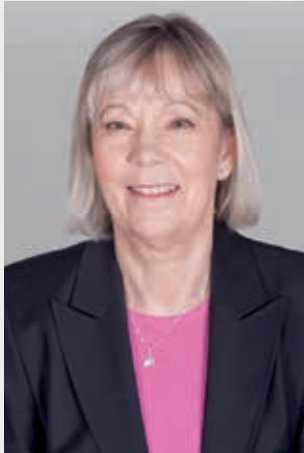


Rob Holgate

Rob has spent over 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 £12m 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.



James Hughes

Having studied law at university, James' career has taken him into the commercial property investment and development sectors. Throughout this period, James has acquired both personally and as investment manager on behalf of clients, a multi-sector property portfolio focusing on high yielding commercial returns in prime locations.

Alongside the acquisition of such properties, James has overseen several developments, with a successful track record of achieving profitable sales or the placing of high value tenants.

Responsible at times for a team of up to fifty, James has 15 years' experience of negotiation, networking and building business relationships with clients, investors and institutions.





Accounts

**Full audited financial statements for the year ended
31st January 2021 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 YEAR ENDED 31 JANUARY 2021**





CONTENTS OF THE FINANCIAL STATEMENTS **For The Year Ended 31 JANUARY 2021**

DIRECTORS: T W Inch
N Parfremment (appointed 17 March 2021)
C Sephton (resigned 24 February 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
4 Thomas More Square
London
E1W 1YW

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



STRATEGIC REPORT For The Year Ended 31 JANUARY 2021

The directors present their strategic report for William John (HV) plc (the “Company”) for the year ended 31 January 2021.

Principal Activities

The principal activity of the Company is algorithmic foreign exchange currency trading. Additionally, to support the foreign exchange activities the Company acquires listed equity and other investments to hold as assets on its balance sheet. The Company raises finance through the issuance of medium term private bonds to qualified retail investors. The Company is not regulated by the Financial Conduct Authority (FCA).

Review of Business

The Company has issued bonds with a par value of £5,563,841 in the year to 31 January 2021 and has utilised these funds to introduce capital into the licenced algorithmic trading strategy and procure equity stocks. At the year end the Company had a total of 90 bondholders and the bonds have an average maturity of 3 years.

The Company made a net loss after tax of £284,726 for the year ended 31 January 2021 and had net assets of £313,323 at the year end.

In May 2020, the firm completed and signed off its audit for the year 2019/20. With a satisfactory financial performance achieved, the directors looked forward to building upon these foundations targeting growth from the foreign exchange strategies it deploys and increasing the capital inflow from Bondholders to continue to develop the capital base of the Company, allowing it to generate positive cash flow and to build and strengthen its Balance Sheet.

At that time, the Covid-19 pandemic was recognised as a potential risk to our trading profile and general commercial activities and in my Directors’ Report at the time I wrote:

“The Company’s general trading and asset positions have not been affected by the impending Covid- 19 pandemic throughout the financial year ended 31 January 2020. The effects of Covid- 19 are treated as a ‘non-adjusting’ subsequent event and therefore, no adjustments have been required to be made to the asset position held by the Company nor was there any material effect to the trading of foreign currencies within this period.

Looking forward, an evaluation of risks associated to the Company in relation to the social and economic impact of the pandemic have been undertaken and, at this juncture, the directors are satisfied that due to the nature of foreign exchange trading, this core activity has responded well to the fluctuations and movements within the financial markets. Whilst a diligent approach remains central in these unprecedented times, the pandemic has not impacted dramatically upon the specialised algorithmic trading within the first quarter of the new financial year nor has the Company had to manage staffing disruptions or continuity issues due to furlough, as it does not carry any salaried employees.

Therefore, within the core functions of the business, Covid- 19 has had a minimal effect upon the Company. In terms of investment values, the Company will maintain a prudent approach to the valuation of assets throughout the year as there may be a potential that investments could be revalued due to the Covid- 19 effect, however, by dynamically managing this process and consulting with our professional partners, the directors believe they will be prepared for this eventuality”.

What actually transpired throughout the past last year is now, of course, clearly evident and well documented. It was unprecedented. As the global pandemic took hold, we saw immediate and wide ranging actions taken by Governments throughout the world that have rarely, or indeed never been witnessed before, and today the effect of the pandemic still remains a constant presence in our daily lives.

