# APQ global limited

Annual Report and Audited Financial Statements

For the period ended 31 December 2016

# APQ global limited

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**FINANCIAL HIGHLIGHTS FOR THE PERIOD ENDED 31 DECEMBER 2016**

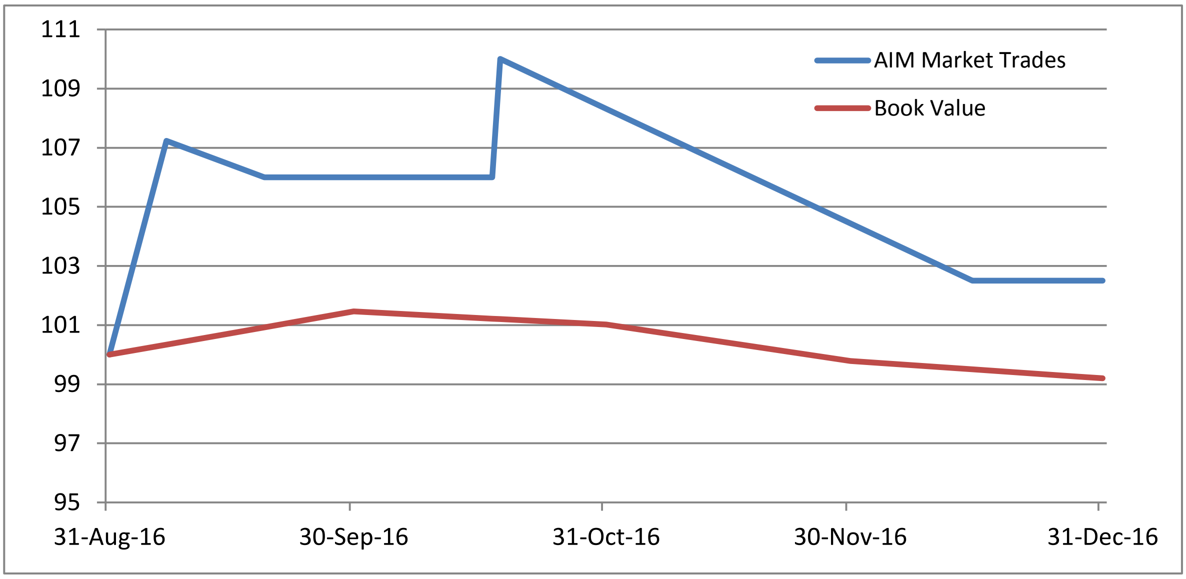
· Book Value at 31 December 2016 was GBP77.4m, a decrease from GBP78.1m at launch. Book Value is the net assets and liabilities of the Company including its subsidiary at fair value through profit or loss .

· Book Value per share declined from 100.00 pence to 99.15 pence.

· Earnings per share for the period was GBP 0.00708

· No dividends were declared or paid during the period.

In the period covered by these Financial Statements six trades have taken place through AIM. These have all been at a premium over the actual Book Value of the Company. The graph below shows the actual market trades in blue and the monthly Book Value as published in red.




There have been further AIM market trades since 31 December 2016 details of these can be found on the London Stock Exchange website by following the link below. Monthly book values and quarterly reports are also made available as they fall due.

http://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/company-summary/GG00BZ6VP173GGGBXASQ1.html

# APQ global limited

## DIRECTORY

**Registered Office and Business Address:**
1st Floor, Tudor House
Le Bordage
St Peter Port
Guernsey GY1 1DB

**Directors:**
Bart Turtelboom
Wayne Bulpitt
Richard Bray
Philip Soulsby

**Company Secretary and**
**Corporate Services Provider**
Active Services (Guernsey) Limited
1st Floor, Tudor House
Le Bordage
St Peter Port
Guernsey GY1 1DB

**Nominated Adviser and Broker**

Nplus1 Singer Advisory LLP
1 Bartholomew Lane
London EC2N 2AX
United Kingdom

**Registrar and Transfer Agent**
Capita Registrars (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey GY2 4LH

**Independent Auditors:**
Ernst & Young LLP
PO Box 9
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey GY1 4AF

**Solicitors**
**As to English law:**
Stephenson Harwood LLP
1 Finsbury Circus
London EC2M 7SH
United Kingdom

**Advocates**
**As to Guernsey law:**
Mourant Ozannes
PO Box 186
1 Le Marchant Street
St Peter Port
Guernsey GY1 4HP
Channel Islands

**TISE Sponsor**
Carey Commercial Limited
1st & 2nd Floors
Elizabeth House
Les Ruettes Brayes
St Peter Port
Guernsey GY1 4LX

**Principal Bankers**
NatWest
2nd Floor
Royal Bank Place
St Peter Port
Guernsey GY1 4BQ

For the latest information, please visit:
www.apqglobal.com

**CHAIRMAN'S STATEMENT**
**For the period ended 31 December 2016**

**NEW YEAR, NEW CHALLENGES, NEW OPPORTUNITIES**

2016 was a defining year for our Company. On 11 August 2016, we raised capital in the region of £78 million on The International Stock Exchange (TISE), and we were admitted to trading on the London Stock Exchange AIM Market two weeks later. These landmark developments give us the resources to focus on growing dividends and substantial capital growth for our shareholders in the years to come, and we want to thank those involved for their support – not only our distinguished group of institutional and private shareholders, but also our Board of Directors and the management team who worked hard to make this happen.

At the end of 2016, the Company's funds raised at the time of the IPO were fully deployed, with the exception of approximately 10% of the book value reserved in cash for collateral and working capital purposes recorded in the subsidiary's accounts.

Overall, the risk exposure of the Company was kept low going into the US Presidential elections, which has served the Company well. Emerging markets had a challenging time with the global emerging markets equity ETF (EEM US) down 5.73% and the emerging markets corporate bond ETF (CEMB US) down 3.14% from the time of the IPO in August 2016 until year end.

Emerging market currencies in general during this period were caught up in the updraft of the US Dollar and posted significant losses as a result. Despite the modest risk positioning, the Company is on track to meet its target annual dividend yield of 6% (based on the issue price) and declared its first quarterly dividend for the Company's first quarter to 31 December 2016.

At the end of 2016 our book value per share (after IPO-related expenses) was 99.15 pence. We have generated significant income to support our first dividend of 0.5 pence per share for the fourth quarter of 2016, which was declared in January 2017 and distributed in February 2017. A second dividend of 1.5 pence for the first quarter of 2017 was declared in April 2017 and paid in May 2017.

Rather than focus on our success to date, it is now time to think ahead to the new year. In this inaugural statement, I want to focus on the major global themes that will influence our business in 2017 and beyond, and the abundance of opportunities that exist across emerging markets, despite the on-going economic and political uncertainty. A stronger US Dollar should give us the chance to pick up emerging market exposure at better valuations. A higher oil price will support our exposure in the energy sectors. Higher nominal growth in the global economy will support export sectors in emerging markets. In short, opportunities abound and we are well positioned to take advantage of them.

It is hard not to start with the watershed event of President Trump's election in the United States and how this will continue to impact markets across the world. His expansive tax policy and ambitious infrastructure plans will almost certainly increase the United States' fiscal deficit and public debt, the effects of which will be felt globally. His proposed fiscal expansion is happening at a time of full employment, which should fuel growth and higher inflation domestically. As a result, I also expect the Federal Reserve to become more proactive with rate hikes in 2017 and the sell-off in the American bond market to intensify. Higher yields and a stronger US Dollar will be the major risk factor for the global economy in 2017.

But how will the global economic system cope with the higher cost of funding in US Dollars after eight years of extra-ordinarily low interest rates? History does not offer much comfort in this regard, and it would defy logic that higher funding costs will not matter for economic activity. This leads me to remain cautious on the outlook for global equity markets in 2017.

**CHAIRMAN'S STATEMENT**
**For the period ended 31 December 2016**

Of course, what President Trump is most famed for is his geopolitical sabre-rattling and interventionist industrial policy. While I expect he will quickly run into a wall of foreign retaliation and domestic opposition, his choice of cabinet ministers does suggest a tougher international economic and political agenda, and reiterates his core aims of protecting American jobs and the nation’s security. While this is unlikely to lead to a whole scale revision of the international economic and political order, a more inward-looking approach to world affairs in the United States will certainly offer an opportunity for Russia and China to try and increase their external influence – most notably in parts of Asia, the Middle East and Africa. I anticipate a more multi-polar world is in the works, accompanied by more political and economic conflicts, not less.

