

**Strategic Report,
Report of the Directors and
Financial Statements
for the Year Ended 31 December 2019
for
MATHENGINE PLC**

MATHENGINE PLC

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for the year ended 31 December 2019**

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MATHENGINE PLC

**Company Information
for the year ended 31 December 2019**

Directors:

D J N Nabarro
W G Wells

Registered office:

Sterling House
19/23 High Street
Kidlington
Oxfordshire
OX5 2DH

Registered number:

03334206 (England and Wales)

Auditors:

Haines Watts
Chartered Accountants and Statutory Auditor
Sterling House
19/23 High Street
Kidlington
Oxfordshire
OX5 2DH

MATHEngine PLC

Strategic Report for the year ended 31 December 2019

We have pleasure in publishing our Company's latest Strategic Report, the Report of the Directors and the Financial Statements for the year ended 31st December 2019 on our MathEngine PLC ("MathEngine") web-site, at www.mathengineplc.com.

You will also find on our updated web-site, Notice of the twenty-second (22nd) MathEngine AGM to be held at the Company's registered office at Sterling House, 19-23 High Street, Kidlington, Oxford OX5 2DH at Noon (12.00) on Monday 29th June 2020, a downloadable and printable Attendance Card, and a Form of Proxy in respect of the forthcoming AGM.

MATHENGINE PLC

Strategic Report for the year ended 31 December 2019

Review of business and key financial indicators

Value of the Company's portfolio

During the twelve months period to 31st December 2019, the value of our Company's assets decreased by a marginal point seven per cent (-0.71%) to £769,498.

This was net of our requirement to reserve £51,444 for payment of UK corporation tax levied on our substantial capital gain realised in the previous year on our shareholding in Vena Solutions.

At the year-end, we held cash amounting to 15.8% of our net assets, and on a per share basis, MathEngine's Ordinary Shares had an approximate net asset value of 3.18 pence per share.

Investments

We continue to hold a significant investment in Vena and, despite the extraordinary impact of Covid-19 on so many of our lives, Vena, according to recent reports from its management, as a tech company continues to prosper.

During the year we backed an impressive Australian management team by making a substantial investment in Balamara Resources, their Polish coking (metallurgical) coal mining venture, and I look forward to reporting further on their progress during the coming months.

We also made two loans to undoubted individuals at an average annual interest rate of 14.4%, one of which has been repaid in full since the year-end and the other one of which is current and will be repaid later in the year.

Portfolio policy

MathEngine has no debt and with significant cash in hand, we continue to seek other interesting and potentially profitable investment opportunities for our Company.

New Articles of Association

We recently reviewed our Company's Articles of Association and in doing so realised that document was last amended in November 1999 and refers to the now out of date UK Companies Acts of 1985-1989. We therefore propose to update our articles in line with modern best practice and are submitting a special resolution at our forthcoming AGM on Monday 29th June to replace our existing old articles with a modern and relevant version..

Your board have been careful to ensure that all our shareholders will continue to benefit from the same protections as before and intend to vote in favour of the special resolution in respect of their own shareholdings of 5,963,300 ordinary shares (27.12%) in MathEngine.

Repurchase of shares

During the year, the El Oro Group, a long-time shareholder in MathEngine was liquidated, and we were able, by moving quickly, to repurchase the 3,939,282 MathEngine ordinary shares it owned (circa 15.17%) for just £14,950 or circa 0.38p per share. That purchase price was a discount of circa 88% to our Company's Net Asset Value. These purchased shares have been subsequently cancelled making the transaction materially value accretive for all of MathEngine's shareholders and we are now seeking retrospective approval for this purchase. Again, your board intend to vote in favour of this special resolution in respect of their own shareholdings in MathEngine.

MATHENGINE PLC

Strategic Report for the year ended 31 December 2019

Principal risks and uncertainties

The Company's internal controls are designed to meet its particular needs and the financial risks to which it is exposed.

In this context, the controls can only provide reasonable, not absolute, assurance against material errors, losses or fraud by third parties.

The directors take an active role in assessing the potential financial risks in all areas of the business by reviewing the investments regularly and also through day to day management control.

The Company's principle financial assets are investments and cash which are monitored daily.