For William John, the core statements made within this Directors’ Report of last year broadly played out. Compared to many other companies operating across a plethora of sectors our firm did not, and continues not to have the organisational, logistical or human resources challenges that a great number of companies currently have to contend with. As the report highlighted, our Company does not have a high head count number, therefore, furlough and the management of teams working from home have not been a distraction for the board to manage. Head Office costs were always kept to a minimum pre Covid- 19 and have continued in the same vein and the firm has not been required to adapt its in house operation and, significantly, the general internal management and function of the firm has continued as before, allowing the directors to maintain a sharp focus on trading and the commercial and financial management of the firm, especially in such challenging and rapidly evolving markets.



STRATEGIC REPORT For The Year Ended 31 JANUARY 2021

The great unknown, last year and into this trading year, was how long the pandemic would last. How would the foreign exchange strategies the Company employs be influenced by the core markets and currency pairs it trades and, where the Company holds equity positions, what would be the underlying effect and influence of such wide reaching, dynamic and deeply felt economic change and variation. Moreover, Covid-19 was not the only influencer. Brexit post the final exit from Europe for the U.K. formed another economic conundrum for markets to consider, with the final twist being the U.S. Presidential transition and the battle for the White House. Combining these three elements together has made for one of the most dramatic and unusual economic “cocktails” ever to be witnessed.

However, it is testimony to the FX markets in particular and the cautious approach deployed within the algorithmic trading platform that positive revenue gains from trading of £1.48m were generated. Although, equally, it should be noted that throughout 2020 there was a greater propensity of transactional events, whereby, trading was pulled back due to the extreme volatility of the markets and where risk management profiles were applied upon occasions during the year when markets and currency pairs were flexing beyond the norm.

Furthermore, within the year, our technology partner has continued to evolve the trading platform, refining and investing in further development of the platform, the algorithm and the reporting tools associated to it. These developments improve the mapping of trades across the execution points in which trades take place, creating smoother trading profiles and structured profit taking opportunities. These actions, aligned with the technological developments of the platform, have enabled the firm to continue to benefit from profitable FX trading activity even during the most complex of times, in probably one of the most challenging of years economically.

Moving to listed stocks (equity investments) the Company holds, these have held firm, with the sectors the invested firms operate in benefitting, rather than being hindered by the Covid-19 challenge. They are well placed to supply products and services to their clients at the point in which those clients need them most. One particular example with one of these invested firms whose goal is to become the leading supplier of sustainable products and services to local communities, is the supply of hand sanitisers, fluids and dispensers to major local retailers in the U.K. This market is growing exponentially, especially during the pandemic, which has driven consumers to more local shopping patterns with strong expectations that these trends will continue so long as local retailers meet the demands for more sustainable and higher quality products. They are fast becoming the ‘one stop shop’ for challenger brands wishing to access the local retail marketplace.

Having set out our reflections upon the core trading activities of the business, another key area of focus has been placed upon the distributors of the product who have been required to completely revamp and adapt the way in which they communicate with their clients – our Bondholders and potential Bondholders.

The world has seen the way in which we communicate, travel and make contact with each other dramatically change. Traditional forms of engagement with clients and business connections alike being turned upon their heads. As the Bond issuer, we have recognised and responded to the challenges faced by the marketing partners and networks and have looked to support their efforts, both strategically and tactically, by investing in a number of initiatives ensuring our objectives for the financial year were, in the first instance protected and anchored, before embarking on our growth plan. This created additional, unplanned and unbudgeted expenditure within the profit and loss account, totalling £862,000, which has ultimately had a detrimental effect on its performance, delivering a net loss of £285,000 for the year.

Posting a loss is clearly disappointing, however, in the context of the year we have experienced the board has reflected upon the decisions it made in the early part of the last financial year and has satisfied itself that, without this direct action to sanction upweights to expenditure, the firm’s performance may have suffered more substantially if little or no action had been taken to support the execution of its commercial strategies. Moreover, despite this disappointment of not delivering net profitability in the year, the longer-term plan for the firm is to build a substantial Balance Sheet position and, to this end, our total assets less current liabilities position has increased from £3.8m to £9m over the year. Given this has been such a difficult year, the board remains upbeat with regard to the year end result. With trading profits improving from £1m to £1.48m and with Bondholder’s receiving £1.15m in payments, this past year of trading has many highlights as the underlying performance has been maintained. This reaffirms the core trading strategy of the Company remains solid in its ability to generate profits to service the obligations to Bondholders, even in the most unusual and difficult of years.