Beyond these political headwinds, I expect macroeconomic developments to remain favourable for emerging markets in 2017. Growth in the world economy is gaining pace, with both developed countries and emerging markets contributing (although emerging markets remain the main drivers of global GDP growth). What is interesting to note is that inflation dynamics are diverging between emerging and developed markets; while inflation is on an upward trend in developed markets, it is tapering off in emerging markets. I expect the latter to continue to put pressure on emerging markets' currencies but to open up significant business opportunities in selected emerging economies.

In short, 2017 will see the global economy adapt to the tumultuous events of last year and we see tremendous opportunities for emerging markets in the years ahead. We hope that the insights we provide in the coming pages are of interest to you as you face the new year – to help you identify the challenges ahead and leverage the opportunities that we see arising.

Sincerely,

Wayne Bulpitt
Chairman, APQ Global Limited

## BUSINESS MODEL AND STRATEGY

The objective of the Company is to steadily grow its earnings to seek to deliver attractive returns and capital growth through a combination of building growing businesses in emerging markets as well as earning revenue from income generating operating activities.

The Company focuses its activities in emerging markets globally (in Asia, Latin America, Eastern Europe, the Middle East and Africa).

The Company intends to:

(i) develop lending activities to sovereign, corporate and banking entities in emerging markets for a range of business purposes, including for acquisition financing, working capital and investment purposes. The terms of any loans will vary but are typically expected to range from six months to five years. The Company expects that its loans will typically be secured;

(ii) take operational control of businesses through the acquisition of minority and majority stakes in public and private companies in emerging markets; and

(iii) acquire and operate real estate and commodity companies.

The Company may utilise borrowings in connection with its business activities. Although there is no prescribed limit in the Company's Articles of Incorporation (the 'Articles') or elsewhere on the amount of borrowings that the Company may incur, the Directors will adopt a prudent borrowing policy and oversee the level and term of any borrowings of the Company and will review the position on a regular basis.

The Company has no restrictions and investing will not be subject to any maximum exposure limits. No material change will be made to the Company's objective or investing policy without the approval of Shareholders by ordinary resolution.

The Company may gain exposure to emerging markets by investing in assets on other, non-emerging markets (such as the London Stock Exchange) as long as the underlying asset has exposure to emerging markets.

Key performance indicators ('KPIs') for the Company will be the growth of the earnings of the Company. These KPIs are:

(i) A sufficient per annum increase in earnings to allow a 6% dividend to be paid to shareholders.
(ii) Additional per annum increase in earnings to grow the Company 5 – 10% per annum.

### Principal Risks and Uncertainties

The Directors believe the risks described below are the material risks relating to the Company:

- The Company's performance is dependent on the performance of key members of management. The departure of any key individual from the management team may adversely affect the returns available to the Company.
- Changes in law or regulation or tax legislation may adversely affect the Company's ability to carry on its business or adversely impact its tax position and liabilities.
- The Company will be subject to Cyber Risk in the form of both risk of failure of those systems and also of the risk of malignant action against the company by way of Information Technology.
- The Company will, through the implementation of its business model and strategy, face financial risks including market risk, credit risk and liquidity risk. These risks and the controls in place to mitigate them are reviewed at each risk committee meeting. Further detail on financial risks are discussed in Note 10 of the Financial Statements.
- The Company and its APQ Cayman Limited (the Subsidiary) will have an exposure to foreign exchange rate risk as a result of changes, both unfavourable and favourable, in exchange rates between Pound Sterling and other currencies in which its assets are denominated, principally United States Dollars.

## BUSINESS MODEL AND STRATEGY

### Principal Risks and Uncertainties (continued)

The Directors believe the risks described below are the material risks relating to the Company through its investment into the Subsidiary:

- The Subsidiary will have investment exposure to emerging markets, which are subject to certain risks and special considerations that are not typically associated with more developed markets and economies.
- The Subsidiary will invest in derivative instruments which can be highly volatile and may be difficult to value and/or liquidate. Derivatives will be used for gearing purposes which may expose investors to a high risk of loss.
- The Subsidiary will seek exposure to emerging markets through the use of structured products which carry additional credit risks, are inherently difficult to value, illiquid and subject to counterparty risk on maturity.
- The Subsidiary is subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. Where the Company utilises derivative instruments it is likely to take credit risk with regard to such counterparties and bear the risk of settlement default.
- The Subsidiary will be subject to custody risk in the event of the insolvency of any custodian or sub- custodians.

These risks are mitigated by the control and oversight of the Board and of the Risk Committee. The Board will consider the risks of the Company as a whole on a regular basis at its Board meetings and on an annual basis shall review the effectiveness of its risk management systems, ensuring that all aspects of risk management and internal control are considered. The first such annual review is scheduled to take place during the period ending 31 December 2017. The processes to be adopted for its annual reviews shall include reporting and recommendations from the Risk Committee as well as adoption and review of a formal risk matrix documenting the risks facing the Company, as well as the assessed probability and impact of the identified risks. Other risk mitigation measures include, but are not limited to:

- Oversight by Executive Directors and key management with the requisite knowledge and experience in emerging and credit markets
- Oversight by Non-Executive Directors
- Dual signing authority on bank accounts
- Business Continuity Plans of the various service providers
- Ongoing Cyber Risk training
- Ongoing review of third party service providers by the Board

The Directors believe that the risks described below are the key risks in respect of an investment in the ordinary shares of the Company (the 'Ordinary Shares'):

- There may be volatility in the price of the Ordinary Shares and the market price of the Ordinary Shares may rise or fall rapidly. To optimise returns, Shareholders may need to hold the Ordinary Shares for the long term.
- The price of the Ordinary Shares may decline below their respective issue price and Shareholders may not be able to sell their Ordinary Shares at a price equal to or greater than their issue price.
- Shareholders will have no right of redemption and must rely, in part, on the existence of a liquid market in order to realise their investment. Although the Ordinary Shares are admitted to trading on AIM, there can be no assurance as to the levels of secondary market trading in Ordinary Shares or the prices at which Ordinary Shares may trade. The Ordinary Shares may trade at a discount to the Net Asset Value per Ordinary Share.
- Local laws or regulations may mean that the status of the Company and the Shares are uncertain or subject to change, which could adversely affect investors' ability to hold the Shares.

**DIRECTORS' REPORT**
**for the period ended 31 December 2016**

The Directors present the financial statements of APQ Global Limited (the "Company") for the period ended 31 December 2016.

**The Company**

The Company was incorporated in Guernsey on 10 May 2016. The Company's shares ("Shares") were admitted to The International Stock Exchange on 11 August 2016 and admitted to trading on the AIM segment of the London Stock Exchange on 26 August 2016.

**Principal Activities**

The principal activities of the Company are to build growing businesses in emerging markets and earn revenue from income generating operating activities.

**Results and Dividends**

The results for the period ended 31 December 2016 are set out in the Statement of Comprehensive Income on page 24 and the Statement of Financial Position at that date is set out on page 25.

The Company did not pay any dividends during the period. A dividend of 0.5 pence per share was declared on 16 January 2017 in respect of the first full quarter ended 31 December 2016. On 20 April 2017 a second dividend of 1.5 pence per share was declared in respect of the first quarter of 2017 ended 31 March 2017.

The Directors intend to declare a dividend on a quarterly basis, subject to the Company having recorded sufficient revenue.

**Share Capital**

As at 31 December 2016 the Company had issued 78,055,000 Ordinary Shares of nil par value.

**Principal Risks and Uncertainties**

Principal Risks and Uncertainties are disclosed in the Business Model and Strategy section.

**Going Concern**

The Directors believe that it is appropriate to adopt the going concern basis in preparing the Financial Statements since the ultimate assets of the Company mainly consist of securities which are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for at least 12 months from the date of this report. The Company will be able to meet all its liabilities as they fall due.

**Long Term Viability Statement**

In accordance with section C.2.2 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Company over a longer period than the 12 months minimum required by the 'Going Concern' provision. The directors have assessed the viability of the group and have selected a period of three years for the assessment. The three year period was chosen because; via its Subsidiary, the Company chooses to operate in emerging markets, the Company has no outstanding debt, and the Company has few long term financial obligations, the chief of which is to meet its stated dividend policy. For the purposes of this statement, the Board has thus adopted a three year viability period.