Section 172(1) statement

Under Section 172 of the Companies Act 2006, the Directors have a duty to promote the success of the Company over the long term for the benefit of shareholders as a whole, having regard to a range of other key stakeholders and interests.

The Board is responsible for the overall direction of the company. It is responsible for the company's long-term success. It sets the company's strategy and monitors the performance of the company to ensure that it is prepared for the challenges and opportunities of the future.

In performance of these duties, the Board is focused on the sustainability of the company in the long term. The Board recognises the need for the company to have effective engagement with, and encourage participation from, all key stakeholders to promote these long-term interests.

Engagement with employees

The company has no paid employees on the payroll and so there was no requirement to conduct an employee engagement survey during the year.

Engagement with suppliers, customers and others

We ensure that all suppliers are paid in accordance with the terms agreed and work to ensure that our investors have a clear understanding of our strategy, performance and objectives.

The Board is committed to communicating with shareholders and other stakeholders in a clear and open manner and seeks to ensure effective engagement through the AGM and the company's website.

Statement of corporate governance arrangements

This year, for the first time, we are reporting compliance against the new 2018 UK Corporate Governance Code issued by the Financial Reporting Council.

The Board is committed to maintaining high standards of governance and I am pleased to confirm that your Company is fully compliant with the Principles and Provisions of the Code for the year ended 31 December 2019. As a Board, we remain committed to applying the highest standards of corporate governance, recognising that robust governance and culture underpin business success.

MATHEngine PLC

**Strategic Report
for the year ended 31 December 2019**

Our registrars

We continue to receive good service from our registrars, Link Asset Services, and any Shareholder having a query re. their shareholding in MathEngine PLC should write to or e-mail Aydin Djemal at Link as follows:

Mr. Aydin Djemal
Link Asset Services Registrars
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

e-mail address: aydin.djemal@linkgroup.co.uk

Our advisers

I record my gratitude to my boardroom colleague, William Wells, for his sound and entrepreneurial counsel during the year, and to Rodney Style and his team, our auditors at Haines Watts Oxford, Chartered Accountants, for their help and advice with our Company's accounts.

Shareholders communication

In the interests of carefully husbanding our resources, we communicate with you our shareholders via our detailed and disclosing www.mathengineplc.com web-site, which we endeavour to keep both informative and up to date.

On behalf of the board:

.....
D J N Nabarro - Director

Date:

MATHENGINE PLC

Report of the Directors for the year ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

Principal activity

The principal activity of the Company in the year under review was that of an investment company aiming to achieve capital appreciation over a long-term perspective.

Dividends

No dividends will be distributed for the year ended 31 December 2019.

Future developments

The Company has no debt and now significant cash in hand and the board will continue to seek other interesting and potentially profitable investment opportunities for the Company.

Directors

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

D J N Nabarro

W G Wells

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

MATHENGINE PLC

**Report of the Directors
for the year ended 31 December 2019**

Auditors

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

.....
D J N Nabarro - Director

Date:

Report of the Independent Auditors to the Members of MathEngine plc

Opinion

We have audited the financial statements of MathEngine plc (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue. However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's investments and wider economy. The Directors' view on the impact of COVID-19 is disclosed in the Strategic Report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Members of MathEngine plc

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
MathEngine plc**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Rodney Style ACA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants and Statutory Auditor
Sterling House
19/23 High Street
Kidlington
Oxfordshire
OX5 2DH

Date:

MATHENGINE PLC

Income Statement
for the year ended 31 December 2019

	Notes	31/12/19 £	31/12/18 £
Turnover		-	-
Administrative expenses		(21,989)	(16,225)
		<u>(21,989)</u>	<u>(16,225)</u>
Other operating income		560	-
Operating loss	4	(21,429)	(16,225)
Profit/loss on sale of invest	5	15,008	-
		<u>(6,421)</u>	<u>(16,225)</u>
Interest receivable and similar income		40,019	1,132
		<u>33,598</u>	<u>(15,093)</u>
Gain/loss on revaluation of assets		(27,986)	165,614
		<u>5,612</u>	<u>150,521</u>
Profit before taxation		5,612	150,521
Tax on profit	6	3,856	(31,700)
		<u>9,468</u>	<u>118,821</u>
Profit for the financial year		<u><u>9,468</u></u>	<u><u>118,821</u></u>