STRATEGIC REPORT For The Year Ended 31 JANUARY 2021

Future outlook

Looking forward to the financial year 2021 – 2022, the directors continue to be committed to the core FX strategy and the algorithmic platform it employs to generate income, whilst they have enacted complimentary strategies aligned to trading to create further controlled diversification. Since adapting and adjusting our business plans throughout last year - whilst the pandemic continues to circulate throughout the world - it is our opinion that markets, companies, investors and Governments alike are all rebasing their opinions and strategies relating to economic matters and adapting and adopting new ways in which they manage their fiscal responsibilities in the future. This, aligned to our belief the initial economic “shock” Covid-19 created across the globe is receding, will encourage a return to greater engagement and proactive approach to investment decision making. With this in mind, our sense is that as we move into the 2021-22 trading year, confidence will return across many sectors and markets.

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-UK 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. More information on the estimates of the fair values of the investments is set out in notes 2 and 7.

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

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

Future developments, performance and position

The directors have enacted complimentary strategies aligned to trading to create further controlled diversification. Other than these, the directors do not anticipate any change in the Company’s principal activity, and expect future financial performance to continue on the same basis.

The results for the year are set out on the Income Statement. The directors do not recommend a dividend for the period ended 31 January 2021 (2020: 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 16 August 2021 and signed on its behalf by:



Trevor Inch
Director



REPORT OF THE DIRECTORS For The Year Ended 31 JANUARY 2021

The directors present their report with the financial statements of the Company for the year ended 31 January 2021.

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 monthly 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 profit payment commitments to bondholders.

Interest rate risk and hedging

As at 31 January 2021 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 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 holdings in the market. Currently the listed investments are not actively traded on 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 £5,163,000 are held at a non-UK institution based in the British Virgin Islands and the Company's bank accounts of £240,000 are held at non-UK traditional banks, thereby resulting in a risk to the Company and its bondholders.

Credit risk

As at 31 January 2021 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 UK 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.

In preparing these financial statements the directors are required to:

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



REPORT OF THE DIRECTORS For The Year Ended 31 JANUARY 2021

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

Uncertainty due to the ongoing Covid-19 pandemic has been considered as part of the Company's adoption of the going concern basis. The Company's general trading and asset positions have not been materially affected by the Covid-19 pandemic throughout the financial year ended 31 January 2021.

Looking forward, an evaluation of risks associated to the Company in relation to the social and economic impact of the pandemic have been undertaken and the directors are satisfied that due to the nature of foreign exchange trading, this core activity has responded well to the fluctuations and movements within the financial markets. Whilst a diligent approach remains central in these unprecedented times, the pandemic has not impacted upon the specialised algorithmic trading within the first half of the new financial year nor has the Company had to manage staffing disruptions or continuity issues due to furlough, as it does not carry any salaried employees. Therefore, within the core functions of the business, Covid-19 has had a minimal effect upon the Company and its cash flows or future forecasts.

The uncertainties arising from Covid-19 continue to be under review and the directors believe that the business has the ability to remain trading for a period of at least 12 months from the date of signing of these financial statements. Therefore the directors have a reasonable expectation that William John (HV) plc has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing the financial statements.

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 were appointed as auditors on 7 February 2020 and will be proposed for re-appointment at the forthcoming AGM.

Approved by the board on 16 August 2021 and signed on its behalf by:

Trevor Inch
Director



INDEPENDENT AUDITORS' REPORT For The Year Ended 31 JANUARY 2021

Qualified opinion

We have audited the financial statements of William John (HV) plc (the "Company") for the year ended 31 January 2021 which comprise the Income Statement, Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and in accordance with the provisions of the Companies Act 2006.

In our opinion except for the possible 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 January 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

The Company's equity investments are carried in the balance sheet at £3.9m based on directors' estimate of fair value at the year end. Fair value gains in the year were £399,000 and are recognised in the income statement. Notes 2 and 7 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. The shares of these three companies have not been actively traded in the year under review, or subsequently, so the quoted prices have not been recently tested by the markets. There has also not been other recent transactions in the shares, such as new shares being issued.