In its assessment of the Company's viability over the three year period the Board has considered each of the company's principal risks, in particular a significant fall in value of the Company's invested assets through the failure of a counterparty of the Subsidiary.

**Going Concern (continued)**

The Directors consider that a 25% decline in the value of its invested assets would be significant but would have little impact on the Company's ability to continue in operation over the next three years. In reaching this conclusion the Directors considered the Company's expenditure projections, the Company's debt position and the liquidity of the Company's invested assets.

Based on the Company's processes for monitoring operating costs, share discount, internal controls, invested asset allocation, risk profile, liquidity risk and the assessment of the principal risks and uncertainties facing the Company, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period.

**Directors**

The details of the Directors of the Company during the year and at the date of this Financial Report are set out in the Directors section.

As at 31 December 2016 and the date of this Annual Report, the following Directors, their close relatives and related trusts, held the following beneficial interests in the Company:

| Director | Shares held | % of issued share capital |
|---|---|---|
| Bart Turtelboom | 22,000,000 | 28.19% |
| Wayne Bulpitt | 46,500 | 0.06% |

**International Tax Reporting**

For the purposes of the US Foreign Accounts Tax Compliance Act, the Company registered with the US Internal Revenue Service (“IRS”) as a Guernsey reporting Foreign Financial Institution (“FFI”) in November 2016, received a Global Intermediary Identification Number (B2KS93.99999.SL.831) and can be found on the IRS FFI list.

The Common Reporting Standard (“CRS”) is a standard developed by the Organisation for Economic Co-operation and Development (“OECD”) and is a global approach form the automatic exchange of tax information. Guernsey has adopted the CRS which came into effect on 1 January 2016. The CRS replaced the intergovernmental agreement between the UK and Guernsey to improve tax compliance that had previously applied.

The Board will take the necessary actions to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

**Auditor**

Ernst & Young LLP have expressed their willingness to continue in office as auditors.

**Disclosure of Information to Auditor**

Each of the persons who was a Director at the date of approval of the financial statements confirms that:

1. so far as they are aware, there is no relevant audit information of which the Company’s auditor is unaware; and
2. the Director has taken all steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company’s auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of section 249 of the Companies (Guernsey) Law 2008.

**Corporate Governance**

The Directors recognise the importance of robust corporate governance and meet regularly to review corporate strategy, the risk profile of the Group and its operating businesses and to monitor the performance of the service providers appointed to the Company.

There is no applicable regime of corporate governance to which the Directors must adhere over and above the general fiduciary duties and duties of care, diligence and skill imposed on such directors under Guernsey law; however, the Directors recognise the importance of sound corporate governance and the Company will seek to take appropriate measures to ensure that the Company complies with the UK Code on Corporate Governance to the extent appropriate and taking into account the size of the Company and the nature of its business. The Directors, having reviewed the UK Code on Corporate Governance, considers that it has complied with the Code throughout the period under review with the exception of the following areas of non-compliance, each of which applied throughout the period:

Areas of non-compliance with the UK Corporate Governance Code which were disclosed at the launch of the Company:

- Section A.3.1 - the Chairman is not independent;
- Section B.1.2 - the Board does not contain at least two independent non-executive directors;
- Section B.2.1 - the nomination committee does not comprise a majority of independent non-executive directors;
- Section C.3.1 - the audit committee does not contain two independent non-executive directors; and
- Section D.2.1 - the remuneration committee does not contain two independent non-executive directors.

The Directors do not believe that compliance with these sections of the code are necessary due to the size of the Company and the nature of its business.

Other areas of non-compliance:

- Section D.1.2 - the remuneration report does not contain a statement relating to earnings made by executive directors acting as non-executive directors elsewhere; and
- Section D.2.4 - shareholders were not invited specifically to approve the long-term incentive scheme.

The Directors do not believe that compliance with section D.1.2 of the code is necessary due to the size of the Company and the nature of its business.

The Directors do not believe that compliance with Section D.2.4 was necessary due to the disclosure contained within the Listing Document informing prospective investors that a Management Incentive Scheme was to be put in place.

As a Company with its shares admitted to listing on the TISE, the Directors comply with the Model Code of the TISE and take all reasonable and proper steps to ensure compliance by applicable employees as required by the Listing Rules. The Directors and the Company also comply at all times with the applicable provisions of the Listing Rules.

The Company has adopted an anti-bribery policy and adheres to the requirements of the Prevention of Corruption (Bailiwick of Guernsey) Law, 2003 and the UK Bribery Act 2010.

**Internal Audit**

The Directors have determined that no internal audit function is required, as the bookkeeping and internal valuation of the Company is performed by third parties, which provides checks and balances on the operations of the Company. The Directors believe that an internal audit function would largely duplicate this oversight and represent additional cost for no additional benefit.

**Role of the Board**

The Board is the Company's governing body and has overall responsibility for maximising the Company's success by directing and supervising the affairs of the business and meeting the appropriate interests of Shareholders and relevant stakeholders, while enhancing the value of the Company and also ensuring protection of Shareholders. A summary of the Board's responsibilities is as follows:

- Statutory obligations and public disclosure;
- Strategic maters and financial reporting;
- Risk assessment and management including reporting compliance, governance, monitoring and control; and
- Other matters having a material effect on the Company.

The Board's responsibilities for the Annual Reports are set out in the Statement of Directors' Responsibilities section.

The Board needs to ensure that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's performance, business model and strategy.

In seeking to achieve this, the Directors have set out the Company's business strategy and have explained how the Board and its delegated committees operate and how the directors review the risk environment within which the Company operates and set appropriate risk controls. Furthermore, throughout the Annual Report the Board has sought to provide further information to enable Shareholders to have a fair, balanced and understandable view.

**Composition and Independence of the Board**

The Board comprises two executive directors, one independent non-executive director and one non-independent non-executive director.

During his time as Chairman Bart Turtelboom was responsible for leadership of the Board and ensuring its effectiveness. He is not considered independent by virtue of his being a co-founder and CIO of APQ Partners LLP, which provided services to the Company during the period under a Services Agreement.

On 20 April 2017 the Company announced that Bart Turtelboom has become the Chief Executive Officer and Wayne Bulpitt took over his former role as the Non-Executive Chairman. Richard Bray remains an Executive Director and the Finance Director. Philip Soulsby continues to be the Senior Independent Non-Executive Director.

**Composition and Independence of the Board (continued)**

| | Board | | Audit Committee | | Nomination & Remuneration Committee | | Risk Committee | |
|---|---|---|---|---|---|---|---|---|
| | Held | Attended | Held | Attended | Held | Attended | Held | Attended |
| Bart Turtelboom | 7 | 7 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wayne Bulpitt | 7 | 2 | 0 | 0 | 0 | 0 | 0 | 0 |
| Richard Bray | 7 | 5 | 0 | 0 | 0 | 0 | 0 | 0 |
| Phil Soulsby | 7 | 6 | 0 | 0 | 0 | 0 | 0 | 0 |

**Re-election**

At every Annual General Meeting any Director appointed by the Board since the last annual general meeting or who held office at the time of the two preceding annual general meetings and who did not retire at either of them shall retire from office and may offer themselves for re-appointment by the Shareholders.

At the AGM to be held on 4 August 2017 all of the Directors shall offer themselves for re-election.

**Terms and Conditions of Appointment on Non-Executive Directors**

Each of the Non-Executive Directors shall be subject to re-elections at the first annual general meeting of the Company and thereafter in accordance with the provisions of the Company's articles of incorporation in respect of re-election and retirement. Neither of the Non-Executive Directors has been appointed for a fixed term.

The conditions attached to the appointment of the Non-Executive Directors include the following:

- termination in the event of any serious breach of obligations to the Company or through any act of dishonesty, fraud or serious misconduct;
- attendance at quarterly and ad hoc board meetings and consideration of all board papers pertaining to such meetings;
- compliance with all applicable legal and regulatory requirements; and
- compliance with all applicable legal and regulatory requirements including the TISE model share dealing code and the UK Corporate Governance Code.

**Board Evaluation and Succession Planning**

The Directors consider how the Board functions as a whole taking into account the balance of skills, experience and length of service into consideration and also reviews the individual performance of its members on an annual basis.