The notes form part of these financial statements

MATHENGINE PLC

Other Comprehensive Income
for the year ended 31 December 2019

	Notes	31/12/19 £	31/12/18 £
Profit for the year		9,468	118,821
Other comprehensive income			
Profit and Loss		32	167,092
Revaluation reserve		(32)	(167,092)
Income tax relating to components of other comprehensive income		-	-
		<hr/>	<hr/>
Other comprehensive income for the year, net of income tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		9,468	118,821
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

MATHENGINE PLC (REGISTERED NUMBER: 03334206)

Balance Sheet
31 December 2019

	Notes	£	31/12/19 £	£	31/12/18 £
Fixed assets					
Investments	7		331,451		782,803
Current assets					
Debtors	8	388,793		20,277	
Cash at bank		121,623		47,570	
		<u>510,416</u>		<u>67,847</u>	
Creditors					
Amounts falling due within one year	9	58,869		6,823	
				<u>67,847</u>	
Net current assets			<u>451,547</u>		61,024
Total assets less current liabilities			<u>782,998</u>		843,827
Provisions for liabilities	10		<u>13,500</u>		68,800
Net assets			<u><u>769,498</u></u>		<u><u>775,027</u></u>
Capital and reserves					
Called up share capital	11		2,382,141		2,422,003
Share premium	12		12,274,479		12,249,614
Retained earnings	12		(13,887,122)		(13,896,590)
Shareholders' funds			<u><u>769,498</u></u>		<u><u>775,027</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

.....
D J N Nabarro - Director

MATHENGINE PLC

Statement of Changes in Equity
for the year ended 31 December 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2018	2,422,003	(14,015,411)	12,249,614	656,206
Changes in equity				
Total comprehensive income	-	118,821	-	118,821
Balance at 31 December 2018	<u>2,422,003</u>	<u>(13,896,590)</u>	<u>12,249,614</u>	<u>775,027</u>
Changes in equity				
Issue of share capital	(39,862)	-	24,865	(14,997)
Total comprehensive income	-	9,468	-	9,468
Balance at 31 December 2019	<u><u>2,382,141</u></u>	<u><u>(13,887,122)</u></u>	<u><u>12,274,479</u></u>	<u><u>769,498</u></u>

The notes form part of these financial statements

MATHEngine PLC

**Cash Flow Statement
for the year ended 31 December 2019**

	Notes	31/12/19 £	31/12/18 £
Cash flows from operating activities			
Cash generated from operations	1	(394,684)	(12,613)
Net cash from operating activities		(394,684)	(12,613)
Cash flows from investing activities			
Purchase of fixed asset investments		(200,824)	-
Sale of fixed asset investments		639,537	15,000
Interest received		40,019	1,132
Net cash from investing activities		478,732	16,132
Cash flows from financing activities			
Amount introduced by directors		5,001	-
Amount withdrawn by directors		-	(5,000)
Share buyback		(14,996)	-
Net cash from financing activities		(9,995)	(5,000)
Increase/(decrease) in cash and cash equivalents		74,053	(1,481)
Cash and cash equivalents at beginning of year	2	47,570	49,051
Cash and cash equivalents at end of year	2	121,623	47,570

The notes form part of these financial statements

MATHENGINE PLC

Notes to the Cash Flow Statement
for the year ended 31 December 2019

1. Reconciliation of profit before taxation to cash generated from operations

	31/12/19	31/12/18
	£	£
Profit before taxation	5,612	150,521
Loss/(gain) on revaluation of fixed assets	12,639	(165,614)
Finance income	(40,019)	(1,132)
	<u>(21,768)</u>	<u>(16,225)</u>
(Increase)/decrease in trade and other debtors	(373,516)	3,612
Increase in trade and other creditors	600	-
	<u>(394,684)</u>	<u>(12,613)</u>
Cash generated from operations	<u>(394,684)</u>	<u>(12,613)</u>

2. Cash and cash equivalents

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

Year ended 31 December 2019

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	<u>121,623</u>	<u>47,570</u>