These conditions indicate the absence of an active market for the listed investments and a material uncertainty which may cast doubt over the value of the investment assets shown in these financial statements at 31 January 2021 as the fair values do not include adjustments that would result if the Company tried to, and were unable to, sell the investments at their quoted prices. Under FRS 102 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 become available. The directors believe the fair value estimates used are based on their experiences and other assumptions that they consider to be reasonable. If the equity investments were not revalued in the year, the carrying amount of the investments in the balance sheet and the fair value gain in the income statement would have been reduced by £399,000. In addition, a fall in the quoted 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.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

Evaluation of management assessment Management have prepared cash flow forecasts covering the period to 30 September 2022 ('the forecast period'). These are based on their expectation of future foreign exchange revenue, new bond issues, operating costs and new investments. Management have considered key assumptions to the forecasts and sensitivities have been applied to reduce revenue, reduce issues of new bonds and increase costs.	The Company's financial statements shows a loss of £285,000 for the year and net assets of £313,000 at the year end. As discussed in the strategic report this result was mainly caused by material costs of £862,000 being incurred in the year in relation to Covid-19 and marketing support costs that were exceptional for this year (see note 4 to the financial statements). The base case cash flow forecast demonstrates that the Company will have a cash flow surplus throughout the forecast period.
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INDEPENDENT AUDITORS' REPORT For The Year Ended 31 JANUARY 2021

Evaluation of management assessment	Key observations
<p>Our review included:</p> <ul style="list-style-type: none"> Assessing the transparency, completeness and accuracy of the matters covered in the going concern disclosure by evaluating management's cash flow projections for the forecast period and the underlying assumptions; Reviewing the cash flow forecasts, the methodology behind these and ensuring they are arithmetically correct; Challenging the assumptions with management; Obtaining post year end management information and comparing these to budget to ensure budgeting is reasonable and the results are in line with expectations; Reviewing management's sensitivity analysis on the cash flow forecasts provided to assess the number of factors that it would take to occur before the Company was pushed into a cash negative position along with considering the mitigating actions available to management in such circumstances; and Discussing with management plans for the Company going forward, ensuring these have been incorporated into the budgeting and would not have a material impact on the going concern status of the Company. 	<p>The forecasts included new bond issues every month, foreign exchange trading profits for the period and a reasonable level of expected costs for the Company's operations.</p> <p>The actual results since the year end show results ahead of budgeted.</p> <p>Sensitivities that have been applied to the base case cash flow forecasts show that it is unlikely that the Company will become cash negative in the forecast period.</p> <p>If bond issues or foreign exchange revenue does fall significantly in the period the Company should be able to apply appropriate mitigating actions to ensure that the cash remains positive throughout the period. The directors consider that there are sufficient mitigating actions available to continue as a going concern.</p>

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the Company, its activities, the accounting processes and controls, and the industry in which it operates. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

The audit team met and communicated regularly throughout the audit with the directors and management in order to ensure we had a good knowledge of the business of the Company. During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risks.

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



INDEPENDENT AUDITORS' REPORT For The Year Ended 31 JANUARY 2021

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified during our audit.

Key audit matters	How our audit addressed the key audit matters
<p>The forecasts included new bond issues every month, foreign exchange trading profits for the period and a reasonable level of expected costs for the Company's operations.</p> <p>The actual results since the year end show results ahead of budgeted.</p> <p>Sensitivities that have been applied to the base case cash flow forecasts show that it is unlikely that the Company will become cash negative in the forecast period.</p> <p>If bond issues or foreign exchange revenue does fall significantly in the period the Company should be able to apply appropriate mitigating actions to ensure that the cash remains positive throughout the period. The directors consider that there are sufficient mitigating actions available to continue as a going concern.</p>	<p>Our review included:</p> <ul style="list-style-type: none">Assessing the transparency, completeness and accuracy of the matters covered in the going concern disclosure by evaluating management's cash flow projections for the forecast period and the underlying assumptions;Reviewing the cash flow forecasts, the methodology behind these and ensuring they are arithmetically correct;Challenging the assumptions with management;Obtaining post year end management information and comparing these to budget to ensure budgeting is reasonable and the results are in line with expectations;Reviewing management's sensitivity analysis on the cash flow forecasts provided to assess the number of factors that it would take to occur before the Company was pushed into a cash negative position along with considering the mitigating actions available to management in such circumstances; andDiscussing with management plans for the Company going forward, ensuring these have been incorporated into the budgeting and would not have a material impact on the going concern status of the Company.
<p>Valuation of investments and recognition of unrealised gains and losses</p> <p>The Company's investments and the associated unrealised gains or losses is a key driver to the financial position and performance of the Company. The investment assets include both listed and unlisted investments and more details are shown in notes 2 and 7 to the financial statements.</p> <p>Due to the nature of the Company's business there is an inherent risk that the investments shown in the Balance Sheet are incorrectly valued.</p> <p>We therefore identified valuation of investments as a significant risk, which was one of the most significant risks of material misstatement.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none">For listed investments, we tested the directors' valuation of the year end investments by reference to the quoted price information at the year end.For unlisted investments, we reviewed management's assessments of fair value, which included i) foreign exchange positions supported by statements from the provider and; ii) equity shares of a Company that was admitted to a share trading platform subsequent to the year end.We agreed the purchases and sales of investments to contract notes, agreements and cash movements in the year.