To enable this evaluation to take place, the Board has put in place a process whereby the Company Secretary circulates a questionnaire plus a separate questionnaire for the evaluation of the Chairman. Upon completion, the questionnaires are returned to the Company Secretary for collation and summary before distribution to the Chairman and the other Directors. The first evaluation is scheduled to take place for the financial period end 31 December 2017.

The Board considers that it has a breadth of experience relevant to the Company’s needs and that any changes to the Board’s composition can be managed without undue disruption. Future Directors will undertake an induction programme.

The Board has considered the recommendations of the Davies Report on women on boards and, as recommended in that report, has reviewed its composition and believes that it has available an appropriate range of skills and experience. The Board will ensure that women candidates are considered when appointments to the Board are under consideration.

**Company Secretary**

The Company’s Secretarial function has been delegated to Active Services (Guernsey) Limited. All Directors have direct access to the Secretary and the Secretary is responsible for ensuring that Board procedures are followed and that there is good communication within the Board and between the committees of the board listed below and the Board.

**Committees of the Board**

The Board has established the following committees with effect from Admission:

**Audit committee**

The audit committee is chaired by Philip Soulsby, the independent Director, with all the other Directors as members. The audit committee meets no less than twice a calendar year and, if required, meetings can also be attended by the Auditors.

The audit committee is responsible for reviewing the half-year and annual financial statements before their submission to the Board. In addition, the audit and risk committee is specifically charged under its terms of reference to advise the Board on the terms and scope of the appointment of the Auditors, including their remuneration, independence, objectivity and reviewing with the Auditors the results and effectiveness of the audit, and in ensuring that the Company's annual report and financial statements are fair, balanced and understandable.

No meetings of the audit committee were held between the launch of the Company and 31 December 2016. A report of the Audit Committee detailing their responsibilities is presented in the Audit Committee Report.

The Audit Committee's Terms of Reference state that the Audit Committee shall review the need for any non-audit services provided by the external auditor and authorise on a case by case basis.

No audit fees were paid to the external auditor during the period under review. Fees payable to the external auditor in relation to the audit of the Annual Report and Financial Statements for the period ended 31 December 2016 have been agreed at £59,000.

A fee of £108,500 was paid to the external auditor for non-audit services in connection with the launch of the Company, including review of the Company's Financial Position and Prospects Procedures.

The Audit Committee's Terms of Reference are available from the registered office of the Company.

**Nomination and Remuneration Committee**

The nomination and remuneration committee is chaired by Philip Soulsby, the independent Director, with all other Directors as members. Its principal duties are to consider the framework and policy for the remuneration of the Directors, employees and consultants and to review the structure, size and composition of the Board on an annual basis. The nomination and remuneration committee meets at least once a year.

No meetings of the Nomination and Remuneration Committee were held between the launch of the Company and 31 December 2016 and as such no formal report of the Nomination and Remuneration Committee is included in this Annual Report. The Nomination and Remuneration Committee will ensure that a formal, rigorous and transparent procedure for the appointment of new directors to the board is in place at the time of any future appointments.

### Risk Committee

The Board has adopted a risk policy with regard to the Company's business activities and formally considers its policy at least twice a year. A risk committee was formed on 3 November 2016, chaired by Philip Soulsby, the independent Director, with all other Directors as members. The purpose of the risk committee is to seek to ensure that the Company will take a measured approach to its business activities, taking into account factors including, but not limited to, the risks associated with jurisdictions in which it operates or has interests e.g. political and economic risks, currency risks and sector risks). No meetings of the Risk Committee took place during the period under review.

### Relations with Shareholders

The Board welcomes shareholders' views and places great importance on communication with its shareholders.

The Board monitors the trading activity on a regular basis and maintains contact with the Company's Nominated Adviser and Broker to ascertain the views of the shareholders, with whom they maintain a regular dialogue. Shareholders' sentiment is also ascertained by the careful monitoring of the discount/premium that the Shares are traded in the market against the book value calculation per Share.

The Company reports to shareholders twice a year and produces a quarterly update which is posted on the Company's website. In addition it has an Annual General Meeting and a notice convening this together with a proxy voting card is sent with the Annual Report and Audited Financial Statements. The Registrar monitors the voting of the shareholders and proxy voting is taken into account when votes are cast at the Annual General Meeting. Shareholders may contact the Directors via the Company Secretary.

The Chairman and other Directors are available to meet shareholders if required and the AGM of the Company provides a forum for shareholders to meet and discuss issues with the Directors.

Further information regarding the Company can be found on its website at www.apqglobal.com.

### Subsequent Events

The subsequent events since the year end that the Directors consider require adjustment to or disclosure in the Annual Financial Report or the Financial Statements are disclosed in note 16.

### Substantial Shareholdings

The Directors have been notified of the following substantial interests in the Company:

| 31-Dec-16 Shareholder | Number of Shares Held | Percentage |
|---|---|---|
| Bart Turtelboom | 22,000,000 | 28.19% |
| Vega Absolute Return Fund | 21,800,000 | 27.93% |
| Old Mutual Global Investors UK | 18,000,000 | 23.06% |
| Merseyside Pension Fund | 10,800,000 | 13.84% |

It is the responsibility of shareholders to notify the Company of any changes to their shareholding when it reaches 5% of shares in issue and any other notifiable changes thereafter.

**Directors' Authority to Buy Back Shares**

The Company did not purchase any of its Ordinary Shares during the period. The Company will seek to renew its buy-back authority at the next Annual General Meeting subject to a maximum buy-back of 14.99 per cent of the issued Ordinary Shares.

**Annual General Meeting**

The Company's Annual General Meeting is due to be held on 4 August, 2017.

**Related Party Transactions**

Transactions entered into by the Company with related parties are disclosed in note 15 of the financial statements.

Signed on behalf of the Board of Directors by:

| | |
|---|---|
| Wayne Bulpitt | Philip Soulsby |
| Chairman | Director |

Date: 28 June 2017

**AUDIT COMMITTEE REPORT**
**for the period ended 31 December 2016**

On the following sections we present the Audit Committee's Report for the period ended 31 December 2016, setting out the responsibilities of the Audit Committee.

Members of the Audit Committee will be available at the AGM to respond to any shareholder questions on the activities of the Audit Committee.

The Audit Committee was formed on 4 November 2016 and held its first meeting on 19 April 2017.

**Responsibilities**

The Audit Committee reviews and recommends to the Board the Financial Statements of the Company and is the forum through which the external auditor reports to the Board of Directors.

The Audit Committee responsibilities include:

- Review of the annual financial statements prior to approval, focusing on changes in accounting policies and practices, major judgmental areas, significant audit adjustments, going concern and compliance with accounting standards, listing and legal requirements;

- Receiving and considering reports on internal financial controls, including reports from the auditors and reporting their findings to the Board;

- Considering the appointment and removal of the auditors and their remuneration including reviewing and monitoring of independence and objectivity;

- Meeting with the auditors to discuss the scope of the audit, issues arising from their work and any matters the auditors wish to raise;

- Reviewing the Company's corporate review procedures and any statement on internal control prior to endorsement by the Board; and

- Providing advice to the Board upon request as to whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The audit committee met on 28 June 2017 to review the accounts and reports on the operations of the Company. After due consideration they reported to the Board of the Company that in their view the accounts were fair, balanced, understandable and presented the information necessary to allow shareholders to assess the Company's performance, business model and strategy.

Philip Soulsby
Audit Committee Chairman

Date: 28 June 2017

**Bart Turtelboom (aged 50) (Chief Executive Officer and Executive Director)**

Bart is Chief Executive Officer of APQ Global Limited and is on the board of APQ Cayman Limited. Previously he was the co-founder and Chief Investment Officer and partner of APQ Partners LLP. Prior to APQ Partners LLP, Bart was Co-Head of the Emerging Markets business at GLG and Co-Portfolio Manager of the GLG emerging markets funds. He was previously the Global Co-Head of Emerging Markets at Morgan Stanley, where he ran a multi-billion US Dollar business spanning Asia, Latin America, the Middle East and Africa, and head of its Global Capital Markets Group. Prior to that Bart was a Portfolio Manager at Vega Asset Management and a Director at Deutsche Bank, where he held several roles culminating in coverage of the bank's largest European clients. Bart was an Economist for the International Monetary Fund in Washington D.C. from 1994 until 1997. Bart received a Ph.D. in Economics from Columbia University.