Year ended 31 December 2018

	31/12/18	1/1/18
	£	£
Cash and cash equivalents	<u>47,570</u>	<u>49,051</u>

3. Analysis of changes in net funds

	At 1/1/19	Cash flow	At 31/12/19
	£	£	£
Net cash			
Cash at bank	<u>47,570</u>	<u>74,053</u>	<u>121,623</u>
	<u>47,570</u>	<u>74,053</u>	<u>121,623</u>
Total	<u>47,570</u>	<u>74,053</u>	<u>121,623</u>

The notes form part of these financial statements

MATHENGINE PLC

Notes to the Financial Statements for the year ended 31 December 2019

1. Statutory information

MathEngine Plc is a public company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

Basis of preparing the financial statements

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

Significant judgements and estimates

The preparation of the financial statements in conformity with FRS 102 requires management to use accounting estimates and exercise judgement in the process of applying the company's accounting policies. There were no areas which required significant judgement or measurement uncertainty.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going concern

The directors have considered the potential impact of the Covid-19 virus on the company's financial performance for the period of twelve months from the date of approval of the financial statements and have identified no material uncertainties that may cast a significant doubt on the ability of the company to continue as a going concern for the foreseeable future.

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**Notes to the Financial Statements - continued
for the year ended 31 December 2019**

3. Employees and directors

	31/12/19	31/12/18
	£	£
Wages and salaries	5,000	5,000
	<u> </u>	<u> </u>

The average number of employees during the year was as follows:

	31/12/19	31/12/18
Directors	2	2
	<u> </u>	<u> </u>

Gillian Hedger is MathEngines's Company Secretary and both collates information for you for the annual audit and also from time-to-time liaises with Aydin Djemal at Link Asset Services, who are our registrars, but Cato Strategic remunerates her entirely.

	31/12/19	31/12/18
	£	£
Directors' remuneration	5,000	5,000
	<u> </u>	<u> </u>

4. Operating (loss)/profit

The operating loss (2018 - operating profit) is stated after charging:

	31/12/19	31/12/18
	£	£
Auditors' remuneration	4,000	3,500
Foreign exchange differences	-	20
	<u> </u>	<u> </u>

5. Exceptional items

	31/12/19	31/12/18
	£	£
Profit/loss on sale of invest	15,008	-
	<u> </u>	<u> </u>

6. Taxation

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	31/12/19	31/12/18
	£	£
Current tax:		
UK corporation tax	51,444	-
Deferred tax	(55,300)	31,700
Tax on profit	(3,856)	31,700
	<u> </u>	<u> </u>

MATHENGINE PLC

Notes to the Financial Statements - continued
for the year ended 31 December 2019

7. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2019	837,124
Additions	200,824
Disposals	(639,537)
Revaluations	32
	<u>398,443</u>
At 31 December 2019	<u>398,443</u>
Provisions	
At 1 January 2019	54,321
Provision for year	12,671
	<u>66,992</u>
At 31 December 2019	<u>66,992</u>
Net book value	
At 31 December 2019	<u>331,451</u>
At 31 December 2018	<u>782,803</u>

Cost or valuation at 31 December 2019 is represented by:

	Unlisted investments £
Valuation in 2014	2,999
Valuation in 2015	(93,246)
Valuation in 2016	232,561
Valuation in 2017	153,979
Valuation in 2018	162,092
Valuation in 2019	(384,121)
Cost	324,179
	<u>398,443</u>

The original cost of the fixed asset investments amounts to £324,179 (2018 - £388,739).

8. Debtors

	31/12/19 £	31/12/18 £
Amounts falling due within one year:		
Other debtors	388,793	3,333
Directors' current accounts	-	5,000
	<u>388,793</u>	<u>8,333</u>

MATHENGINE PLC

Notes to the Financial Statements - continued
for the year ended 31 December 2019