Key audit matters	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> • Checking the movement in unrealised gains and losses for arithmetical accuracy from opening values to closing values. <p>The Company's accounting policy on valuation of investments is shown in the Accounting Policies in note 2 of the financial statements.</p> <p><i>Key observations:</i></p> <p>As a result of the audit procedures we performed we have concluded that investments are recognised on the basis stated by the directors, however the shares of the equity investments (included in these financial statements at a valuation of £3,922,903) are not actively traded so the realisable market values are inherently uncertain as disclosed in notes 2 and 7 to the financial statements. We have included above a qualified opinion in this regard.</p>
<p>Bonds payable</p> <p>The Company recognises bonds issued during the year as bonds payable.</p> <p>The Company needs to ensure that bonds payable at the year end reflect all bonds issued during the year as well as bonds issued in prior years that have not yet been redeemed.</p> <p>Bonds are the key source of finance for the Company and the Company regularly issues new bonds or tranches to bond holders.</p> <p>We therefore identified the risk over the existence and valuation assertions relating to bonds payable as a significant risk, which was one of the most significant risk of material misstatement.</p>	<p>Our audit work included, but was not restricted to:</p> <ul style="list-style-type: none"> • Performing transaction testing from the nominal ledger and bond register to the bond documentation on a sample of bond issues in the year to test the existence and the accuracy of bonds payable. • We reviewed and tested the accuracy of the bond register and ensured that transaction costs are being properly amortised over the life of the liabilities. • Tracing a sample of the bond issues, redemptions and bondholder profits in the year to the banking information. • Documenting our understanding of the systems and controls around the recording of financial liabilities and testing the design effectiveness of such controls. <p>The Company's accounting policy on bonds payable is shown in the Accounting Policies in note 2 of the financial statements.</p> <p><i>Key observations:</i></p> <p>As a result of the audit procedures we performed we have concluded that the bonds are materially accurate and have been accounted for in line with appropriate recognition criteria.</p>



INDEPENDENT AUDITORS' REPORT For The Year Ended 31 JANUARY 2021

Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements.

We define financial statement materiality as the magnitude by which misstatements, including omissions, could reasonably be expected to influence the economic decisions taken on the basis of the financial statements by reasonable users.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Overall materiality	We determined materiality for the financial statements as a whole to be £189,000.
How we determine it	Based on a benchmark of 2% of gross assets at the year end.
Rationale for benchmarks applied	We believe gross assets at the year end to be the most appropriate benchmark due to the size, growth stage and the nature of the Company.
Performance materiality	On the basis of our risk assessment, together with our assessment of the Company's control environment, our judgement is that performance materiality for the financial statements should be 75% of materiality, and was set at £142,000.

Reporting threshold

We agreed with the board of Directors that we would report to them all misstatements over £10,000 (approximately 5% of materiality) identified during the audit, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the board of Directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Other information

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves.

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.

As described in the basis for qualified opinion section of our report, due to the lack of an active market for the listed equity investments we were unable to form an opinion on the fair values of the equity investments held at the year end. There is therefore an inherent resulting risk that where other information refers to the net assets or results for the year, there may be resulting inconsistencies for the same reason.

Opinions on other matters prescribed by the Companies Act 2006

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of our audit:

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

INDEPENDENT AUDITORS' REPORT For The Year Ended 31 JANUARY 2021

Matters on which we are required to report by exception

Except for the matter described in the basis for qualified opinion section of our report, 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 and the directors' report.

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

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

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 UK tax legislation, employment regulation, anti-bribery, corruption and fraud. 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, investment valuations and profit recognition.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with advisors, enquiries of management in so far as they related to the financial statements, review of internal reports, review of material costs, obtaining direct confirmations from main suppliers, performed analytical procedures to identify unusual relationships, and testing of journals to identify any unusual transactions and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. We made enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are 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 with other parties.