**Wayne Bulpitt (aged 55) (Non-Executive Chairman)**

Wayne Bulpitt has around 35 years of experience in business leadership in banking, investment and administration services. Having left National Westminster Bank Plc in 1992 to join CIBC Bank & Trust Company, he developed and launched CIBC Fund Managers (Guernsey) Limited in 1994. As Managing Director, Wayne spent the next four years managing and developing the offshore funds and building a third party fund administration capacity.

In 1998 this experience was to prove crucial for the Canadian Imperial Bank of Commerce where, as Director of Offshore Investment Services Global Private Banking & Trust Division, his main priority was to restructure the delivery of their investment management services outside of Canada.

Wayne founded Active Group Limited in 2002 after his careers with NatWest and CIBC. Under his leadership, Active is an innovative provider of practical and professional support services such as compliance, corporate secretarial and management services to the offshore finance industry. Wayne is on the boards of various investment management companies and funds (both listed and un-listed), overseeing a diverse range of investment activities.

**Richard Bray (aged 50) (Executive Director and Finance Director)**

Richard Bray has over 30 years in depth experience in the fund and investment management sectors, including 13 years with a major Swiss financial institution. Richard has worked on a wide variety of investment vehicles, from relatively simple long only bond and equity funds, through to complex structured products and including private equity, commodity, derivative, and hedge funds of various strategies.

Richard sits on the boards of a variety of funds, investment management companies and fund administration companies acting in both executive and non-executive capacities. In these roles he has variously overseen the day to day operations, provided risk management advice and oversight, and overseen the investment activities of those entities.

Richard is a Member of the Chartered Management Institute and the Institute of Directors. He is also a member of administration and technical sub-committees of the Guernsey Investment Fund Association ("GIFA"). As part of the GIFA technical committee, Richard worked on the team that produced Guernsey's AIFM rules and regulations.

**Philip Soulsby (aged 51) (Independent Non-Executive Director)**

Philip Soulsby is a mathematics graduate. He qualified as a chartered accountant in London with BDO Binder Hamlyn, before transferring to KPMG in Guernsey in 1990. There he spent two years specialising in the audit of financial services companies and offshore mutual funds. In 1992 he joined Credit Suisse Fund Administration Limited in charge of finance and compliance, later moving to a role more involved in structuring and marketing mutual fund services, helping the business grow from 12 staff to over 130. During this time he acted as director to a number of funds and fund managers, and gained a broad knowledge of hedge funds, derivatives and risk control. In 2006, he left Credit Suisse to establish his own business, The Mundi Group Ltd, a fair-trade and ethical products business. He remains a director of several funds and fund management companies and is also Douzenier to the Parish of St Martin.

**REMUNERATION POLICY**

No advice or services were provided by any external person in respect of the nominations and remunerations committee's consideration of the Directors' remuneration.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate directors of a quality required to run the Company successfully. The policy is to review fee rates periodically, although such a review will not necessarily result in any changes to the rates, and account is taken of fees paid to directors of comparable companies.

A management share plan was formalised on 7 April 2017. The plan allows for certain members of the management to benefit from 20% of the increase in the year end book value per share, distributed in shares of the Company.

**Remuneration**

The non-executive directors are remunerated for their services at such a rate as the Directors determine provided that the aggregate amount of such fees does not exceed £200,000 per annum.

The directors are remunerated in the form of fees, payable monthly in arrears. Bart Turtleboom agreed to waive his entitlement to director's fees whilst he was Chairman. With effect from 1 April 2017 Bart Turtelboom will receive and annual salary of £120,000 as Chief Executive Officer.

The Remuneration Committee met on 19 April 2017 to consider Mr Turtelboom's appointment as Chief Executive Officer to the Company with a proposed salary of £120,000. The Committee felt that the appointment would be positive for the Shareholders and for the Board. The Committee also considered that the proposed salary was reasonable and commensurate with the level of the appointment. The Committee duly recommended that Mr Turtelboom's salary be set at £120,000 per annum.

No directors have been paid additional remuneration outside their normal remuneration and expenses.

| | | Period ended 31-Dec-16 GBP |
|---|---|---|
| Bart Turtelboom | Chief Executive Officer | Nil |
| Wayne Bulpitt | Non-Executive Chairman | 15,548 |
| Richard Bray | Executive Director | 15,548 |
| Philip Soulsby | Non-Executive Director | 11,266 |
| | | 42,362 |

During the period ended 31 December 2016, Directors' remuneration of £42,362 was charged to the Company of which £6,438 remained payable at the year end.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable Guernsey law and regulations.

Guernsey Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have opted to prepare the Company's financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") 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 or loss of the Company for that period.

In preparing these financial statements the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and its results for the year and to enable them to ensure that the financial statements comply with IFRS. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the oversight of the maintenance and integrity of the corporate and financial information included on the Company's webpage.

### Responsibility Statement

The Directors confirm that to the best of their knowledge the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for the shareholders to assess the Company's performance, business model and strategy.

Signed on behalf of the Board of Directors by:

| | |
|---|---|
| Bart Turtelboom | Richard Bray |
| Chief Executive | Director |
| Date: 28 June 2017 | |

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF APQ GLOBAL LIMITED

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"); and
- have been prepared in accordance with the requirements of The Companies (Guernsey) Law, 2008.

**What we have audited**

We have audited the accompanying financial statements of APQ Global Limited (the Company), which comprise:

| |
|---|
| Statement of comprehensive income for the period then ended |
| Statement of changes in equity for the period then ended |
| Statement of financial position as at 31 December 2016 |
| Statement of cash flows for the period then ended |
| Related notes 1 to 16 to the financial statements |

The financial reporting framework that has been applied in their preparation is applicable law and IFRs.

**Overview of our audit approach**

| | |
|---|---|
| Risks of material misstatement | • Valuation of investment in APQ Cayman Fund Limited ("the Cayman Subsidiary").<br>• Existence and ownership of investments. |
| Audit scope | • We performed an audit of the Company for the period ended 31 December 2016. Our work included procedures performed on the assets and liabilities of the Cayman Subsidiary. |
| Materiality | • Materiality has been set at £774,000 which represents 1% of net assets. |

**Our assessment of risks of material misstatement**

We identified the risks described below as those which would have the greatest effect on our overall audit strategy, the allocation of resources and directing the efforts of the audit team. In addressing these risks, we have performed the procedures below which were designed in the context of the financial statements as a whole and, consequently, we do not express any opinion on these individual area.

| Risk | Our response to the risk | What we concluded to the Audit |
|---|---|---|
| **Valuation of the investment in the Cayman Subsidiary (£76.6m).**<br>At year end, the Company had an investment in the Cayman Subsidiary which has a portfolio of Level 1 and Level 2 instruments. Management uses the net asset value (NAV) of the Cayman Subsidiary to fair value the investment in the Cayman Subsidiary. NAV is determined on the basis of the fair values of the Cayman Subsidiary's net assets.<br>Level 1 instruments amount to 55% of the Cayman Subsidiary's assets and liabilities, level 2 instruments amount to 11% and bank and cash balances amount to 33%. | We obtained management's calculation of the NAV of the Cayman Subsidiary and we checked that it was arithmetically correct. We agreed the prices for all level 1 instruments to independent sources and we checked foreign exchange rates to independent sources. We checked that management's valuation calculations of price multiplied by quantity were correct. We engaged our own internal derivative valuation specialists to independently value a sample (89% by value) of level 2 instruments. We obtained independent confirmations for all of the Cayman Subsidiary's material bank and cash balances. | We confirmed that there were no material matters identified during our audit work on investment valuation that we wanted to bring to the attention of the Audit Committee. |
| **Existence and ownership of investments**<br>The Cayman Subsidiary's underlying investments are in a diverse portfolio of equity, debt and derivative instruments. There is a risk that the Cayman Subsidiary does not own these instruments or they do not exist. | We obtained the underlying investment portfolio of the Cayman Subsidiary. We obtained independent confirmations from custodians and brokers for all material holdings in the portfolio and agreed them to the Cayman Subsidiary's records. | We confirmed that there were no material matters identified during our audit work on existence and ownership that we wanted to bring to the attention of the Audit Committee. |

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF APQ GLOBAL LIMITED (continued)**

**The scope of our audit**

**Tailoring the scope**

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope and this enables us to form an opinion on the financial statements.