8.	Debtors - continued		31/12/19	31/12/18
			£	£
	Amounts falling due after more than one year:			
	Other debtors		-	11,944
			<u> </u>	<u> </u>
	Aggregate amounts		388,793	20,277
			<u> </u>	<u> </u>
9.	Creditors: amounts falling due within one year		31/12/19	31/12/18
			£	£
	Trade creditors		1	-
	Corporation tax		51,444	-
	Directors' current accounts		824	823
	Accrued expenses		6,600	6,000
			<u> </u>	<u> </u>
			58,869	6,823
			<u> </u>	<u> </u>
10.	Provisions for liabilities		31/12/19	31/12/18
			£	£
	Deferred tax		13,500	68,800
			<u> </u>	<u> </u>
				Deferred tax
				£
	Balance at 1 January 2019			68,800
	Credit to Income Statement during year			(55,300)
				<u> </u>
	Balance at 31 December 2019			13,500
				<u> </u>
11.	Called up share capital			
	Allotted, issued and fully paid:			
	Number:		Nominal	31/12/19
	Class:		value:	31/12/18
			£	£
	21,989,309 Ordinary	1p	219,893	259,755
	(31/12/18 - 25,975,467)			
	216,224,820 Deferred	1p	2,162,248	2,162,248
			<u> </u>	<u> </u>
			2,382,141	2,422,003
			<u> </u>	<u> </u>

During the year the company purchased into treasury 3,986,158 ordinary shares for £14,996. The Treasury shares were then cancelled so that the company's issued share capital now consists of 21,989,309 ordinary shares with voting rights attached.

MATHEngine PLC

**Notes to the Financial Statements - continued
for the year ended 31 December 2019**

12. Reserves

	Retained earnings £	Share premium £	Totals £
At 1 January 2019	(13,896,590)	12,249,614	(1,646,976)
Profit for the year	9,468		9,468
Cancellation of shares	-	24,865	24,865
	(13,887,122)	12,274,479	(1,612,643)
At 31 December 2019	(13,887,122)	12,274,479	(1,612,643)

13. Directors' advances, credits and guarantees

The following advances and credits to a director subsisted during the years ended 31 December 2019 and 31 December 2018:

	31/12/19 £	31/12/18 £
W G Wells		
Balance outstanding at start of year	5,000	-
Amounts advanced	-	5,000
Amounts repaid	(5,000)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	-	5,000

14. Related party disclosures

During the year the Company advanced unsecured loans amounting to £16,000 to Cato Strategic Ltd. These loans were repaid in full plus £451 of interest after the year end on 20 January 2020, which represented an annualized interest rate of some 15%. Cato Strategic Limited is a company that is 60% owned by D J N Nabarro, who is a Director of MathEngine PLC.

During the year the Company advanced unsecured loans to a total of £159,000 to Leo Nabarro, a son of D J N Nabarro. The advances were made at an interest rate of 8.28% p.a., for a maximum of fifteen months. At the year-end Leo Nabarro owed the Company a total of £164,518. Since the year end Mr. Nabarro has repaid his loans plus all interest in full.

On 5 April 2019, the Company advanced a loan amounting to £175,000 to another unrelated party at an average interest rate of 22.78% p.a.. While that loan is unsecured, it is personally guaranteed by the borrower as a first charge on their estate. At the year end the total amount of capital and interest owed to the Company on that loan, which is current, was £207,883. The loan, is being serviced at a rate of £3,800 per month and will be repaid in full during the current year.

15. Ultimate controlling party

There is no controlling party.

MATHEngine PLC

Detailed Profit and Loss Account
for the year ended 31 December 2019

	£	31/12/19 £	£	31/12/18 £
Income		-		-
Other income				
Sundry receipts	560		-	
Deposit account interest	85		86	
Other loan interest receivable	39,934		1,046	
		<u>40,579</u>		<u>1,132</u>
		40,579		1,132
Expenditure				
Directors' salaries	5,000		5,000	
Office expenses	210		1,113	
Travelling	2,388		374	
Website and domain costs	175		389	
Sundry expenses	-		1	
Accountancy	5,846		3,113	
Legal and professional fees	4,075		2,495	
Auditors' remuneration	4,000		3,500	
Foreign exchange losses	-		20	
Subscriptions	140		-	
		<u>21,834</u>		<u>16,005</u>
		18,745		(14,873)
Finance costs				
Bank charges	132		209	
Credit card	23		11	
		<u>155</u>		<u>220</u>
		18,590		(15,093)
Gain/loss on revaluation of assets				
Gain/loss on revaluation of assets		<u>(27,986)</u>		<u>165,614</u>
		(9,396)		150,521
Exceptional items				
Profit/loss on sale of invest		<u>15,008</u>		<u>-</u>
Net profit		<u><u>5,612</u></u>		<u><u>150,521</u></u>

This page does not form part of the statutory financial statements