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



INDEPENDENT AUDITORS' REPORT For The Year Ended 31 JANUARY 2021

Use of our report

This report is made solely to the Company's directors, 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 directors 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 directors, as a body, for our audit work, for this report, or for the opinions we have formed.

Colin Wright
(Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

Chartered
Accountants
Statutory Auditor

UHY Hacker Young
4 Thomas More Square
London E1W 1YW

16 August 2021



INCOME STATEMENT For The Year Ended 31 JANUARY 2021

		Year Ended 31.1.21 £	Period 10.1.19 to 31.1.20 £
	Notes		
TURNOVER		1,484,998	1,013,269
Bond distribution and commission costs		(348,338)	(474,838)
Administrative expenses		(94,557)	(20,960)
Marketing and Covid-19 support costs		(862,724)	-
Other operating income		112,588	30,807
OPERATING PROFIT	4	291,967	548,278
Fair value changes of investments	7	399,223	383,349
Finance costs and similar expenses	5	(1,154,340)	(344,945)
(LOSS)/PROFIT BEFORE TAXATION		(463,150)	586,682
Tax credit/(charge) on (loss)/profit	6	178,424	(38,633)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(284,726)	548,049

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.



OTHER COMPREHENSIVE INCOME For The Year Ended 31 JANUARY 2021

	Year Ended 31.1.21 £	Period 10.1.19 to 31.1.20 £
(LOSS)/PROFIT FOR THE YEAR	(284,726)	548,049
OTHER COMPREHENSIVE INCOME		
Revaluation in year	-	-
Income tax relating to other comprehensive income	-	-
	<hr/>	<hr/>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	-	-
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME	(284,726)	548,049

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

**BALANCE SHEET For The Year Ended 31 JANUARY 2021**

		31.1.21	31.1.20
	Notes	£	£
FIXED ASSETS			
Investments	7	9,085,871	5,915,500
FIXED ASSETS			
Debtors	8	139,791	
Cash and cash equivalents		240,339	231,711
Amounts falling due within one year		380,130	231,711
CREDITORS			
Amounts falling due within one year	9	(399,238)	(2,273,802)
NET CURRENT LIABILITIES		(19,108)	(2,042,091)
TOTAL ASSETS LESS CURRENT LIABILITIES		9,066,763	3,873,409
CREDITORS			
Amounts falling due after more than one year	10	(8,753,440)	(3,275,360)
NET ASSETS		313,323	598,049
CAPITAL AND RESERVES			
Called up share capital	12	50,000	50,000
Retained earnings	13	263,323	548,049
SHAREHOLDERS' FUNDS		313,323	598,049

The financial statements were approved by the board of Directors on 16 August 2021 and were signed on its behalf by:

Trevor Inch
Director

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



THE STATEMENT OF CHANGES IN EQUITY For The Year Ended 31 JANUARY 2021

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	50,000	-	50,000
Total comprehensive income for period	-	548,049	548,049
Balance at 31 January 2020	50,000	548,049	598,049
Changes in equity			
Total comprehensive income for year	-	(284,726)	(284,726)
Balance at 31 January 2021	50,000	263,323	313,323



CASH FLOW STATEMENT For The Year Ended 31 JANUARY 2021

		Year Ended 31.1.21 £	Period 10.1.19 to 31.1.20 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	422,281	727,026
Bondholder profits paid		(1,153,507)	(344,945)
Tax paid		-	68,989
		<hr/>	<hr/>
Net cash (used in)/from operating activities		(731,226)	451,070
		<hr/>	<hr/>
Cash flows from operating activities			
Purchase of equity investments		(750,000)	(5,532,151)
Increase in foreign exchange positions (net)		(2,053,148)	-
Sale of fixed asset investments		32,000	-
		<hr/>	<hr/>
Net cash (used in)/from operating activities		(2,771,148)	(5,532,151)
		<hr/>	<hr/>
Cash flows from operating activities			
Inflows from bond issues (net)		3,461,002	5,248,750
Amounts received from group undertakings		-	14,042
Loan in year		50,000	-
Shares issue		-	50,000
		<hr/>	<hr/>
Net cash from financing activities		3,511,002	5,312,792
		<hr/>	<hr/>
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of years	2	8,628	231,711
		<hr/>	<hr/>
		231,711	-
		<hr/>	<hr/>
Cash and cash equivalents at end of year	2	240,339	231,711
		<hr/> <hr/>	<hr/> <hr/>