**Our application of materiality**

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our opinion.

**Materiality**

"Materiality" is the magnitude of an omission or misstatement that, individually or in aggregate, could reasonably be expected to influence the economic decisions of the users of financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £774,000 which is approximately 1% of net assets. This provided a basis for determining the nature timing and extent of risk assessment procedures. We used net assets as a basis for determining planning materiality because the Company's primary performance measures for internal and external reporting are based on net assets.

During the course of our audit we reassessed initial materiality and noted no factors leading us to amend materiality levels from those originally determined at the audit planning stage.

**Performance materiality**

"Performance materiality" is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment our judgement was that overall performance materiality (i.e. our tolerance for misstatement in an individual account balance) for the Company should be 50% of materiality, namely £387,000.

Our objective in adopting this approach was to ensure that total uncorrected and undetected audit differences in the Financial Statements did not exceed our materiality level.

**Reporting threshold**

"Reporting threshold" is an amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee at audit planning stage that we would report to them all audit differences in excess of £38,700 which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluated any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF APQ GLOBAL LIMITED (continued)**

**Scope of the Audit of the Financial Statements**
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Respective responsibilities of directors and auditor**
As explained more fully in the Directors' Responsibilities Statement set out on page 19, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

**Matters on which we are required to report by exception**

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, financial and non-financial information in the annual report is:

- ► materially inconsistent with the information in the audited financial statements; or
- ► apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- ► otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the annual report is fair, balanced and understandable and whether the annual report appropriately discloses those matters that we communicated to the audit committee which we consider should have been disclosed.

We have no exceptions to report.

Under the Companies (Guernsey) Law, 2008 we are required to report to you, if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations required for the audit.

We have no exceptions to report.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF APQ GLOBAL LIMITED (continued)**

**Statement on the Directors' assessment of the principal risks that would threaten the solvency or liquidity of the entity**

**ISAs (UK and Ireland) reporting**

We are required to give a statement as to whether we have anything material to add or to draw attention to in relation to:

- the directors' confirmation in the Annual Report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures in the Annual Report that describe those risks and explain how they are being managed or mitigated;
- the directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and
- the directors' explanation in the Annual report as to how they have assessed the prospects of the entity over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We have nothing material to add or to draw attention to.

Ernst & Young LLP

Ernst & Young LLP
Guernsey
Date: 29 June 2017

The maintenance and integrity of the APQ Global Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

Legislation in the Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## STATEMENT OF COMPREHENSIVE INCOME
**for the period ended 31 December 2016**

| | Note | From the date of incorporation to 31 December 2016 GBP |
|---|---|---|
| Net gains on investments | 6 | 965,471 |
| Expenses | 7 | (412,522) |
| **Net Profit for the period before tax** | | 552,949 |
| Tax | | - |
| **Profit for the period** | | 552,949 |
| **Basic and diluted earnings per share** | 9 | **0.00708** |

There are no other Comprehensive Income items in the current period. The profit for the period represents the Total Comprehensive Income for the period.

## STATEMENT OF CHANGES IN EQUITY
**for the period ended 31 December 2016**

| | Share capital | Retained earnings | Total |
|---|---|---|---|
| Issue of shares | 78,055,000 | - | 78,055,000 |
| Transaction costs of raising equity | (1,215,379) | | (1,215,379) |
| Profit for the period | - | 552,949 | 552,949 |
| At 31 December 2016 | 76,839,621 | 552,949 | 77,392,570 |

The notes on pages 27 to 38 form an integral part of the Financial Statements.

# APQ global limited

**STATEMENT OF FINANCIAL POSITION**
**As at 31 December 2016**

| | Note | 31 December 2016 GBP |
|---|---|---|
| **Assets** | | |
| Investment at fair value through profit or loss | 6 & 13 | 76,595,715 |
| Cash and cash equivalents | 13 | 913,504 |
| **Total assets** | | 77,509,219 |
| **Equity** | | |
| Share capital | 8 | 76,839,621 |
| Retained earnings | 8 | 552,949 |
| **Total equity** | | 77,392,570 |
| **Liabilities** | | |
| Other payables | 13 | 116,649 |
| **Total liabilities** | | 116,649 |
| **Total equity and liabilities** | | 77,509,219 |

The notes on pages 27 to 38 form an integral part of the Financial Statements.

The Financial Statements on pages 24 to 38 were approved by the Board of Directors of APQ Global Limited and signed on 28 June 2017 on its behalf by:

Bart Turtelboom
Chief Executive
Date: 28 June 2017

Richard Bray
Director

**STATEMENT OF CASH FLOW**
**for the period ended 31 December 2016**

| | 31 December 2016 GBP |
|---|---|
| **Cash flows from operating activities** | |
| Profit before tax | 552,949 |
| | |
| **Adjustments for:** | |
| Net gain on investments | (965,471) |
| Increase in creditors | 116,649 |
| | |
| **Cash absorbed by operating activities** | **(295,873)** |
| | |
| **Cash flows from investing activities** | |
| Acquisition of investment * | (58,500,000) |
| | |
| **Net cash flow used in investing activities** | **(58,500,000)** |
| | |
| **Financing activities** | |
| Proceeds from issue of shares * | 60,924,756 |
| Transaction costs of raising equity | (1,215,379) |
| | |
| **Net cash flow from financing activities** | **59,709,377** |
| | |
| **Net increase in cash** | **913,504** |
| | |
| Opening Cash | - |
| | |
| Closing Cash | 913,504 |

* In addition to the cash subscription of £58,500,000 for the acquisition of the investment, the Company also issued shares in the amount £17,130,244 for a consideration of investment in the Subsidiary.

**NOTES TO THE FINANCIAL STATEMENTS**
**for the period ended 31 December 2016**

**1. Corporate information**
The financial statements of APQ Global Limited (the Company) for the period ended 31 December 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 28 June 2017. The Company is incorporated as a limited company in Guernsey. The Company was incorporated on 10 May 2016 for an unlimited duration in accordance with Guernsey law. The Company's registered office is at 1st Floor, Tudor House, Le Bordage, St Peter Port, Guernsey, GY1 1DB.

The objective of the Company is to steadily grow its earnings to seek to deliver attractive returns and capital growth through a combination of building growing businesses in emerging markets as well as earning revenue from income generating operating activities.

The Company and its subsidiary have no investment restrictions and no maximum exposure limits will apply to any investments made by the Company, unless otherwise determined and set by the Board from time to time. No material change will be made to the Company’s or subsidiary's objective or investing policy without the approval of Shareholders by ordinary resolution.

The Company's investment activities are managed by the Board.

The shares are quoted on The International Stock Exchange for informational purposes, but cannot be traded on this exchange. The ordinary shares are admitted to trading on AIM.

**2. Significant accounting policies**

**2.1 Basis of preparation**
The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (IFRS). The financial statements have been prepared on a historical-cost basis, except for financial assets and financial liabilities held at fair value through profit or loss (FVPL) that have been measured at fair value.

The financial statements are presented in Pounds Sterling, which is the functional currency of the Company, and all values are rounded to the nearest pound, except where otherwise indicated.

**2.2 Basis of consolidation**
The Company holds 100% of the shares in APQ Cayman Limited. As per IFRS 10 the Company is required to prepare consolidated financial statements, however management determined that the Company meets the investment entity definition and has taken advantage of the exception from consolidation as per IFRS 10 paragraph 31. Accordingly, interests in subsidiaries are classified as fair value through profit or loss (FVPL).

For a more detailed explanation please also refer to note 3. Significant accounting judgements, estimates and assumptions.

**2.3 Financial instruments**

The Company classifies its financial assets and financial liabilities at initial recognition into the following categories, in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Financial assets and liabilities at FVPL.

The investment in subsidiary is designated at fair value through profit or loss upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Company, as set out in the Company's offering document.

In accordance with the exception under IFRS 10 Consolidated Financial Statement for an investment entity, the Company does not consolidate its investment in subsidiary and has designated the investment as fair value through profit or loss in the financial statements.

**2. Significant accounting policies continued**

**2.3 Financial instruments continued**

Investments in subsidiaries are initially accounted for and subsequently measured at fair value.

Financial liabilities are classified, at initial recognition, as payables and are subsequently measured at amortised cost.

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either:

(a) the Company has transferred substantially all of the risks and rewards of the asset; or
(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

**2.4 Offsetting of financial instruments**
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**2.5 Fair value measurement**
The Company measures its investment in subsidiaries at fair value at each reporting date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible). Please refer to Note 6 for the Company's fair value techniques.

For assets and liabilities that are measured at fair value on a recurring basis, the Company identifies transfers between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole), and deems transfers to have occurred at the beginning of each reporting period.

**NOTES TO THE FINANCIAL STATEMENTS**
**for the period ended 31 December 2016**

**2. Significant accounting policies continued**

**2.6 Functional and presentation currency**
The functional currency is the currency of the primary economic environment in which it operates. The Company's majority of returns are Pounds Sterling based, the capital is raised in Pounds Sterling and the performance is evaluated and its liquidity is managed in Pounds Sterling. Therefore, the Company concludes that the Pounds Sterling is its functional currency. The Company's presentation currency is also Pounds Sterling.

**2.7 Foreign currency translations**
Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

**2.7 Foreign currency translations continued**
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency transaction gains and losses on financial instruments classified as at FVPL are included in profit or loss in the statement of comprehensive income as part of the ‘net gain or loss on financial assets and liabilities at fair value through profit or loss’.

**2.8 Share capital**
In the event of the liquidation of the Company the Ordinary Shares entitle the holder to a pro rata share of the Company's net assets. Shares are issued net of transaction costs, which are defined as incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

**2.9 Distributions to shareholders**
Dividends are at the discretion of the Company. A dividend to the Company's shareholders is accounted for as a deduction from retained earnings. An interim dividend is recognised as a liability in the period in which it is irrevocably declared by the Board of Directors. A final dividend is recognised as a liability in the period in which it is approved by the annual general meeting of shareholders.

**2.10 Cash and cash equivalents**
Cash and cash equivalents in the statement of financial position comprise cash on hand and short-term deposits in banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less.

Short-term investments that are not held for the purpose of meeting short-term cash commitments and restricted margin accounts are not considered as ‘cash and cash equivalents’.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts when applicable.

**2.11 Interest revenue and expenses**
Interest revenue and expenses are recognised in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest method.

**2.12 Dividend income**
Dividend income is recognised on the date when the Company's right to receive the payment is established.

**2. Significant accounting policies continued**

**2.13 Net gain or loss on financial assets and liabilities at fair value through profit or loss**

Net gains or losses on financial assets and liabilities at FVPL are changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at FVPL and exclude interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of the prior period's unrealised gains and losses for financial instruments which were realised in the reporting period. Realised gains and losses on disposals of financial instruments classified as at FVPL are calculated using the first-in, first-out (FIFO) method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

**2.14 Fee expense**
Fees are recognised on an accrual basis. Refer to Note 7 for details of fees and expenses paid in the period.

**2.15 Taxes**
The Company is taxable in Guernsey at the company standard rate of 0%.

However, in some jurisdictions, investment income is subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant for the Company. The Company presents the withholding tax separately from the gross investment income in the statement of comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented gross of withholding taxes, when applicable.

**3. Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements
In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Assessment as investment entity
The Company owns 100% of the shares of APQ Cayman Limited. Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are, as follows:

• An entity that obtains funds from one or more investors for the purpose of providing those investors with investment management services;

• An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

• An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company's listing document details its objective of providing investment management services to investors which includes investing in equities, fixed income securities, private equity and property investments for the purpose of returns in the form of investment income and capital appreciation.

The Company reports to its investors via quarterly investor information, and to its management, via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by IFRS in the Company's annual reports. The Company has a clearly documented exit strategy for all of its investments.

The Board has also concluded that the Company meets the additional characteristics of an investment entity, in that it has more than one investment; the Companies ownership interests are predominantly in the form of equities and similar securities; it has more than one investor and its investors are not related parties.

The Board has concluded that the Company meets the definition of an investment entity. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

**3. Significant accounting judgements, estimates and assumptions continued**

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Fair value
The Directors consider that the fair value of the investment in subsidiary should be based on NAV of the subsidiary, APQ Cayman Limited, please refer to Note 6.

**4. Standards issued but not yet effective**

The standards and interpretations that are issued, but not yet effective and which are expected to have as impact on financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company plans to adopt the new standard on the required effective date. Overall, the Company expects no significant impact on its balance sheet and equity except for the effect of applying the impairment requirements of IFRS 9. The Company expects a higher loss allowance resulting in a negative impact on equity and will perform a detailed assessment in the future to determine the extent.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard is not expected to have any impact on the Company.

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference.

These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the Company.

IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2
The IASB issued amendments to IFRS 2 Share-based Payment that addresses three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

**4. Standards issued but not yet effective continued**

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are satisfied. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Company is assessing the potential effect of the amendments on its consolidated financial statements.

**5. Segment Information**

For management purposes, the company is organised into one main operating segment, which invests in equity securities. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the company as a whole.

The following table analyses the Company's assets by geographical location. The basis for attributing the assets are the place of listing for the securities or for non-listed securities, country of domicile.

| | Period ended 31 December 2016 GBP |
|---|---|
| Cayman | 76,595,715 |
| Guernsey | 913,504 |
| Total | 77,509,219 |

**6. Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss**

| | **Fair Value GBP** |
|---|---|
| **INVESTMENTS** | |
| **APQ Cayman Limited** | |
| Opening balance | - |
| Acquisitions | 75,630,244 |
| Fair value movement | 965,471 |
| | 76,595,715 |

The Company meets the definition of an investment entity. Therefore, it does not consolidate its subsidiary but, rather, recognises it as an investment at fair value through profit or loss.

**Valuation techniques**

APQ Cayman Limited has a portfolio of tradable assets and liabilities which it values at fair value using the same policies as the Company. The Company is able to redeem its holding of APQ Cayman Limited at its net asset value. Fair value of the investment in APQ Cayman Limited is therefore measured at its Net Asset Value.

**6. Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss continued**

**Unlisted managed funds**
The Company classifies its investments into the three levels of the fair value hierarchy based on:

- Quoted prices in active markets for identical assets or liabilities (Level 1)
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2)
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

The Company has classified its investment in subsidiary as level 3 because its net asset value is deemed to be an unobservable input. The movement in the investment is shown above.

The movement of investments classified under level 3 is the same as the table above.

**Note sensitivity**
The most significant unobservable input used in the fair value is the NAV of the underlying investment. A reasonable change of 5% in the NAV will have an impact of £3,829,785 on the results of the Company.

APQ Global Limited wholly owns APQ Cayman Limited whose registered office of the Company is at the offices of Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands.

APQ Global Limited has supported APQ Cayman Limited by paying directors fees of £1,037.01 to Richard Bray as he is a director of both entities.

| **7. Expenses** | GBP |
|---|---|
| APQ Partners LLP Operating Expenses Paid | 219,935 |
| Audit fee | 59,000 |
| Nominated advisor | 42,907 |
| Administration fees and expenses | 25,616 |
| Director's fees (Wayne Bulpitt) | 15,548 |
| Director's fees (Richard Bray) | 15,548 |
| Director's fees (Philip Soulsby) | 11,267 |
| Other expenses | 9,190 |
| Professional fees | 4,869 |
| Auditor's set up costs | 4,500 |
| Insurance expenses | 4,142 |
| | 412,522 |

### 8. Share Capital

The issued share capital of the Company is 78,055,000 ordinary shares of no par value listed on the Channel Islands Securities Exchange and AIM.

Quantitative information about the Company's capital is provided in the statement of changes in equity and in the tables below.

The shares are entitled to dividends when declared and to payment of a proportionate share of the Companies net asset value on any approved redemption date or upon winding up of the Company.