NOTES TO THE CASH FLOW STATEMENT For The Year Ended 31 JANUARY 2021

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

	Year Ended 31.1.21 £	Period 10.1.19 to 31.1.20 £
(Loss)/profit before taxation	(463,150)	586,682
Gain on revaluation of investments	(399,223)	(383,349)
Finance costs and similar expenses	1,154,340	344,945
Increase in trade and other creditors	291,967	548,278
	130,314	178,748
Cash generated from operations	422,281	727,026

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:

	31.1.21 £	1.2.20 £
Year ended 31 January 2021		
Cash and cash equivalents	240,339	231,711
	31.1.20 £	10.1.19 £
Period ended 31 January 2020		
Cash and cash equivalents	231,711	-

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.2.20 £	Cash flow £	At 31.1.21 £
Net cash	231,711	8,628	240,339
Cash and cash equivalents	231,711	8,628	240,339
Debt			
Debts falling due within 1 year	-	(6,311)	(6,311)
Debts falling due after 1 year	-	(43,689)	(43,689)
	-	(50,000)	(50,000)
Total	231,711	(41,372)	190,339



NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 JANUARY 2021

1. STATUTORY INFORMATION

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 UK 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.

Going concern

Uncertainty due to the ongoing Covid-19 pandemic has been considered as part of the Company's adoption of the going concern basis. The Company's general trading and asset positions have not been materially affected by the Covid-19 pandemic throughout the financial year ended 31 January 2021.

Looking forward, an evaluation of risks associated to the Company in relation to the social and economic impact of the pandemic have been undertaken and the directors are satisfied that due to the nature of foreign exchange trading, this core activity has responded well to the fluctuations and movements within the financial markets. Whilst a diligent approach remains central in these unprecedented times, the pandemic has not impacted upon the specialised algorithmic trading within the first half of the new financial year nor has the Company had to manage staffing disruptions or continuity issues due to furlough, as it does not carry any salaried employees. Therefore, within the core functions of the business, Covid-19 has had a minimal effect upon the Company and its cash flows or future forecasts.

The uncertainties arising from Covid-19 continue to be under review and the directors believe that the business has the ability to remain trading for a period of at least 12 months from the date of signing of these financial statements. Therefore the directors have a reasonable expectation that William John (HV) plc has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing the financial statements.

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 year ended 31 January 2021 is approximately £274,000 of exchange losses for the year in translating the foreign exchange positions.

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 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 profits based on the principal amount outstanding.



NOTES TO THE FINANCIAL STATEMENTS **For The Year Ended 31 JANUARY 2021**

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. Transactions costs are written off to the income statement over the life of the related financial liabilities.

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 year 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 year 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.

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.



NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 JANUARY 2021

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

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. The trading in those equity shares however is not active so 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 downwards valuation adjustments.

The shares of these companies have not recently been actively traded and there have not been other recent transactions in the shares, such as new shares being issued. These conditions indicate the existence of a material uncertainty which may cast doubt over the value of the investment assets shown in these financial statements at 31 January 2021. The financial statements do not include any 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 tax 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 year end as the Company is expected to be profitable in the foreseeable future.



NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 JANUARY 2021

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 January 2021 nor for the period ended 31 January 2020. Apart from the directors, there were no employees during the year (2020: Nil).

	Year Ended 31.1.21 £ 31.1.21	Period 10.1.19 to 31.1.20 £
Deferred tax asset	-	-

4. OPERATING PROFIT

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

	Year Ended 31.1.21 £ 17,500 862,724 (111,755)	Period 10.1.19 to 31.1.20 £ 15,000 - (30,807)
Auditors' remuneration		
Marketing and Covid-19 support costs		
Foreign exchange differences		

5. FINANCE COSTS AND SIMILAR EXPENSES

	Year Ended 31.1.21 £ 1,153,507 833 1,154,340	Period 10.1.19 to 31.1.20 £ 344,945 - 344,945
Bondholder profit payable on bonds		
Bank loan interest		

6. TAXATION

	Year Ended 31.1.21 £ (178,424)	Period 10.1.19 to 31.1.20 £ 38,633
Corporation tax – current period (credit)/charge		

The 2021 corporation tax credit is shown as a deferred tax debtor (note 8). The effective tax rate differs from the statutory tax rate as a result of the differences shown below:

	£ (463,150) (87,998) (90,426) (178,424)	£ 586,682 111,469 (72,836) 38,633
(Loss)/profit before taxation		
Corporation tax calculated at 19%		
Effects of:		
Fair value changes of investments		
Total corporation taxation (credit)/charge for the year		



NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 JANUARY 2021

7. INVESTMENTS

	Year Ended	31.1.20
		£
Financial assets		
Balance brought forward	5,915,500	-
Additions in the year – unlisted equities	750,000	-
Additions in the year – listed equities	-	2,390,331
Increases in foreign exchange positions	2,053,148	3,141,820
Disposals in the year	(32,000)	-
Revaluations to fair value	399,223	383,349
	<u>9,085,871</u>	<u>5,915,500</u>

Investments includes Listed Equity Securities, which are listed on both the Vienna Borse denominated in Euros, and Nasdaq First North denominated in Euros and also Unlisted Equity Securities, denominated in GBP, whose shares were admitted to a share trading platform subsequent to the year end.

	£	£
FX positions	5,162,968	3,109,820
Equity Securities	3,922,903	2,773,680
Other investment	-	32,000
	<u>9,085,871</u>	<u>5,915,500</u>

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 year (note 14) at a value below the estimated fair value. Subsequent to the year end the unlisted investment was admitted to trading on the JP Jenkins platform in the UK. 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. 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'.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.21	31.1.20
	£	£
Deferred tax asset	139,791	-

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.1.21	31.1.20
	£	£
Bank loans (see note 11)	6,311	-
Amounts owed to parent Company	18,330	14,042
Tax payable – corporation and withholding tax	299,690	107,622
Bonds – payable in less than one year	-	1,973,390
Distribution costs creditor	49,143	-
Accrued expenses	25,764	178,748
	<u>399,238</u>	<u>2,273,802</u>
	£	£
Bonds falling due within one year are detailed as follows:	-	2,040,520
Bonds issued and payable within one year	-	(228,272)
Less: Transaction costs	-	1,812,248
Net debt on issue	-	161,142
Write back of commissions at 31 January	-	1,973,390



NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 31 JANUARY 2021

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

	31.1.21	31.1.20
	£	£
Bank loans (see note 11)	43,688	-
Bonds – payable in more than one year	8,709,752	3,275,360
	8,753,440	3,275,360
Bonds falling due after more than one year are detailed as follows:		
	£	£
Bonds issued and payable in more than one year	9,232,399	3,668,558
Less: Unamortised transaction costs	(802,890)	(421,854)
Net debt on issue	8,429,509	3,246,704
Write back of commissions at 31 January	280,243	28,656
	8,709,752	3,275,360

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 year 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.

11. LOANS

An analysis of the maturity of loans is given below:

	31.1.21	31.1.20
	£	£
Amounts falling due within one year or on demand:		
Bank loans	6,311	-
Amounts falling due between one and two years:		
Bank loans	9,666	-
Amounts falling due between two and five years:		
Bank loans	30,491	-
Amounts falling due in more than five years:		
Bank loans more than 5 years	3,532	-



TRADING AND PROFIT AND LOSS ACCOUNT For The Year Ended 31 JANUARY 2021

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal	31.1.21	31.1.20
Number:	Class:	value:	£	£
50,000	Ordinary	£1	50,000	50,000

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

13. RESERVES

	Retained earnings
At 1 February 2020	£ 548,049
Loss for the year	(284,726)
At 31 January 2021	263,323

14. RELATED PARTY TRANSACTIONS

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

- Costs totalling £14,220 (2020: £92,672) were paid on behalf of the Company by WJHL.
- Investments totalling £750,000 (2020: £2,283,631) were purchased by the Company from WJHL, at a price less than their market values at the date of purchase.
- Net funds totalling £759,886 (2020: £918,789) were transferred from the Company to WJHL, as part settlement of amounts due.
- Funds for bonds issued by the Company totalling £nil (2020: £1,358,760) were banked by WJHL on behalf of the Company.
- Share Capital totalling £nil (2020: £50,000) was issued by the Company to WJHL.
- Net foreign exchange rate gains totalling £46 (2020: £34,712) were made by the Company on their transactions.

15. ULTIMATE PARENT Company

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

16. ULTIMATE CONTROLLING PARTY

The controlling party is William John Holdings Limited.

17. SUBSEQUENT EVENTS

There are no events subsequent to the year ended 31 January 2021 that have required the Company to make any adjustments to these financial statements. Whilst the Covid-19 pandemic is still prevalent worldwide, other than as set out previously, this has not had a material effect on the results of the Company and the directors believe that this will continue to be the case.





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