The Company's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its listing documents.
- To maintain sufficient liquidity to meet the expenses of the Company, pay dividends and to meet redemption requests as they arise.
- To maintain sufficient size to make the operation of the Company cost-efficient.
- The Board has authority to purchase up to 14.99 per cent. of the issued Ordinary Share capital of the Company. The Board intends to seek a renewal of this authority at each annual general meeting of the Company. No buy backs occurred during the period under review.

| | Ordinary Shares | GBP |
|---|---|---|
| Issue of shares | 78,055,000 | 78,055,000 |
| Transaction costs for raising equity | | (1,215,379) |
| **As at 31 December 2016** | 78,055,000 | 76,839,621 |

### 9. Earnings Per Share

The basic and diluted earnings per shares are calculated by dividing the profit or loss by the average number of ordinary shares outstanding during the period.

| | |
|---|---|
| Profit for the period | 552,949 |
| Average number of shares in issue during the period | 78,055,000 |
| Earnings per share | 0.00708 |

### 10. Dividend proposed

There were no dividends paid in 2016 so there are no dividends shown in the financial statements however dividends were declared in January and April 2017 as follows:

| | Ex-dividend date | Payment date | Dividend | Dividend per Share |
|---|---|---|---|---|
| First dividend | 26 January 2017 | 27 February 2017 | £390,275.00 | £0.005 |
| Second dividend | 27 April 2017 | 24 May 2017 | £1,170,825.00 | £0.015 |

The stated dividend policy of the Company is to target an annualised dividend yield of 6% based on the Placing issue Price. The latest dividend payment of £0.015 after the first full operating quarter of the Company is on target with the stated policy.

There is no guarantee that any dividends will be paid in respect of any financial year or period. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Company’s businesses. There can be no guarantee that the Group will achieve the target rates of return referred to in this document or that it will not sustain any capital losses through its activities.

**11. Financial risk and management objectives and policies**

The Company's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to market risk (which includes interest rate risk, currency risk and price risk), liquidity risk, credit risk and investment holding period risk arising from the financial instruments it holds.

**Interest rate risk**

Whilst the bank accounts of APQ Global Limited are not interest bearing there is no exposure to interest rate risk.

**Currency risk**

The Company's reporting currency and Ordinary Shares are denominated in Sterling. Through its activities in emerging markets the Company will have underlying exposure to a range of emerging market currencies. Accordingly, the Company's earnings may be affected favourably or unfavourably by fluctuations in currency rates. The Board may engage in currency hedging in seeking to mitigate foreign exchange risk although there can be no guarantees or assurances that the Company will successfully hedge against such risks.

**Liquidity risk**

The Company may employ borrowings in connection with its business activities. Prospective investors should be aware that in the event that the Company's income falls for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenue of the Company. The Company will pay interest on any borrowing it incurs. As such, the Company is exposed to interest rate risk due to fluctuations in the prevailing market rates. Interest rate movements may affect the level of income receivable by the Company and the interest payable on the Company's variable rate borrowings.

**Credit risk**

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company generate its returns through its investment in APQ Cayman Ltd and is thus exposed to the risk of credit-related losses primarily through that investment. This is a specific investment policy of the Company. The risk of default from the investment is considered minimal because the Company is able to redeem its investment in APQ Cayman Limited at any time. The underlying assets within APQ Cayman Limited are readily tradable and thus liquid.

The Company banks with NatWest and Barclays both of which have good credit ratings.

The Company's maximum exposure to credit risk in relation to the financial assets is the carrying amount as disclosed in the statement of financial position.

The Company is also exposed to the following risks through its investment in APQ Cayman Limited ("Cayman").

- Cayman has investment exposure to emerging markets, which are subject to certain risks and special considerations that are not typically associated with more developed markets and economies.
- Cayman invests in derivative instruments which can be highly volatile and may be difficult to value and/or liquidate.
- Cayman seeks exposure to emerging markets through the use of structured products which carry additional credit risks, are inherently difficult to value, illiquid and subject to counterparty risk on maturity.
- Cayman is subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. Where Cayman utilises derivative instruments it is likely to take credit risk with regard to such counterparties and bear the risk of settlement default.
- Cayman has exposure to foreign exchange rate risk as a result of changes, both unfavourable and favourable, in exchange rates between Pound Sterling and other currencies in which its assets are denominated, principally United States Dollars.
- Cayman is subject to custody risk in the event of the insolvency of the custodian or any sub-custodians.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**
**for the period ended 31 December 2016**

### 11. Financial risk and management objectives and policies continued

The Company intentionally exposes itself to these risks as part of its operations. These risks are managed on an ongoing basis by performance reviews of the underlying portfolio on a quarterly basis by the Board of the Company.

### 12. Capital Management

The Company can raise new capital which may be implemented through the issue of a convertible debt instrument or such other form of equity or debt as may be appropriate. It also has a buy-back authority subject to a maximum buy-back of 14.99 per cent of the issued Ordinary Shares.

The Company's objectives for managing capital are:

- To invest the capital into investments through its subsidiary, APQ Cayman Limited.
- To maintain sufficient liquidity to meet the expenses of the Company and pay dividends.
- To maintain sufficient size to make the operation of the Company cost-effective.

The Company may utilise borrowings in connection with its business activities. Although there is no prescribed limit in the Articles or elsewhere on the amount of borrowings that the Company may incur, the Directors will adopt a prudent borrowing policy and oversee the level and term of any borrowings of the Company and will review the position on a regular basis.

### 13. Other payables

All of the Company's liabilities fall due within three months at 31 December 2016.

**As at 31 December 2016**

| | GBP |
|---|---|
| **Liabilities** | |
| Audit fee payable | 59,000 |
| APQ Partners LLP Operating Expenses | 45,851 |
| Directors and Officers Liability Insurance | 4,142 |
| Director's Fees Payable (Wayne Bulpitt) | 2,500 |
| Director's Fees Payable (Richard Bray) | 2,500 |
| Director's Fees Payable (Philip Soulsby) | 1,438 |
| Administration fees payable | 1,188 |
| ASG Disbursements | 30 |
| | 116,649 |

### 14. Accounting period

The Company was formed on 10 May 2016 so there is a short first accounting period up to 31 December 2016 represented in these financial statements. This is also why there are no comparisons to the previous accounting period.

### 15. Related party transactions

Richard Bray is also a director of the wholly owned subsidiary, APQ Cayman Limited, as well as being a director of Active Management Services Limited which is part of the Active Group as is Active Services (Guernsey) Limited.

Wayne Bulpitt founded the Active Group, he is also a shareholder of the Company.

Bart Turtleboom founded APQ Partners LLP and is also a Director of APQ Cayman Limited as well as the majority shareholder of the Company.

The directors are remunerated in the form of fees, payable monthly in arrears. Bart Turtelboom agreed to waive his entitlement to director's fees whilst he was Chairman. With effect from 1 April 2017 Bart Turtelboom will receive an annual salary of £120,000 as Chief Executive Officer of the Company.

| | | Period ended 31-Dec-16 GBP |
|---|---|---|
| Bart Turtelboom | Chief Executive Officer | Nil |
| Wayne Bulpitt | Non-Executive Chairman | 15,548 |
| Richard Bray | Executive Director | 15,548 |
| Philip Soulsby | Non-Executive Director | 11,266 |
| | | 42,362 |

APQ Global Limited has paid £15,616 fees and expenses to Active Services (Guernsey) Limited as administrator of the Company.

As described in the Listing Document, and under the terms of the Services Agreement, APQ Partners LLP assist the Board and the Group's management based in Guernsey with the implementation of its business strategy, provide research on business opportunities in emerging markets and provide support for cash management and risk management purposes. APQ Partners LLP are entitled to the reimbursement of expenses properly incurred on behalf of APQ Global Limited in connection with the provision of its services pursuant to the agreement. APQ Global Limited has funded £219,935 of the expenses incurred by APQ Partners LLP.

At the launch of the Company all of the remaining APQ Cayman Limited shares were exchanged for APQ Global Limited shares worth £17,130,244. The owners of these shares are ranked equally with the shareholders who purchased shares for £58,500,000 in cash.

### 16. Events after the reporting period

APQ Global Ltd acquired APQ Partners LLP for a nominal value and fair value of £0.01 on 3 February 2017. The Company achieved this by taking over as Managing Partner of APQ Partners LLP. In doing so the Company achieved its objective as stated in the Admission documents of taking total control of the entity which acts as the employer of the UK based individuals providing services to the Company. As APQ Partners LLP was acquired for a nominal value, no goodwill was included in the costs. Under the terms of the Service Agreement as described in Note 15 above, APQ Partners LLP charged no fees to the Company, and in return the Company met the costs of APQ Partners LLP. The entity had no other revenue streams, accordingly there were no liabilities or creditors on the books of APQ Partners LLP at the point at which the Company assumed control and no revenue or profit was recognised in the books of the Company after the acquisition.